



EAST COAST FURNITECH PUBLIC COMPANY LIMITED (ECF)

Annual Report 2022
(Form 56-1 One Report)

**STAY
STRONG**

ECF
EAST COAST FURNITECH



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COMPANY PROFILE



“ECF is the manufacturer and distributor of home furnishings in Thailand, owns 2 factories in Rayong, and has focused on the production of self-assembled particleboard furniture and MDF wood furniture, and rubber wood furniture, with the main income from furniture sales accounting for more than 90% of total income and the rest income is from the sale of foil paper for decoration and dried rubber wood.”



Products manufactured and distributed by ECF comprise:



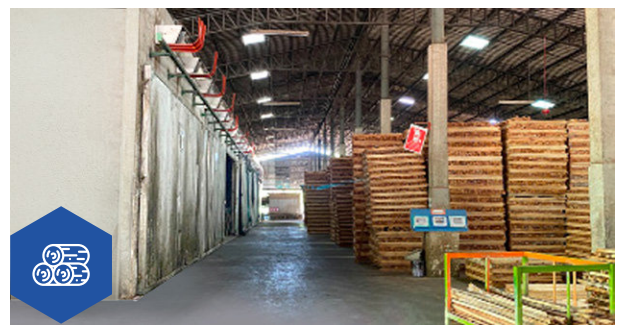
Self-assembled particleboard and MDF furniture.



Rubber wood furniture.



Foil paper for decoration.



Dried rubber wood.



● Distribution Channels of Domestic Sales and Online Platforms



ECF distributes furniture products through 2 main channels: custom-made products for export and distribution through Modern Trade, almost all custom-made furniture is exported to leading furniture distributors and major modern retailers in Japan, India, USA, China, etc. In Thailand, ECF distributes furniture through well-known modern retailers such as HomePro, Big C, Mega Home, Thai Watsadu, Lotus's, and Global House, including small retail stores and wholesale stores nationwide, and online channels through many marketplaces such as Shopee, Lazada, NocNoc, etc.



In addition, ECF has also expanded its investment in the renewable energy business such as solar power plants in Myanmar, with the total production capacity of 220 megawatts, at present, the 50-megawatt first phase out of all four phases already started the Commercial Operation Date and Phase 2 is currently under construction.





MESSAGE FROM CHAIRMAN

The year 2022 is the third consecutive year that our East Coast Furnitech Public Company Limited has faced the COVID-19 outbreak situation which has continued and many waves of outbreaks have lined up, resulting in the restriction of many economic activities under strict epidemic control measures for several months. Moreover, the economic situation has been worsened by the Russian-Ukrainian War in February 2022, affecting the oil price factor to be higher including economic condition, inflation problem, and higher cost of living. These result in increasing costs and expenses as significant consequences. We could not know when such a difficult economic situation around the world will end or terminate.

However, under the commitment to struggle all hurdles and create sustainable growth and profits for all shareholders, the Board of Directors, executives, and employees who have dedicated to work to meet the expectations of all customers, business partners, and interested parties. The challenging situations happened over the time have caused ECF's management to be alert towards changes and adjust plans to cope with the situations and obstacles that are continuously arisen so that ECF's operations are efficient and the potential impacts under such circumstances will be reduced. In 2022, ECF's operational result shows sales revenue at a total of THB 1,463.40 million, decreasing 8% compared to the previous year, with a net profit attributable to the parent company of THB 37.46 million, decreasing from THB 50.85 million of the previous year due to an overview of export sales decreasing under the condition of war and economic. In addition, the recognition of profit sharing from the investment made by the Company in a solar power plant project in Myanmar, on behalf of Green Earth Power (Thailand) Co., Ltd., with a production capacity of 50 MW for Phase 1 from a total capacity of 220 MW, has continued as usual. The plant construction for remaining 170 megawatts shall be started as planned again after the COVID-19 situation and the unrest situation in Myanmar become better.

ECF's corporate governance in 2022 was also very satisfactory, we have been ranked in the listed companies with excellent or 5-star rating for the 4th consecutive year, based on the survey of the Corporate Governance Report of Thai Listed Companies 2022 (CGR 2022) organized by the Thai Institute of Directors. We adhere to the principle that "if we have good corporate governance, it will be a significant part of the business development for sustainable growth". Furthermore, ECF has also prioritized to be a part of sustainable development in other important areas including social and environmental areas, anchoring the guideline of 17 Sustainable Development Goals to ensure a better world by 2030. Based on the principles and goals, ECF will plan its works, establish indicators, and the Board of Directors will inspect, supervise, and monitor the operational result to ensure the achievement as planned.

On behalf of the Board of Directors, I would like to thank the management team and all employees who dedicated themselves in working with commitment, devotion, diligence, patience, initiative and discipline for the Company's development for further growth. I would like to express gratitude to all shareholders, customers, business partners and those who have always supported the Company's operations. Everyone is regarded as an important person in driving the Company's business growth in 2022. We sincerely hope to receive good cooperations from everyone like this forever.

On this occasion, I would like to deliver my best wishes to everyone and family for happiness, prosperity, progress, wealth, and achievement in everything as desired.

On behalf of the Board of Directors
East Coast Furnitech Public Company Limited

General Terdsak Marom
Chairman of the Board





MESSAGE FROM MANAGING DIRECTOR

Year 2022 is another year that we must confront many challenges and adaptations, like Year 2021, though the COVID-19 situation is remained, what makes the existing challenges worsened is how to administer businesses under the situation without positive factors but with the war, oil prices, inflation, and cost of living. These have significantly affected the production costs and expenses in business operations to be increased, ECF has to strongly adjust its management strategies and extremely monitor the performance to be in line with plans, considered as an important principle to mitigate severity, making the business operations smoothly running and able to cope with changes when many situations happen.

The implementation of strategies and goals that have been continuously adjusted has begun to show the results in the 2nd Quarter, seen from the improvement in cost of sales and expenses with the cost of sales to total revenue ratio to be declined. This good performance is due to all internal management factors, as a result, the Company's overall performance of Year 2022 has continued to generate revenue from sales and a total of revenue is slightly decreased about 8% compared to previous year. Whereas Year 2022 is another year that all over the world has confronted the crisis of war, economic and higher cost of living.

Based on the concept of Sustainability Development and the concept of "Stay Strong", regardless the situation of external factors, it is important for the Company to adapt itself to cope with the situations, commitment, determination, plans, auditing and monitoring, comprehensive risk planning, and rigid teams, these are factors making us Stay Strong until today.

Understanding to express my gratitude that the cooperations of all executives and employees, the understanding of all business partners, the trustfulness of customers and the good support of all stakeholders make the Company going through all difficulties, no matter what challenges us. ECF is committed to conducting businesses with honesty and integrity, aiming to create added values for all stakeholders, being responsible for business operations in every value chain to create sustainable growth together.

Mr. Arak Suksawad
Managing Director



FINANCIAL HIGHLIGHTS: CONSOLIDATED

Unit : Million Baht

Statements of Financial Position	Year 2020	Year 2021	Year 2022
Total Assets	3,544.72	3,756.20	3,988.10
Total Liabilities	2,304.94	2,429.59	2,621.49
Shareholder's Equities	1,239.78	1,326.61	1,366.61
Paid-up Capital	239.87	239.87	239.87

Unit : Million Baht

Statement of Comprehensive Income	Year 2020	Year 2021	Year 2022
Revenue from Sales-Net	1,384.49	1,549.41	1,418.93
Total Revenues	1,415.63	1,592.19	1,463.40
Cost of Goods Sold	(1,077.23)	(1,237.05)	(1,075.42)
Total Expenses	(1,293.61)	(1,424.61)	(1,290.36)
Corporate Tax	(13.80)	(1.67)	(1.12)
Profit for the Year	31.65	50.92	37.19
Profit Attributable to owners of the parent	41.16	50.85	37.46
Total Comprehensive Income for the Year	17.70	93.88	55.07
Total comprehensive Income for the Year - Attributable to owners of the parent	27.21	93.81	55.34

หน่วย: ล้านบาท

Financial Ratios	Year 2020	Year 2021	Year 2022
Return on Asset (%)	0.92	1.39	0.96
Return on Equity (%)	2.55	3.97	2.76
Gross Profit Margin (%)	22.19	20.16	24.21
Net Profit Margin (%)	2.24	3.20	2.54
Debt to Equity Ratio (times)	1.86	1.83	1.92
Earnings per share (Baht)	0.04	0.05	0.04
Book value per share (Baht)	1.29	1.38	1.42





Board of Directors

As of 31 December 2022, The Company's Board of Directors consisted of 8 Directors as follows.



General Terdsak Marom

Chairman of the Board and
Independent Director



Assoc. Prof. Dr. Montree Socratyanurak

Chairman of the Audit Committee and
Independent Director



Assoc. Prof. Songklod Jarusombat

Independent Director



Dr. Ekarin Vasanasong

Independent Director



Mr. Paiboon Aroonprasobsuk

Independent Director

Mr. Chalee Suksawad

Vice Chairman

Mr. Wanlop Suksawad

Director

Mr. Arak Suksawad

Director



Audit Committee

As of 31 December 2022, the Company had 3 Audit Committees consisting of;



Assoc. Prof. Dr. Montree Socratyanurak

Chairman of the Audit Committee and
Independent Director



General Terdsak Marom

Audit Committee and
Independent Director



Assoc. Prof. Songklod Jarusomba

Audit Committee and
Independent Director

The scope of duties and responsibilities of Audit committee is also comprehensive corporate governance.



Risk Management Committee

As of 31 December 2022, the Company had 4 Risk Management Committees consisting of;



Assoc. Prof. Dr. Montree Socratyanurak

Chairman of Risk Management
Committee and Independent Director



Assoc. Prof. Songklod Jarusombat

Risk Management Committee and
Independent Director



Mr. Chalee Suksawad

Risk Management Committee



Mr. Arak Suksawad

Risk Management Committee



Nomination Committee

As of 31 December 2022, the Company had 3 Nomination Committees consisting of;



Assoc. Prof. Songklod Jarusombat
Chairman of the Nomination Committee
and Independent Director



Mr. Chalee Suksawad
Nomination Committee



Mr. Arak Suksawad
Nomination Committee



Remuneration Committee

As of 31 December 2022, the company had 3 Remuneration Committees consisting of;



**Assoc. Prof. Dr. Montree
Socratyanurak**
Chairman of Remuneration Committee
and Independent Director



Mr. Chalee Suksawad
Remuneration Committee



Mr. Arak Suksawad
Remuneration Committee



EXECUTIVE COMMITTEE

As of 31 December 2022, the Company had 3 Executive Committees consisting of;



Mr. Wanlop Suksawad

Chairman of Executive Committee



Mr. Chalee Suksawad

Executive Committee



Mr. Arak Suksawad

Executive Committee



MANAGEMENT TEAM

As of 31 December 2022, the Company had 6 executives as the names consisting of;



Mr. Arak Suksawad

Managing Director



Mr. Racha Pojariya

Assistant Managing Director
(Head Office)



Ms. Suphak Toaphonganan

Assistant Managing Director (Branch 1)



Mr. Sittichoke Chinnurat

.Assistant Managing Director (Branch 2)



Ms. Pachanan Singphu

Assistant Managing Director



Mr. Pongpan Suriya-Amporn

Accounting and Financial Director
Chief Financial Officer



Part 1

Business Operations and Performance

EAST COAST FURNITECH PUBLIC COMPANY LIMITED (ECF)

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1. STRUCTURE OF OPERATIONS OF COMPANY GROUP



1.1 POLICY AND OVERVIEW OF BUSINESS

Furniture Business

East Coast Furnitech Public Company Limited (“ECF” or “Company”) has established its vision for business operations **“Committed to maintain the stability and firmness in the furniture business, together with creating opportunities for business growth, continuously seeking for opportunities to expand into other businesses for sustainability”** under the objective “To lead the organization into the development and profits with sustainable growth along with social and environment responsibility, including good corporate governance.”

ECF is a manufacturer and distributor of self-assembled furniture made of particle board and MDF, rubber wood furniture, dried rubber wood products, foil paper for particle boards. Moreover, ECF has invested in energy business and agricultural crop business. The energy business is under the construction of remaining phase of solar power plant project so that its capacity will reach 220 megawatts, presently this plant generates the commercial revenue from 50-megawatt capacity, while the agricultural crop business is under the process to start the business and urged to generate the commercial revenue.

In terms of furniture manufacturing and distribution business, ECF has exported its products or its furniture products to sell in many countries around the world such as Japan, USA, Middle East, China, India, and countries in ASEAN Economic Community (AEC), such as Malaysia, Philippines.

In domestic market, another important distribution channel for domestic customers is Hypermarket such as Home Pro, Lotus, Big C, Mega Home, Do Home, Global House, etc. ECF has distributed its products to hypermarket for OEM and house brands, including production under the Company’s current brand Hasta which has the brand of the company Currently used is Hasta.

As for the distribution of furniture products to customers in wholesale store and retail stores, the Company has improved the sales and marketing system, payment system, to increase the efficiency of selling through this channel. Therefore, when the system was developed and improved, the Company sees that the sales of this distribution channel has begun to grow again during 2022.

In addition to the business overview in terms of sale revenue which was from the production and distribution of furniture, the Company generated its revenue from selling the foil paper including dried rubber wood which both were used as raw materials for furniture production.

For the foil paper distribution, on 11 May 2011, the Company registered the establishment of VV Décor Co., Ltd. (“V V-Décor” or “subsidiary company”) as its subsidiary with the Company’s shareholding ratio of 99.95%, its registered capital is 1,000,000 Baht (One Million Baht only), divided into 10,000 ordinary shares at a par value of 100 Baht, fully paid-up. V V-Décor is established to operate trading business for ECF as the foil paper distributor to some customers of the Company.

V V-Décor is a supplier of foil paper to customers engaged in the distribution business of furniture and home furnishing materials, and some manufacturers who contract the production for ECF. In terms of the growth direction of V V-Décor, the Company will focus on marketing through large-scale retail customers to increase distribution channels, and further create opportunities to increase sales for V V-Décor. In the past, the direction of marketing performance has started to realize the results showing that V V-Décor is increasing the profits.

In addition to the business overview of ECF Holdings Company Limited (“ECFH” or “subsidiary company”) as a subsidiary by the Company’s shareholding of 94.44% at the present.

At present, ECFH’s registered capital is THB 45,000,000 (Forty-five Million Baht only), divided into 450,000 ordinary shares (Four Hundred and Fifty Thousand shares) with a par value of THB 100 (One Hundred Baht) and fully paid up.

ECFH currently operates its business as a distributor of furniture product, which is the main product of ECF. The customers of ECFH are retailers and wholesalers nationwide, which are small shops, unlike ECF customers which are hypermarket including Home Pro, Lotus, Big C, Mega Home, Do Home, Global House, etc.

Later, in December 2021, ECFH has entered into additional businesses, such as investing in cryptocurrency mining business, in which when the digital currency can be mined, it will be sold.

However, after the approval of the Board of Directors, ECFH started its operation in cryptocurrency mining business since the end of 2021, later in February 2022, the Russian-Ukrainian War has affected and caused the inflation issue, the higher oil prices and the high electricity cost which is

the most important operating cost. At present, we could not see any tendency that the electricity fee will drop soon, and digital currency has high volatility and very low prices, then affecting the tendency of the return on investment of cryptocurrency mining, the management has considered that the tendency of the return on investment may not be worth investing in the long run. Therefore, in the Board of Directors Meeting No. 7/2022 on 10 November 2022, this issue was proposed for consideration and approval to terminate the investment, and sell the digital currency mining machines and other related equipment, this can help protect against risks from the fluctuations in costs, expenses, and changes in cryptocurrency prices, and will help reduce the long-term impacts that may have on the overall performance of the Company, this solution is better than expanding further investments in the cryptocurrency mining business in the future, ECFH terminated such investment and completely sold digital currency mining machines and other related equipment on 30 November 2022.

Alternative Energy Business

The Company registered the establishment of ECF Power Company Limited on 16 January 2017. East Coast Furnitech Public Co., Ltd. is holding 99.99% of total shares, the initial registered capital was Baht 1.00 Million and presently, its registered capital is Baht 909,282,500 divided into 90,928,250 shares with a par value of Baht 10.00 each, fully paid up.

Since 2017, the Company has expanded its investment in renewable energy business to solar power plant business. The total installed power generation capacity is 220 MW and the contracted power generation capacity is 170 MW of Green Earth Power (Thailand) Company Limited (“the Project” or “GEP”). GEP is the company investing in the solar power plant project located in Minbu City, Magway Region, Republic of the Union of Myanmar (“Myanmar”), whereby the Company assigns ECF Power Company Limited (“ECF-P”), a subsidiary in which the Company holds 99.99% of shares, to invest in the shares of GEP, accounting 20% of total shares.

GEP’s current registered capital is THB 2,252.72 million, consisting of 22,527,163 ordinary shares at a par value of THB 100, and registered and paid-up capital of THB 1,171.12 million, consisting of 22,527,163 ordinary shares with a par value of THB 100 (consisting of 10,806,478 ordinary shares, fully paid, 10,196,996 ordinary shares, paid-up THB 56.72 per share, and 1,523,689 ordinary shares, paid-up THB 38.13 per share), its office is located at 33/4,

the 9th Towers Grand Rama 9, 36th Floor, Huai Khwang Sub-district, Huai Khwang District, Bangkok Metropolis.

GEP has one subsidiary which is GEP (Myanmar) Company Limited (“GEP-Myanmar”), it solely invests in GEP-Myanmar, and does not hold shares in any other company. GEP-Myanmar is registered as a Myanmar company with a registered capital of \$500 million, divided into 500,000,000 ordinary shares with a par value of USD 1 each, its paid-up registered capital is USD 104,357,425. GEP has a shareholding in GEP-Myanmar for 100.00% of the total paid-up capital in GEP-Myanmar and its objective is to operate a business in the development and management of solar power plant projects in Myanmar. The total installed power generation capacity is 220 MW and the contracted power generation capacity is 170 MW.

As for the investment in the renewable energy business for other additional projects, at present, the Company is considering the feasibility to invest if those projects are feasible with appropriate return on investment and worthiness to invest when considering together with various risks, the Company will consider with prudence and carefulness before making decision to invest.

The Investment in Wood-Based Panel Business

In October 2017, the Company establishment of one additional subsidiary which the Company shall hold 57.00% of total shares, namely, Planet Board Co., Ltd. Its registered capital is 50,000,000 Baht, divided into 10,000,000 ordinary shares with a par value of 5.00 Baht and its paid-up capital is 12,500,000 Baht, divided into 10,000,000 ordinary shares with a par value of 1.25 Baht. The objective is to establish a wood-based panel business such as MDF Board. Its production capacity is expected to reach 600-800 cubic meters per day and Planet Board Co., Ltd. was registered of its establishment on 19 December 2017. The initial investment in the project is expected for approximately THB 1,400 million.

At present, Planet Board Co., Ltd. has a shareholding structure as following detail:

1.	East Coast Furnitech Public Co., Ltd.	57%
2.	Mr. Khomwit Boonthamrongkit	25%
3.	Mrs. Kunthong Udommahuntisuk	3%
4.	Ms. Kritchanok Patamasattayasonthi	3%
5.	Ms. Pichapim Patamasattayasonthi	3%
6.	Mr. Eakalak Patamasattayasonthi	3%
7.	Mr. Ekaridhi Patamasattayasonthi	3%
8.	Mr. Warattakrit Pomjamsai	3%

Mr. Khomwit Boonthamrongkit is currently an executive and a shareholder of Prize of Wood Industries Co., Ltd., a manufacturing business of timber processed products (CHALE'T Brand) and a subsidiary of SBP Timber Group, a timber trading group that started operating since 1981 starting the business from importing and distributing timber from every country around the world, in which does not conduct any business that is competitive to the Company.

No. 3 to No. 7 in the shareholder list of PLANET are presently the management group and shareholders of Index Living Mall Public Company Limited, which operates a retail business and is a subsidiary of Index Interfurn Group, the leader of the largest furniture industry in Thailand. However, even as a furniture business entrepreneur, the characteristic of business operation is different because Index Group manufactures products for selling in Index Stores to directly distribute to retail consumers, while the Company mainly manufactures and distributes furniture products for export to foreign customers and domestic selling to most of large retail stores (hypermarket) in a made-to-order basis, which does not directly compete.

Presently, Planet is delaying the investment in the project because the cost of timber is increasing, the demand for wood used for generating power in biomass power plant project in the area is under consideration about the procurement for the investment in the project. These events had a significant impact on previously considered return on investment figures, including the impacts of COVID-19 situation, war, inflation, higher oil prices resulting in currently higher costs and expenses that occurred along the way, the Management and the Planet team are under the process of considering an optimal solution for the feasibility to continue the PLANET business.

Investments in Online Business Platform

In June 2021, the Company has established one more subsidiary, currently holding 75.00% of total shares, its name is SoMeWa Plaza Company Limited (SoMeWa) with a registered capital of THB 2,000,000, divided into 200,000 ordinary shares with a par value of THB 10.00 per share, and its paid-up capital is THB 2,000,000, divided into 200,000 ordinary shares with a paid-up value of THB 10.00 per share. Its objective of establishment is to be an online platform service provider for selling furniture products of the Company, and other additional products in the future.

At present, the development of platform is under process and has not yet been completed, and Somewa Plaza Company Limited has no commercial revenue at this moment.

Investment in Agriculture and Crop Distribution Business

In December 2021, the Board of Directors' meeting had a resolution to approve the registration and establishment of one more subsidiary for the agriculture and crop distribution business. This is V.V. Rich Company Limited. The Company will be the major shareholder in the proportion of 99.97%, with the registered capital of THB 1,000,000, divided into 10,000 ordinary shares with a par value of THB 100 per share. In addition, the initial investment will be at a value of not more than THB 80 million. Currently, it is in the process of starting operations and has no commercial income at this time.

1.1.1 Vision, Objective, Strategy, Corporate Value and Target of the Company

Vision

"Committed to maintain the stability and firmness in the furniture business, together with creating opportunities for business growth, continuously seeking for opportunities to expand into other businesses for sustainability."

Objective

"To lead the organization into the development and profits with sustainable growth along with social and environment responsibility, including good corporate governance."

Strategy

Sustainability The organization is developed to grow with sustainability such as the cost and expense reduction of major raw materials for the Company's furniture business, the expansion of business into the renewable energy business as an important tendency and a part of creation of energy stabilization, which would help to continuously generate revenue and profit for the business in overall, and seek for new businesses related to main business or new business opportunities that could generate income for secured growth, etc., and operate the business with responsibility to all stakeholders along the value chain, society, environment, and good corporate governance.

Diversification Risk diversification in business, such as incomes from selling products both domestically and internationally, a variety of customer groups from exporting, modern retail stores, sales showrooms, wholesale stores, retail stores for furniture throughout the country. Development of e-commerce selling model through online platforms and the business expansion to other types of businesses such as energy business, digital asset business, agricultural crop business, in order to diversify risks and not solely rely on furniture business

Adaptation Ready for strategies of changes and continuously adapt itself for creating opportunities in business operations with stability and sustainability, such as starting from furniture business to become a para rubber furniture business, particle board furniture MDF and foil paper business, in order to reduce the production cost of furniture, etc.

Corporate Value

Be Passionate and Determined

Do More with Less

Pursue Growth and Learning

Build Open, Integrity, Honest relationships with Communication

Target

The Company sets long-term target by maintaining the growth of sales volume and profit from the operation in furniture business group for continuous growth at least 10 - 15% per year, aiming to be the organization that develops the investment to reduce costs in the integrated furniture manufacturing business for strengthening competitiveness and operating business with ethics, respect of rights, and responsibility to shareholders and stakeholders, giving benefits to society and minimizing the impact on the environment, subject to maintain the gross profit margin of the furniture business for at least 25% per year. In addition, the Company's products must obtain the customer's satisfaction for at least 80%, based on the result of annual survey on customer's satisfaction.

In terms of long-term goal, the Company has formulated that the return from renewable energy business is at least 30% of total net profit of the Company and all subsidiaries within 3 years, and also set the Company's sustainability goals in the next 3 - 5 years with following indicators:

1. Diversification of business risks to other types of businesses that have potential and opportunities for continuous growth.
2. Leadership in furniture manufacturing and distribution business for export and leadership in furniture distribution business for wholesale stores and retail stores nationwide and ASEAN region; in each year, it will generate a growth rate of sales revenue of not less than 10 - 15% and can reduce the cost of sales through efficient production management, which can be reduced by not less than 5% compared to previous year.
3. The Company could continuously reduce greenhouse gas emissions in the business value chain when proportionally calculating compared to previous year, with a decrease of at least 5%.

The Company will operate its business to achieve the goals in line with strategic directions in operations as established.

1.1.2 Significant Changes and Developments

1992 - 2009	<p><u>East Coast Industries Company Limited (ECI)</u> which is the first company of East Coast Group was registered to operate a sawmill and wood drying factory, and produce and sell rubber wood furniture, located at Ban Bueng - Klaeng Road, Thang Kwian Sub-district, Klaeng District, Rayong Province, and in subsequent years, 4 additional companies under the East Coast Group were registered, totaling 5 companies, namely, <u>East Coast Design Co., Ltd. (ECD)</u>, during this time, ECD was selected by the Department of Export Promotion to use the "Thailand's Brand" emblem to represent its high-quality export product.</p> <p>ECI received the "Prime Minister Award" from the Ministry of Commerce, an award granted to exporters with outstanding performance and excellent product quality.</p> <p>Subsequently, <u>East Coast Furnitech Company Limited (ECF)</u> was registered as the 3rd company to operate business as a manufacturer and distributor of self-assembled furniture made of particle board and MDF.</p> <p>Later, <u>V-Chats Decor Co., Ltd (VCD)</u> was established as the fourth company to operate the business as a manufacturer and distributor of foil paper because ECF manufactures a lot of particleboard furniture, resulting in the need to import foil paper, VCD was therefore established to produce foil paper, so that the quality of production could be controlled, the foil paper will be distributed to ECF and general furniture manufacturers, and the juristic person registered later was <u>V-Chats Industry Co., Ltd (VCI)</u> to restructure the operations within the Company Group.</p>
2010	<p>1 October: East Coast Group has started to re-structure its business structure from all 5 companies in the group to have only one company which is ECF, operated, the group restructuring process started from purchasing all the land used in the business operations in which at that time was privately owned by the directors of the company, to be owned by ECF, transferring production lines and selling finished products, products in process, raw materials, consumables, some of machinery and equipment from 4 companies to be possessed by ECF, and negotiating for a reduction of credit limit of companies in the group with financial institutions and transfer it to the ECF's credit line, this is the repayment of debts among companies in the group to eliminate connected transactions and conflict of interest.</p>
2011	<p>11 May: the Company established <u>VV Décor Co., Ltd. (V V-Décor)</u> as a subsidiary and the Company holds 99.95% of shares, to be a trading company for ECF as a supplier of foil paper.</p> <p>In the same year, the East Coast Group has restructured its business operations by remaining only ECF to solely operate business and prepared itself to transform into a public company.</p>
2012	<p>18 October 2012: the Company has registered to transform its status from a limited company to be a public limited company and changed its name to be East Coast Furnitech Public Company Limited (ECF).</p>
2013	<p>26 March: the Company began trading in market for Alternative Investment (mai) as First Trading Day</p>
2015	<p>23 February: the Company established <u>ECF Holdings Company Limited (ECFH)</u> to operate the business of holding company. Presently, it operates business as a distributor of furniture products for ECF.</p>

2017	<p>12 January: <u>ECF Power Co., Ltd.</u>, another subsidiary, was registered to invest in renewal energy business that the Company holds 99.99% of shares.</p> <p>3 April: The Company has invested in solar power plant with the total installed capacity at 220 MW of <u>Green Earth Power (Thailand) Co., Ltd. (“Project” or “GEP”)</u> located in Minbu City, Magway Region, Republic of the Union of Myanmar (“Myanmar”), with the total installed capacity at 220 MW. ECF Power Co., Ltd. (“ECF-P”), at 99.99% subsidiary of the Company, invested to buy shares of the project in the portion of 20%, later in the extraordinary meeting of shareholders No. 1/2017 on 31 May 2017 had a resolution to approve the purchase of GEP’s ordinary share.</p> <p>27 October: one additional subsidiary, <u>Planet Board Company Limited</u>, was established with the objective is to establish a wood-based panel business such as MDF Board, it is under feasibility study for the investment one more time under the circumstances and supporting factors that have changed. At present, the Company holds 57% of total shares in Planet Board Company Limited.</p>
2019	<p>27 September: the Solar Power Plant Project of Green Earth Power (Thailand) Co., Ltd. (“Project” or “GEP”) located in Minbu City, Magway Region, Republic of the Union of Myanmar (“Myanmar”), could recognize the revenue of Phase 1, with a capacity of 50 MW, and the construction of Phase 2, 3 and 4 will be completed soonest.</p>
2021	<p>14 May 2021: the significant resolution was the approval on the registration of a subsidiary to operate online platform business, namely <u>SoMeWa Plaza Company Limited (SoMeWa)</u>, in which the Company holds 75% of the shares and was successfully registered on 14 June 2021 with the initial registered capital of THB 2 million. At present, its commercial income is not yet recognized because it is in the development of platform.</p> <p>2 June: the Company issued and allocated warrants to purchase the Company’s ordinary shares for the 4th time (ECF-W4) to existing shareholders, 191,894,988 units were allocated. The said warrants are valid for 3 years, ending on 2 June 2024, with the exercise ratio of 1 unit of warrant per 1 ordinary share to be purchased, with an exercise price of THB 2 per 1 ordinary share of the Company.</p> <p>23 December 2021: The Board of Directors had a resolution to approve the registration of an additional subsidiary to operate the business of agriculture and crop distribution. This Company is <u>V.V. Rich Company Limited</u>. The Company will be the major shareholder in the proportion of 99.97%. At present, its commercial income is not yet recognized because it is still in the initial stage of investment.</p>



1.1.3 Use of Funds

(1) Use of fund from each equity or offering of debt securities

Use of Fund	Approximate amount spent	Estimated spending period	Details/Progress of spending
Bonds			
1. The Company's secured bonds "Secured bonds of East Coast Furnitech Public Company Limited No. 2/2564 with redemption due in 2023, in which the bond issuer is entitled to redeem the bonds before redemption date."			
1) To exercise the right to partially redeem ECF226A bonds on 13 December 2021 in an amount of THB 290.55 million.	THB 340 million	Within 2021 to the 1st - 2nd quarters of 2022	Already spent funds for intended purpose
2) To be used as capital to increase furniture production machinery in an amount of THB 10 million.			
3) To be used as working capital of the Company in an amount of THB 39.45 million.			
2. The Company's bonds No. 1/2565, Lot 1, Lot 2, and Lot 3 with the redemption due in 2023, 2024 and 2025, respectively, in which the bond issuer is entitled to redeem bonds before redemption date.			
1) To repay the ECF226A bonds in the amount of THB 290.55 million which will be redeemed on 12 June 2022.	THB 850 million	By 2022	Already spent funds for intended purpose
2) To exercise the right to redeem ECF226A bonds on 25 July 2022 in an amount of THB 225 million.			
3) To repay the loan in an amount of THB 200 million.			
4) To be used as working capital of the Company in an amount of THB 134.45 million.			
Equity Instruments			
Warrants to purchase ECF's ordinary shares No. 4 (ECF-W4)			
1. To be used in purchasing assets or investing in businesses related to current business operations	In 2022, No one presented the consent to exercise the right of converting the warrants to be ordinary shares.		
2. To be used in purchasing assets or investing in businesses not related to current business operations			
3. To repay the loan or debt from the issuance of bonds			

(2) Applicable Laws

The terms and conditions of the issuance and offering of debt securities shall be governed by and construed in accordance with Thai laws, and any laws or announcements that are legally applicable to the debentures.

1.1.4 Key Financial Terms

- ECF's secured bonds No. 1/2564 with the redemption due in 2023 on 29 January 2023.

The bond issuer will maintain the ratio of "Interest-Bearing Debt" to "Equity Ratio" for not more than 4:1 (four to one) according to consolidated financial statements at the end of quarterly accounting period or the end of fiscal year of the bond issuer for the purposes of calculating this ratio as specified.

- ECF's secured bonds "Secured bonds of East Coast Furnitech Public Company Limited No. 2/2564, with the redemption due in 2023, in which the bond issuer is entitled to redeem the bonds before redemption date."

The Company will maintain the ratio of Interest-Bearing Debt to Equity Ratio as definition specified in entitlement terms for not more than 4:1 according to consolidated financial statements at the end of quarterly accounting period or the end of fiscal year throughout the life of bonds.

- ECF's bonds No. 1/2565, Lot 1, Lot 2 and Lot 3 with the redemption due in 2023, 2024 and 2025, respectively, in which the bond issuer is entitled to redeem bonds before redemption date.

The Company will maintain the ratio of Interest-Bearing Debt to Equity Ratio as definition specified in entitlement terms for not more than 4:1 according to consolidated financial statements at the end of quarterly accounting period or the end of fiscal year throughout the life of bonds.

1.1.5 General Information of East Coast Furnitech Public Company Limited

Company's name in Thai	:	บริษัท อีสต์โคสต์เฟอร์นิเทค จำกัด (มหาชน)
Company's name in English	:	East Coast Furnitech Public Company Limited (ECF)
Head Office Location	:	37/9, Moo 10, Banbueng - Klaeng Road, Thang Kwian Subdistrict, Klaeng District, Rayong Province, 21110 which is the Head Office used as a factory for the production and self-assembled furniture made of particleboard and MDF wood.
Branch Office Location		
Branch 1	:	No. 29/1, Moo 3, Soi Chongko - Chunmnumnai, Wang Chan Subdistrict, Wang Chan District, Rayong Province, this branch is used as a factory for furniture manufacturing and assembly, sawmill for rubber wood and dried rubber wood, and production of foil paper using as a raw material furniture manufacturing
Branch 2	:	No. 25/28, Moo 12, Bueng Kham Phroi Subdistrict, Lam Luk Ka District, Pathum Thani Province 12150, this branch is used as a general management division and a warehouse.
Type of business	:	Manufacturer and distributor of self-assembled furniture made of particle board and MDF wood, rubber wood furniture, foil paper to be used in furniture manufacturing, production and distribution of dried rubber wood, distribution of furniture through websites, online platforms; and PVC trim cutting services, investment in solar power plant business, and agriculture and crop distribution business.
Registered company/ TAX ID	:	0107555000449
Date of registration	:	October 12, 1999 as the Limited Company
Later as of October 18, 2012, the Company has registered and transformed into Public Company Limited and changed the name to East Coast Furnitech Public Company Limited (ECF).		
Securities Symbol	:	ECF
Registered Capital	:	239,871,897.50 Baht which has been divided into 959,487,590 ordinary shares at a par value of 0.25 Baht
Paid-up Capital	:	239,871,897.50 Baht which has been divided into 959,487,590 ordinary shares at a par value of 0.25 Baht per share
Telephone Number	:	+66 38-675-181-4, +66 2-152-7301-4
Fax Number	:	+66 38-678-220, +66 2-152-7305
Home Page	:	www.eastcoast.co.th

1.2 NATURE OF BUSINESS

1.2.1 Revenue structure

1. The revenue structure is classified by type of product and profits from investments in associated companies.

Product Groups	2020		2021		2022	
	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%
1.Furniture	1,330.70	94.00	1,495.38	93.92	1,313.28	89.74
2. Other products such as foil paper, dried rubber wood, PVC for the edge of wood.	53.79	3.80	54.03	3.39	105.65	7.22
Net sales revenues	1,384.49	97.80	1,549.41	97.31	1,418.93	96.96
Others Revenues ^{1/}	31.14	2.20	42.78	2.69	44.47	3.04
Total revenue	1,415.63	100.00	1,592.19	100.00	1,463.40	100.00
Profits from investments in associated companies and joint ventures	35.14		32.42		28.20	

Note : ^{1/} Other revenue includes sales of waste and residue from production, interest receivable, profit from sales of non fixed assets and others.

2. Revenue structure categorized by domestic and overseas distributions

Distributin Channels	2020		2021		2022	
	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%
1. Domestic distribution	515.19	37.21	599.51	38.69	712.47	50.21
2. Overseas distribution	869.30	62.79	949.90	61.31	706.46	49.79
Net sales revenue	1,384.49	100.00	1,549.41	100.00	1,418.93	100.00



1.2.2 Product Information

Furniture Manufacturer and Distributor

The business operated by East Coast Furnitech Public Company Limited, VV Decor Company Limited and ECF Holdings Company Limited as subsidiaries in which the Company holds 99.95% of shares, and 94.44% of shares, respectively.

East Coast Furnitech Public Company Limited (ECF) is a manufacturer and distributor of self-assembled furniture made of particle board and MDF, rubber wood furniture, foil paper, dried processed rubber wood to be used as raw materials for furniture production and providing PVC trim cutting services to be used as raw materials to produce particleboard furniture.

The Company has 2 subsidiaries is VV-Décor Co., Ltd. is of which the company holds 99.95 percent of the registered capital. It has registered capital of 1,000,000 Baht with fully paid-up. It operates its business as trading of foil paper to some customers of the Company.

Additionally, ECF Holdings Company Limited (ECFH), currently the Company holds 94.44% of shares with a registered capital of THB 45,000,000 (forty-five million baht only) in it, which is fully paid up. At present, the Company operates business as a distributor of furniture products, which is the main product for some of customers in retail and wholesale stores nationwide.

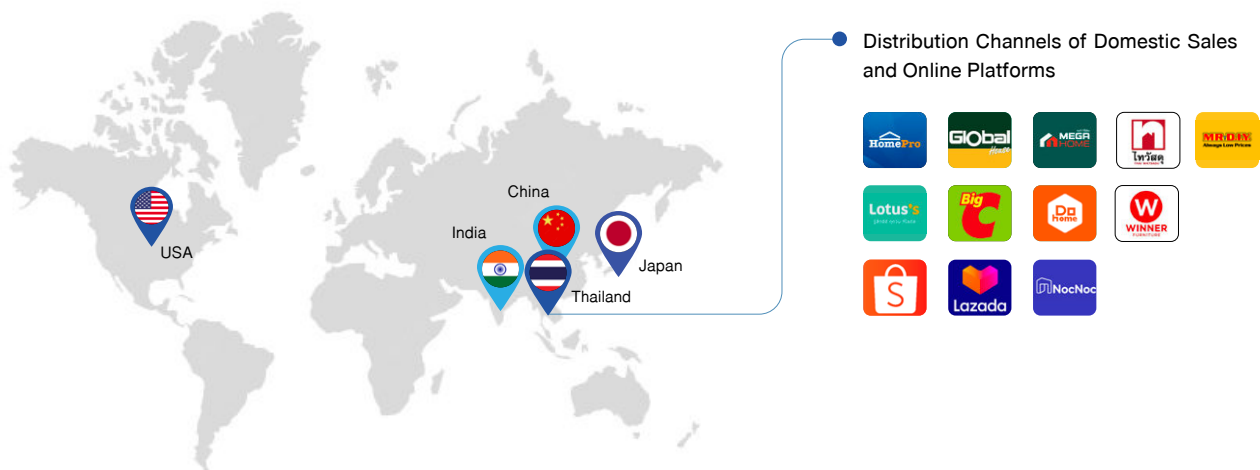
Product line of ECF and its subsidiaries can categorize into 4 types which are related to Furniture:

1. Rubber wood furniture
2. Self-assembled furniture made of particle board and MDF
3. Foil paper
4. Dried rubber wood

Most of the Company's revenue comes from the manufacturing and distribution by order or made to order, such as self-assembled furniture made of particle board and MDF wood, and rubber wood furniture, for both domestic and foreign customers. In case of some domestic customers, the Company will manufacture by using its brand, domestic customers are Hypermarket stores such as Home Pro, Lotus, Big C, Mega Home, Do Home, Global House etc.

Oversea customers are made-to-order customers who are various furniture distributors and large hypermarket companies in Japan. Revenue from sale is mostly from Japan consisting of 30 % of total sale revenue. However, the Company is well aware of the customer proportion that relies on customers in Japan. In the past, the Company has focused on expanding its international customer base to other countries and the result has been realized since the 4th Quarter of 2019 with the increasing orders from new customers in India, USA and China as well.

Diagram about the Countries of Customers




The following proportion of revenue is the revenue from domestic manufacturing and distribution, which is mostly 'made to order' under the customer's brand, while fewer remaining will be the production by using the Company's current brand, Hasta.

Domestic customers hiring the Company to produce products by using the Company's brand are Hypermarket stores such as Home Pro, Lotus, Big C, Mega Home, Do Home, Global House, etc.

In addition to the distribution channels mentioned above, the Company also has income from selling furniture to wholesalers and retailers (Dealers) who distribute furniture throughout the country, and selling through online channels, websites and platforms such as Lazada, Shopee, etc.

Company's Brands

Brands	Symbol	Distribution Channel
Hasta		Used for selling self-assembly furniture for customers in Modern Trade stores.

(1) PRODUCT OR SERVICE CHARACTERISTICS AND BUSINESS INNOVATION DEVELOPMENT

Main 4 products of ECF started from the beginning of business operations as a rubber wood sawmill in which the rubber wood shall be dried and lumbered to rubber wood plate as a raw material for ECF's furniture manufacturing while some portions shall be sold to other furniture manufacturers or general customers. For self-assembled furniture made from particle board and MDF wood, which generates main revenue for the Company, raw materials shall be purchased from suppliers who are not all with connected transactions. All purchased particle board shall be finished with foil paper which was manufactured by the Company. Most foil papers shall be utilized internally with only some portions for sale. Finishing particle boards MDF shall then enter the manufacturing process. Moreover, some parts are outsourced to be sold in distribution channels such as wholesale stores and retail stores nationwide.

Details of each product are as follows:

1. Dried rubber wood

Rubber wood is a wood with many physical qualities similar to teak such as beautiful pattern, dyeable, easy to decorate on wood, light weight and cheaper price when compared to other types of wood used to produce furniture. With such good properties, rubber wood is popular among people around the world in short time under the name of "White Teak". Presently, rubber plantation trees are generally harvested for wood after they complete the latex producing cycle, when they are old. After the latex yields become extremely low, the trees are then fell, and new trees are usually planted in accordance with the natural cycle of rubber tree farmers. According to Office of the Rubber Replanting Aid Fund's regulations, rubber farmers must request for approval to cut rubber trees down and be approved by the Office of the Rubber Replanting Aid Fund before taking the rubber wood into lumbering process. The process starts from sending woods to sawmill for chopping them into desired size, then dipped into soluble wood preservatives, causing high water contents in wood and requiring to adjust the moisture level to be balanced with weather condition by drying to maintain wood shape to prevent the problem of wood stretch or shrinkage which may cause the problem of cracking, splitting or warping, such problems shall make product damaged. Additionally, the decrease of wood moisture process will minimize the opportunity of fungus. Therefore, lumbered rubber wood is necessary to have moisture level which is appropriate to the standard criteria, then it can be further used to produce furniture.

Lumbered rubber wood is an important raw material for rubber wood furniture manufacturing and ECF has complete lumbering process before supplying them into the production process of rubber wood furniture.

The first step is purchasing the rubber timber for sawing before having them dried. ECF plans to purchase the rubber wood in each cycle to avoid the shortage which may cause interruption in the manufacturing process.

Experience and expertise are significant in the manufacturing process, starting in the sawmill, timber will be sawn at a specific size then impregnated by water solution then adjusted the moistness by drying to avoid the shrinkage or stretch which may cause cracking, splitting or warping. Moistness reduction with high pressure also protects the wood against fungal and insect attacks so that the rubber wood is standardized and ready for furniture manufacturing. Sawing rubber wood is different than other woods as the timbers are usually curved as well as there are many joints and flaws so automatic sawing cannot be applied.

95% of lumbered rubber wood shall be forwarded to ECF's manufacturing process while the remaining shall be sold to general customers or small rubber wood manufacturers.

Lumbered rubber wood and dried rubber wood



2. Rubber Wood Furniture

Rubber wood furniture is strong furniture as it is built from real wood. Main raw materials are rubber and other woods which are 35% of the cost structure but this percentage varies according to the market price of rubber wood.

Due to its durability, strength and beautiful pattern & line, dyeable and easy to decorate with properties suitable to the function which need durability to environment or application outside the building, rubber wood furniture is popular for outdoor usage or customers who live in fluctuating climate areas. When compared to particle board furniture/ MDF, the rubber wood furniture's price is more expensive due to raw material price and the trend to use real wood furniture, therefore, the popularity of rubber wood furniture is for niche market only, it is not popular big group of

consumers. Such niche target group will consider the appropriateness of properties in using rubber wood furniture and its niceness, additionally there is no any other products with similar properties to suitably replace this rubber wood furniture.

ECF's rubber wood furniture is categorized into 3 groups as follows:

Category	Product Type
1	Dining Table
2	Living Room
3	Bedroom

Sample Photos of Rubber Wood Furniture ***Sample of Dining Set***



Sample of Living Room



Bedroom Products



For the rubberwood furniture, the Company will produce and sell to foreign customers based on made to order, main customers include furniture dealers and hypermarket stores in Japan, and production for distribution to retail stores and dealers nationwide.

3. Self-assembled particle board and MDF furniture

Self-assembled particle board and MDF furniture is a modern furniture, its main raw materials used in production are Particleboard and MDF, accounting for approximately 50% of the production cost structure of self-assembled furniture made of particle board and MDF

wood, followed by foil paper for approximately 10%, in which the proportion will depend on the prices in each period.

Particle board is made of crushed rubber and other wood then packed with urea formaldehyde resin. The up and down layer is fine wood chips while the middle layer is rough wood chips. Consequently, the particle board cannot be attached with nails or surface or edge decorated. Most particle board size is 4 x 8 feet with the thickness from 6 - 35 millimeters.

Particle Board



Particle board is the lightest board in fiber boards and with less strength to MDF board and other hard woods. Moreover, particle board will expand easily when exposed to the moistness. However, particle board is popular for interior usage as it has light weight, cheap and easy to move. In addition, particle board is environmental-friendly as no hard woods in the forest shall be cut down.

Particle board manufacturing process is easier as most process is done via machines and it requires less time when compared to hard woods furniture manufacturing. Therefore, the lower production cost is the main advantage.

If comparing the process of hardwood furniture or real wood furniture manufacturing, it will consist of sawing, dipping of preservative, cutting, assembling, polishing,

painting, and wood coating, each process requires a lot of workers for production to obtain more elaborate and time-consuming work in each production step. The Company then focuses on the increase of production capacity for particle wood furniture by adding modern semi-automatic machine to the production in order to reduce labor costs, increase efficiency and effectiveness to the production.

Product of self-assembled furniture made of particle board/MDF can be categorized into 7 types and each type will be categorized by the product model as follows:

Type	Product
1.	Multi-purpose shelves
2.	Multi-purpose cabinet/showcase
3.	Wardrobe
4.	Computer desk/working desk
5.	Television cabinet
6.	Shoes cabinet
7.	Dressing table, Bed

Sample of self-assembled furniture made of particle board/MDF products



For self-assembled furniture made from particle board and MDF wood, ECF will manufacture and sell to these customers by classifying as follows:

1. Made-to-order for overseas customers. They are mainly furniture distributors and large hypermarket in Japan.

2. Manufacturing and distribution for domestic customers by using house brands for selling at Home Pro, Lotus, Big C, Mega Home, Do Home, Global House, etc. In addition, the Company has used its brand "Hasta", for furniture manufacturing for some customers.

Samples of furniture made from rubberwood and particleboard/MDF to be sold to domestic customers under House Brand



มันใจ!

สินค้าตรงปก 100%



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ขายปลีกและขายส่ง

SHOP **ข้อปสะดวก พร้อมจัดส่งทั่วประเทศ**

ข้อปเลย



4. Foil Paper

ECF produces and sells foil paper which is used in coating the particle board for fine looking and ready for furniture manufacturing. Foil paper can be designed in various paints such as hard wood, cartoon, graphic or by order. The hard wood style is suitable for fiber board due to easy production with low cost although its weaknesses are low resistant to moisture. However, its properties are suitable for some functions which are not required of durability. Therefore, particle board furniture's price has more advantage than general hard wood furniture. All particle board purchased from manufacturers shall be coated with foil paper in ECF's factory for cost reduction when compared to ordering foil paper from outside. In



addition to the use in the production process of the Company, ECF also sells foil paper to general customers and some shall be sold through VV-Décor Co., Ltd (VV-Décor) as ECF's subsidiary held by ECF total 99.95% of registered capital. At present, 40% of foil papers are sold to general customers.

Samples of Foil Paper manufactured and distributed by the Company



All characteristics of the products mentioned above will be operated by East Coast Furniture Public Company Limited ("the Company" or "ECF"), ECF Holdings Company Limited and VV Decor Company Limited, subsidiaries in which the Company is holding 94.44% and 99.95% of shares, respectively, all three companies have a current nature of business involving furniture.

Renewable Energy Business

The business operated by ECF Power Company Limited as a subsidiary in which the Company holds 99.99% of shares.

Solar Power Plant Project sized 220 megawatts in Myanmar

During 2017, the Company expanded its investment in solar power plants with the total installed capacity at 220 MW and has a capacity of 170 MW for Green Earth Power (Thailand) Co., Ltd. ("Minbu Power Plant Project" or "GEP") located in Minbu City, Magway District, and Republic of the Union of Myanmar ("Myanmar"). ECF Power Co., Ltd. ("ECF-P"), a 99.99% subsidiary of the Company, invested to buy shares of this project in the portion of 20%, the Company purchased the existing ordinary shares of GEP for 51,512 shares or representing 20% of GEP's total paid-up shares, as approved by the Extraordinary General Meeting of Shareholders No. 1/2017 held on 31 May 2016, with value of USD 9 Million.

GEP's current registered capital is THB 2,252.72 million, consisting of 22,527,163 ordinary shares at a par value of THB 100, and registered and paid-up capital of THB 1,171.12 million, consisting of 22,527,163 ordinary shares in total with a par value of THB 100 (consisting of 10,806,478 ordinary shares, fully paid, 10,196,996 ordinary shares, paid-up THB 56.72 per share and 1,523,689 ordinary shares, paid-up THB 38.13 per share).

GEP has one subsidiary namely GEP (Myanmar) Company Limited ("GEP-Myanmar"), which is the sole investment in GEP-Myanmar, and does not hold shares in any other company. GEP-Myanmar is registered as a Myanmar company with a registered capital of \$500 million, divided into 500,000,000 ordinary shares with a par value of USD 1 each, consisting of paid-up registered capital at USD 104,357,425

GEP holds 100% of total shares in GEP-Myanmar, which the capital in GEP-Myanmar is all paid-up, its objective is to operate the business in developing and managing solar power plant project in Myanmar with a total installed power generation capacity of 220 MW, and the contracted power generation capacity is 170 MW. The project will be ended on 26 September 2049, totaling 30 years.

At present, the Phase 1 started the commercial operation date (COD) on 27 September 2019 with a capacity of 50 megawatts from the total capacity of 220 megawatts. The construction has been divided into 4 phases and currently, the solar power plant Phase 2 with a capacity of 50 megawatts is under construction, while Phases 3 and 4 will have a capacity of 50 and 70 megawatts, respectively, all four phases will be complete by 2023 - 2024. However, the project has resumed its construction as usual after COVID-19 situation and political unrest situation in Myanmar become better. For the latest progress of Phase 2 construction project, now the soil work to prepare the site ground is almost complete, while some tools and equipment installed have been tested under the collaboration with the manufacturer, and is preparing to deliver for further installation.

The total project value of Minbu Power Plant is approximately USD 250 million, including the cost of contractor under the Engineering, Procurement and Construction (EPC) contract, consultancy cost, insurance premium, loan financing fee, financial costs during the construction and other expenses in project development, one part will be the loan from financial institutions, and shareholders' equity. Presently, GEP/GEP-Myanmar is negotiating a loan for 4 phases with Chinese financial institution and at present, the Indicative Term Sheet is provided by the said financial institution, indicating the loan amount at 85% of the Engineering, Procurement and Construction (EPC) contract, or approximately USD 194.74 million from financial institution. It is expected to possibly withdraw loan for Phases 1-3 in March 2023 and withdraw loan for Phase 4 in advance 6 months before Commercial Operation Date or by December 2023.

Each shareholder has an obligation to pay the remaining shares in 2023 and ECFP has an obligation to increase its capital in GEPT for approximately THB 101.45 million (as of 30 September 2022, ECFP gives loan to GEPT in an amount of THB 98.50 million, which will be converted from debt to equity in the future; therefore, the capital increase for ECFP will remain approximately THB 2.95 million) (the amount after the capital increase in all 4 phases may slightly differ from the capital increase projection at the exchange rate on the date of capital increase).

GEP-Myanmar entered into the Power Purchase Agreement (PPA) with Electric Power Generation Enterprise (“EPGE”) (previously, Myanmar Electric Power Enterprise) which is an organization under the Ministry of Electricity and Energy of Myanmar. Main content of agreement is to develop, construct, seek for fund source, manage and administer, maintain and transfer of business, EPGE will purchase electricity from the solar power plant project with install production capacity of 220 MW or the ratio of maximum power purchase at 170 MW, the plant is located in Minbu City, Magway District, Myanmar, for 30 years from the Commercial Operation Date (“COD”) of the Phase 1 project from total 4 phases. The rate of power price is fixed at 0.1275 USD per unit throughout the term of PPA including the renewal of PPA which may be occurred. The power generation will be divided into 4 phases based on the maximum ratio of power generation which will be generated in each phase as follows:

- **Phase 1** Maximum trading ratio: 40 MW (alternating current) from installed production capacity of 50 MW.
- **Phase 2** Maximum trading ratio: 80 MW (alternating current) from installed production capacity of 100 MW.
- **Phase 3** Maximum trading ratio: 120 MW (alternating current) from installed production capacity of 150 MW.
- **Phase 4** Maximum trading ratio: 170 MW (alternating current) from installed production capacity of 220 MW.

The Power Plant Project in Minbu has been approved for the investment proposal and the investment permit, or known as the “MIC Permit” is also issued by the Myanmar Investment Commission (MIC) from the meeting No. 5/2017 on 13 March 2017. The said permit is dated 12 April 2017. Any foreign investor wishing to directly invest in Myanmar is required to obtain a MIC Permit, the privileges can be summarized as follows:

- Privilege in long-term land lease with a maximum lease term of 50 years, depending on the type and size of investment. The contract can be renewed for 10 years at a time for 2 times, a total land lease term is up to 70 years. (Note: Foreign investors are not entitled to own land but can rent land from the Myanmar government and private sector in the long term);
- Exemption of income tax for 5 consecutive years starting from the year starting business operation;
- Permission to hire foreign experts or technicians;
- Guarantee by the Myanmar government that the business authorized by the Board of Investment (MIC) will not be suspended before the expiration of the permitted period; without proper reason;
- Guarantee by the Myanmar government that there will be no nationalization on the private assets throughout the investment period.

The key points of the Power Purchase Agreement can be summarized as follows:

Contract Date:	20 March 2016 and the amendment dated 9 January 2017 and the amendment dated 19 December 2018.
Contract Parties	Buyer: Electric Power Generation Enterprise ("EPGE") Seller: GEP (Myanmar) Company Limited ("GEP-Myanmar") as a subsidiary of GEP
Electricity Purchase Rate	The electricity purchase rate is USD 0.1275 per kilowatt-hour.
Electricity Purchase Volume	<ul style="list-style-type: none"> • EPGE will purchase the net amount of electricity that GEP-Myanmar can actually produce and send into the system, the capacity is up to 105% of the net amount of energy expected to be produced under the contract. • In case whenever the Power Plant in Minbu can generate electricity more than 105% of the net amount of energy expected to be generated under the contract, EPGE will take all such net surplus energy into the system without payment for such surplus amount.
Purchase Period	30 years from the Commercial Operation Date of the Power Plant Project in Minbu Phase 1.
Commercial Operation Date (COD)	27 September 2019, Phase 1, with capacity of 50 megawatts
Contract Termination	In case GEP-Myanmar fails to comply with any provision in the contract within a period of 90 days (except the case of non-compliance with the Commercial Operation Date, the period will be extended to 240 days.) EPGE can notify GEP-Myanmar to take corrective action. If the correction is not completed, EPGE is entitled to terminate the contract.

The Minbu Power Plant Project is located at the north-west of Nay Pyi Taw Capital City about 150 kilometers or 199 km by car in about 4 hours. The project area approximately 836 acres (equivalent to 2,114.48 rais) is located on the leased area, which is sufficient for the construction of all 4 phases of Minbu power plant project, the term of lease right for this area is equal to or more than the term of Power Purchase Agreement. The leased space of 700 acres is located inside AVA Capital Trading Company Limited ("AVA Capital") and this area is under the supervision of Ministry of Agriculture, Livestock and Irrigation (MOALI). GEP-Myanmar will lease from AVA Capital but the lease right of 136-acre space will be under GEP-Myanmar. Such area is under the supervision of the Ministry of Natural Resources and Environment (MONREC.)

Technology used for Power Generation

The Minbu Power Plant Project is a solar power plant project that utilizes solar cell technology or photovoltaics method which directly converts solar energy to be electricity by using solar cells or photovoltaic cells (PV) and major equipment for production process as follows:

1. Solar Panel
2. Inverter
3. Transformer
4. 230 kV Substation Equipment

When sunlight falls on solar panel, it will produce electricity carrier to generate DC Power, after that, solar energy in the form of DC Power will be transmitted to an

inverter that converts DC Power to be AC Power. Such AC Power will be passed to the transformer to increase the voltage to the appropriate level for the power plant which will supply power into transmission line of national grid line. In this project, the AC Power from the inverter will be gathered by 33 kV-sized transformer, switchgear and distribution systems. Such electric current will be increased of voltage to be 230 kV by four 230 - 33 kV-sized step-up transformers to supply power into transmission line of national grid line. The construction of main line of 1.3 mile (or 2.1 km) is completed and is connected to the national grid line.

Solar Power Plant Project at Minbu City, Myanmar , Phase 1, size 50 megawatts



Solar Power Plant Project at Minbu City, Myanmar , Phase 2, size 50 megawatts – under construction



Wood-Based Panel Manufacturing and Distribution Business

Planet Board Company Limited ("Planet"), The objective of Planet establishment is to manufacture and distribute wood-based panels i.e. MDF Board. Planet Board Company Limited completely registered its establishment on 19 December 2017.

However, Planet is now in the process of postponing investment in the project because the cost of timber is increasing, the demand for wood used for generating power in biomass power plant project in the area is under consideration about the procurement for the investment in the project. These events had a significant impact on previously considered return on investment figures, as well as the impact of COVID-19 situation that has occurred in the past., the Management and the Planet working team are under the process of considering an optimal solution for the feasibility to continue the PLANET business.

Online Platform Business

SoMeWa Plaza Company Limited (Somewa), as a subsidiary in which the Company holds 75% of shares, has the objective to provide online platform services for the Company's distribution of furniture products and other products that will be added in the future.

At present, the development of platform is under process and has not yet been completed, and Somewa Plaza Company Limited has no commercial revenue at this moment.

Agriculture and Crop Distribution Business

At present, a newly established subsidiary for the agriculture and crop distribution business is V.V. Rich Company Limited, in which the Company will hold 99.97% of the shares, and then it will start to operate the business for commercial income.

For research and development in the production and distribution of furniture of the Company happened in 2022, the Company has begun to develop innovations to adjust new production strategies with machineries and equipment

currently in use, new production line has been adjusted to meet the needs and customer's orders. This is for the purposes to reduce time cost, reduce costs and number of labors in production in line with improved production line. In addition, the Company has also developed the cooperation with partners such as corrugated box manufacturers, to adjust the innovations of machines used in the production of boxes to be modern, reduce costs, reduce waste, such as the production of molding blocks so that only digital design is remained for printing from files with the objective to reduce the amount of waste to the environment, and to ultimately help reduce the purchasing cost of the Company. Additionally, the development is conducted to find ways to reduce packaging costs, such as reducing the use of foam in production.

The aforementioned development guidelines are aimed to create sustainable development guidelines for the Company's production process, and contribute to reduce environmental impact. In 2022, the Company has started to have expenses in such operation for approximately 0.70 million Baht.

In addition, in 2022, the Company has further developed to diversify the investments, look for opportunities to continuously grow in business overview from 2021. Presently, the online business platform and agricultural crop planting and distribution business are in beginning stage and have no commercial revenue in 2022, the problems of war, inflation, higher oil cost and higher cost of living have also caused the Company to carefully consider the investments in new projects. If the aforementioned situations become better, ECF will consider accelerating investments in approved projects and may expand into new projects that can quickly generate returns with low risk and not high investment in order to find a way to continuously develop to meet the needs of stakeholders and be prepared to cope with economic, social and environmental changes This will lead to increasing the Company's opportunities and competitiveness.

(2) MARKETS AND COMPETITIONS

Marketing

1. Product

In 2022, ECF has maintained the policy to develop new products that can respond to more needs of foreign customers, including Hypermarket stores, which are major domestic customers. ECF has focused on expanding the product market by acknowledging the needs of customers in the market, the changing demand for products, product design under the collaboration with customers and introducing new products that can meet the needs of customers in modern era for further consideration.

In starting each production of furniture, there are 2 patterns as follows: the 1st pattern is the drawing of product is proposed by customer, the Company will consider whether it can be produced or not, the pricing, possibility of gross profit setting and distribution as desired after negotiation with customers; and the 2nd pattern is the design of product is proposed by the Company's designer team to customers, most customers requiring the Company to design are Hypermarket such as Home Pro, Lotus, Big C, Mega Home, Do Home, Global House, the Company will present new furniture styles to customers for consideration and decision of ordering for production and distribution. Our design team will work with the production planning team, which will be the team analyzing what kind of materials is required for production, the difficulty in production, and details of costs including the selling price can be determined according to the preset margin or not. Once the selling price is obtained, the Marketing Department will be coordinated to propose the price to customer for conclusion until receiving the order from customers. At present, the proportion between the 1st pattern and 2nd pattern accounted for 80% and 20%, respectively, the Company aims to expand the proportion of the 2nd pattern, and also aims to add values for the products designed and manufactured by the Company. In addition, the Company has also emphasized the development of new product models in compliance with the changing trend at that time.

Later, when the product model is ready for production, the Company will send the molded sample of model for testing at the Department of Industrial Promotion, Furniture Industry Development

Section, to test the durability, functional quality, vertical and horizontal load testing according to the given standards, stand strength testing, bearing capacity testing of cushion, etc. every model of products to be manufactured for export must pass all the aforementioned testings, but in case of Japanese customers, at present, they will directly test the new product samples by themselves.

Every pieces of furniture will be carefully manufactured by the Company from the beginning of the production process, choosing quality raw materials, until controlling the production quality from the first step to the last step, with following details:

- Rubber wood furniture: starting from buying timbers from distributor who will gather woods from the rubber plantation and deliver to the factory, the woods must be of the specified size and quality. After obtaining timbers as specified quality and size, they will be taken into the process of sawmill and drying plant. the Company has experience in this production process since 1992 and it is considered the beginning of the Company's business operations. With the accumulation of knowledge and experience, the Company could obtain quality processed rubber woods to be used for further processing of rubberwood furniture, and in the production of rubber wood furniture. The Company has focused on the technology used in production by investing in semi-automatic machines including machines for cutting, woodturning, drilling, which are controlled by a computer program, with high precision (CNC) to increase the ability in controlling the quality of products and help reduce the problem of reliance on skills of workers in production. However, every step of production process must pass the inspection of product quality before sending to next step of production in order to obtain products with quality as standards.
- Self-assembled Furniture made of Particleboard/ MDF wood: starting with selecting a quality particleboard supplier, the particleboards must be mainly made from chips of rubber woods, which are the best quality wood comparing to particleboard made of other types of wood chips, and the rubber wood has white color which can be covered with light colored foil paper so that the

color of woods will not contrast with the color of foil paper. In addition, the Company has selected the high-quality and environment-friendly glue used to cover the foil paper, which is more expensive than other glues from general manufacturers. In addition, the Company also has a strong point in the framing joints which are all manufactured to export to Japan, there are few factories capable of producing framing joints in Thailand because it requires experience and expertise. The advantages of framing joints are the use of particleboard and MDF in forming the frames for furniture manufacturing, the products will be lightweight and easy to assemble. The Company has invested in technology used in the production by purchasing semi-automatic machines including machines for cutting, woodturning, drilling, which are controlled by a computer program, with high precision (CNC) to be separately used in the particleboard furniture factory. The Company's particleboard furniture has additional advantage on cost-saving because the Company is the manufacturer of foil paper for particleboard, resulting in reducing approximately 40% of foil paper cost when comparing to purchasing it from other manufacturers.

Nevertheless, some times the Company obtained a lot of orders for particleboard/MDF furniture, causing the company to outsource other factories to produce for keeping up with orders and product delivery. However, the Company has emphasized the quality control on outsourced products to ensure the standard and quality equivalent to the Company's production. Most of outsourced products are mainly for the distribution through dealers nationwide because the factory production is focused on large-volumed orders or large order with same model in order to optimize cost management and production costs in the factory.

- Foil paper: starting from selecting the paper suppliers, in which the Company will plan and place the orders every 6 months in advance to major paper supplier in Japan. In case that paper supplier could not sell paper to us, we still have paper suppliers in both domestic and international markets, but the disadvantage is the higher purchase price than the major paper supplier. The limitations also include a variety of colors and

coating materials used in the production process, The conclusion is that we have paid attention to the use of quality raw materials, modern machines in production, as well as every step of production process, emphasized on quality control and testing of every piece of products. In addition, the Company must pass the final consideration and inspection of the customer representative to obtain the quality certificate. Then, the Company will be able to schedule delivery date and coordinate with the transport company. It can be seen that every step must continuously pass the inspection and quality control of production standards to ensure that furniture products and foil paper manufactured and distributed by the Company are not only beautiful, but also durable, strong and functional; therefore, the Company's products are manufactured with high quality and acceptable standards. Our products have always received great attention and good response from both domestic and international customers.

2. Price

ECF has a pricing policy based on cost-plus margin, where the price calculation components include "Raw Material Cost + Overhead Cost + Selling and Administrative Expenses + Margin", the competitiveness is an important factor to determine the product pricing.

3. Place

Most of the Company's revenue comes from the manufacturing and distribution by order or Made to order, by receiving orders from both domestic and foreign customers. At present, the Company's proportion of sales between foreign customers and domestic customers is approximately 53% and 47% respectively, the Company has targeted the sales proportion between foreign customers and domestic customers at a similar proportion of 50% to reduce the risk of reliance on particular group of customers.

As of 31 December 2022, Made-to-order customers consisted of Japanese customers including major furniture dealers and hypermarket which are accounted for approximately 31.92% of the total sales revenue. However, none of any customer in Japan places orders exceed 30% of total sales revenue, the Company has focused on the export and Japan is the country the Company exports the most, they have accepted the furniture products of Thailand, and purchased our products for ten years.

The production and distribution to Hypermarket is accounted for approximately 30% of total sales revenue.

The income from the sale of self-assembled furniture made of particle board/MDF and rubberwood furniture in the country is divided into:

1. The revenue from production and distribution of products to Hypermarket, under the Company's brands and house brands of customers.
2. The revenue from distribution through dealers.
3. The revenue from distribution through online platforms such as Lazada, Shopee, etc.

In production and distribution to each customer in case of Made to order and under the Company's brands, the Company has never entered into any contracts for sale with customers.

4. Promotion

- The Company has made public relations through the Company's website www.eastcoast.co.th as a channel to help customers find information, get to know the products and help facilitate more product selection and viewing, it is also a channel for foreign customers to access and contact the Company more easily.
- The Company has regularly made public relations via email to customers and target customers in each period and when the new and interesting product is launched, to present as alternatives to customers and target customers.
- The Company has participated in many exhibitions every year to make customers acquaint with and provide opportunities in expanding customer base, the annual exhibitions we participate in are as follows:
 - Participate in trade shows organized by the Company's customers such as HOME PRO Expo;
 - Participate in trade fairs organized by associations and cooperations between organizations such as the Thai Furniture Association, etc.;
 - Between November and December in each year, the annual sales event will be organized to clear stocks to return profits to customers at the Head Office Branch 2 located in Bueng Kham Phroi District, Lam Luk Ka Klong 5,

Pathum Thani Province, and at warehouse inside the factory located at Head Office, Klaeng District, Rayong Province.

- The Company has made promotion campaign or given discounts to customers such as the annual sales event, promotion on the Company's anniversary occasion and promotions during important occasions throughout the year, such as Father's Day, Mother's Day, New Year's Day, etc.

In addition to the promotion and public relations as mentioned above, the Company has emphasized the participation in international trade fairs to keep track of the movements of the furniture industry annually, such as trade shows in China, Malaysia, etc., in each year, the Company will schedule business trips to meet foreign customers, follow up on business progress, survey the satisfaction in order to open up opportunities for additional marketing channels, and participate in the entrepreneurship promotion events organized by government agencies for international trade negotiations, etc.

5. Control and Consideration of Customer's Credit

At present, the Company considers giving credit terms to customers, only for customers who have been continuously contacted with. In case of new customer, the credit term will not be granted. Typically, the Company will consider credit terms to customers with their trading business information and make a customer profile. The credit terms provided to domestic customers is ranged from 60 days to 90 days only for hypermarket. The expansion of distribution channels and marketing strategies to increase dealers nationwide has resulted a longer debt collection period, the Company has accelerated the issuance of policies to reduce the risk of debt collection from this group of customers, and put in place strict and appropriate debt collection measures to prevent the risk of bad debt or uncollectible debt at a minimum or acceptable level when comparing to the increasing opportunity for market expansion.

Presently, foreign customers who are continuously purchasing our products must use Letter of Credit, both at sight credit term and T/T prior to the Shipment Date. In case of new customers, they are required to open a Letter of Credit at sight with a reliable overseas bank only to prevent potential trade risks.

The Company has encountered uncollectible debts or bad debts in a very small proportion.

Competition

Competition Situation in Furniture Industry

In terms of market value of furniture industry, based on data as of 2022, when considering the top five listed furniture manufacturers of 2022, entrepreneurs focusing on domestic distribution of furniture products have increased sales revenue from the same period of previous year; however, since the nature of the Company's business operations has most of revenue from the export of furniture products, the Company has been affected by the outbreak of

COVID-19, Russo-Ukrainian War which began in February 2022 affecting fuel prices, production cost, cost of living, and inflation which begun and has affected every country in the world. These factors have resulted in more than 26% decrease in the Company's export revenue in 2022; however, the Company's revenue from domestic sales was increased by approximately 19% in line with the growth direction of other entrepreneurs whose main revenue is from domestic sales.

Top 5 Entrepreneurs in the Stock Exchange of Thailand	Revenue (Million Baht)				YoY%
	2020	2021	2022	difference	
Index Living Mall Pcl.	7,657.06	8,317.14	8,888.86	571.72	6.87%
Modernform Group Pcl.	2,701.60	2,376.66	2,395.18	18.52	0.78%
East Coat Furnitech Pcl.	1,384.49	1,549.41	1,418.93	-130.48	-8.42%
Siam Steel International Pcl.	1,576.65	1,731.11	1,919.09	187.98	10.86%
Rockworth Pcl.	498.46	381.68	609.3	227.62	59.64%

Source : www.set.or.th

Based on the information from the Department of Business Development, Ministry of Commerce, it was found that at present, there are totally 4,058 registered juristic persons who submitted the financial statements and are entrepreneurs in the businesses of furniture manufacturing, wooden furniture, metal furniture, furniture made of other materials (except stone, concrete or ceramic), and are wholesalers of household furniture (based on the latest information on the website of the Department of Business Development, Ministry of Commerce as of 3 January 2023), accounting a total registered capital of THB 39,413.20 million; and in the top 5 of each type of entrepreneurs as mentioned above, a total revenue according to the information in the latest financial statement submitted is THB 42,896.83 million.

In the group of furniture manufacturers and distributors, there are at least 10 major entrepreneurs who are key players in the industry. If comparing the target customers of such major players with the Company, it was found that they are not the same customer group as the Company, that is, some entrepreneurs operate their business as furniture manufacturers and deliver products to sell in large furniture retailers who sell products under their house brands, and the products will be directly sold to end users, these entrepreneurs are not the Company's direct competitors due to different groups of target customers.

While some entrepreneurs will focus on the production of integrated furniture products covering almost all types of furniture, to be sold through showrooms and real estate project customers. Some entrepreneurs mainly produce furniture as orders from single large retailer. In addition, some of them are furniture manufacturers, but in other types of furniture which are not produced from other material such as rattan furniture, plastic furniture, etc.

It can be said that most of entrepreneurs in large retailer group in Thailand is not a direct competitor of the Company due to different groups of target customers.

Considering furniture manufacturers and distributors whose customers are Hypermarket stores, similar to the Company's customers, at present, there are only 4 manufacturers selling products in hypermarket stores; however, since all these 4 manufacturers are medium to small furniture factories with limited capacity in accepting orders, none of entrepreneurs have sales volume close to the Company's. Additionally, most or 50% of the Company's sales revenue comes from the manufacturing for sale to foreign customers; therefore the Company has mainly considered foreign competitors, we are currently predicting that there may be only one competitor whose nature of business is similar to the

Company's, and located in ASEAN region, and having the same group of overseas target customers, this competitor is HEVEA PAC Malaysia SDN BHD, Malaysia.

In 2022, ECF's situation and competitiveness of the Company are not disadvantage compared to competitors. In addition, the Company could maintain the revenue level without losing any market share, although we have been under various situations in 2022 including war, inflation, cost of living, rising oil prices, and Covid-19 outbreak situation which still exists, the orders placed by foreign customers are considered at an acceptable level. Despite the order volume is not increased, the trading is continued. Considering the market share of both exports and domestic sales in 2022, ECF did not lose any significant market shares.

Furniture Export Situation in 2022

Based on the data from the Department of International Trade Promotion, Ministry of Commerce, it was found that in 2021, an overall export figures of furniture products and parts consisting of wooden furniture, metal furniture, mattress, other furniture and furniture parts was 1,609.03 million USD, representing a lower rate compared to 2021 which was 3.82%, type of products exported can be divided as follows:

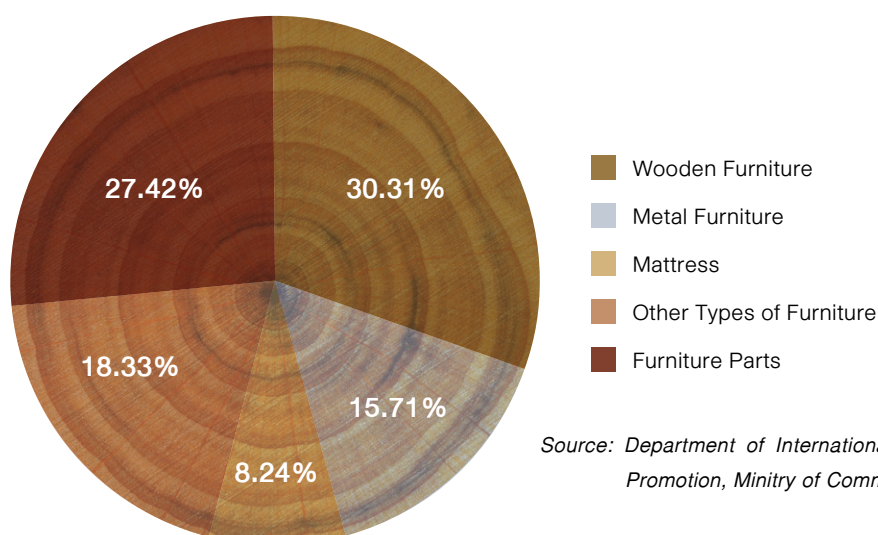
Unit: Million USD

Export	Value: Million USD			Growth rate	Proportion : Percentage
	2020	2021	2022	2022	2022
Furniture & Parts	1,438.80	1,672.99	1,609.03	-3.82	100.00%
1. Wooden Furniture	434.30	510.02	487.63	-4.39	30.31%
2. Metal Furniture	228.00	265.19	252.82	-4.66	15.71%
3. Mattresses	198.50	136.68	132.51	-3.05	8.24%
4. Other types of furniture	258.70	323.66	294.86	-8.90	18.33%
5. Furniture Parts	319.30	437.45	441.21	0.86	27.42%

Proportion compared to the total export value of furniture and parts

The value of of wooden furniture export is ranked in No. 1 compared to the export value of all other products and has 4.39% drop in exports compared to the export of wooden furniture in 2021. Products to be exported by the Company are wooden furniture based on orders from foreign customers in line with and in the same direction as the Company's performance in 2022, with 26% decrease of furniture product export value compared to 2021.

Diagram of Value and Proportion of Furniture and Parts Export Sales of 2022



Source: Department of International Trade Promotion, Ministry of Commerce

The export value of furniture and parts is relied on USD currency, where the United States is the No. 1 country for Thailand's export. In 2022, the export rate to USA was declined by 2.67% with the proportion of export at 47.11%, followed by Japan, the 2nd top country where Thailand exports to, with export rate similar to previous year or slightly increased by only 0.50% and the export proportion was 11.67%. Considering the export to foreign countries in 2022, it was found that the proportions of the Company's export revenues from Japanese customers and USA customers were decreased when comparing to previous year, in line with the overview of Thailand that the export direction to these 2 countries has decreased and has no significant growth.

In addition, if considering the export values from Department of International Trade Promotion, Ministry of Commerce, it was also found that among top 10 countries where Thailand exports to, there are 3 trading partners in the ASEAN Economic Community (AEC), namely Malaysia, Vietnam and Indonesia with export values of 138.92 million USD in total, or increasing approximately 9.84% compared to 2021, and accounted for 8.63% of the total export value of furniture products and parts.

The Company, therefore, has planned the policy of confidence creation for the existing customer groups, particularly customers in Japan, most of them have dealt with the Company for several years, the Company will aim at the development of product design, product quality and punctual delivery period. These are the key of joint business operation, most customer groups in Japan are the large hypermarket retail store entrepreneurs that distribute products, particularly furniture and interior decorations; and big retail stores that distribute a variety of products. All customers, which trade with the Company, are classified as top large entrepreneurs of Japan.

However, the Company is aware of the risk of reliance on any particular major customer, especially relying on Japanese customers who are our main customer from previously more than 50% of total sales revenue, to be gradually decreased. At present, the Company has planned to continuously expand new customer groups, the result has been seen from the year 2021 due to the achievement in expanding its customer base to India, China and the United States, and the proportion of dependence on customers in Japan in 2022 is likely to continuously decrease, mainly due to the expansion of foreign customer base and the increasing sales from domestic customers.

From the information of the Office of Life Style Trade Promotion, Department of International Trade Promotion, the strengths/opportunities, problems/obstacles, and strategies for the export entrepreneurs of furniture products have been analyzed as follows.

Strengths/Opportunities

1. Have domestic raw materials, for instance, rubber wood, rattan, etc.
2. Have the products with good styles and quality, well-known and accepted by foreign countries.
3. Thai skills are neat and proficient.
4. The manufacturer is flexible for adjusting the production based on the customers' purchase orders.
5. The United States of America has determined tax rate of furniture products from China at 25% (Trade War US-China). The importers may obtain more purchase orders of furniture products from Thailand, resulting in increase in export value, respectively.

Problems/Obstacles

1. Very higher total cost of furniture industry, for instance, labour cost, raw material cost, overhead of Thailand, than the competitors, for instance, China, Vietnam, and Malaysia.
2. Trade War Impact that may result in a reduction of China's import of goods in type of furniture part raw materials from Thailand.
3. Lack of understanding by Thai entrepreneurs on serious marketing and global level marketing and proactive marketing, as well as branding
4. Existing inadequate efficiency of supporting Industries, such as veneers, steel, fabric, leather, fitting, and mirror.

Strategies

1. Use the advantage in the existing raw materials and the wooden raw materials in foreign countries, which are cheaper and used as alternative of domestic woods as the new option.
2. Create the difference and add value for the products focusing on quality, neatness, and outstanding styles to be consistent with lifestyles of the overseas customers.
3. Focus on the penetration of potential markets, for instance, USA, China, India, and ASEAN, etc.
4. Support the entrepreneurs to receive works in the nature of Contract Project.
5. Simultaneous support the branding of Thai

entrepreneurs and manufacturing agreement in the nature of OEM.

6. Promote image for Thai furniture in the aspect of environmental care, and support the sustainability
7. Create image of the Thailand Furniture Export Market Center in Asia through Exhibition in the country and foreign countries, and other marketing promotion media/activities.
8. Utilize from liberalizing Free Trade Area (FTA) with the foreign countries, for instance, Australia, New Zealand, China, India, Japan, and South Korea.
9. Publicize and invite Buyer from real estate business both within the country and foreign countries to order Thai furniture instead of importing from other sources.
10. Promote the entrepreneurs to manufacture the products with expense saving design for transportation in order to reduce the cost of product price to be competitive.
11. Promote online trade negotiation between the manufacturer and importer.

Digital Thansettakij on 17 July 2022 showed the data from the Real Estate Information Center Report of the Government Housing Bank stating that the inflation rate is highest in many years, and may pressure to raise interest rates if the Bank of Thailand raises the policy rate, it will drag Thailand's economic recovery momentum and pressure on purchasing power in real estate-related sectors such as housing, construction materials, and furniture and home decoration because people significantly have higher cost of living, affecting their decisions to delay the purchase of some products that may not be very urgent, while the entrepreneurs must urgently adapt themselves to suit the prevailing conditions.

Whereas the furniture and home decoration market, worth more than THB 90 billion, has continuously grown recently due to the effect of COVID-19 outbreak causing people taking more time to live at home. Besides, the export sector was found that Thai furniture and home decorations are in demand by foreigners, resulting in continuous growth since 2018 until present. It was found that Thailand's export values in 2018 - 2022 were THB 37,886.08 million, THB 39,430.39 million, THB 44,504.06 million, THB 52,628.19 million, and THB 55,631.25 million, respectively.

Managing Director of East Coast Furnitech Public Company Limited (ECF) has added that the rising production costs are from the prices of energy and raw materials, ECF has improved its production efficiency by managing costs to be more concisely and carefully and also tried to maintain the level of furniture sales both domestically and internationally, by efficiently managing orders obtained to increase profitability. In 2022, ECF's furniture business obtained many orders from foreign customers, especially Indian customers, while more customers in Saudi Arabia have begun to contact the Company and the Company started to export products to them since the beginning of 2nd Quarter, and in Asia, orders were continuously placed. ECF has increased online sales channels, which the response is quite good; The weak THB in 2022 was considered a positive factor for ECF because the export revenue was increased, resulting in the increasing revenue up to 50%.

In addition, the data from Department of International Trade Promotion, Ministry of Commerce introduced furniture manufacturers to USA market, concluding that the online retail system tends to influence across all industries, positively resulting more convenience for business operations and shopping, this is beneficial to both sellers and buyers. It also helps to promote sustainability concepts because ordering products from home causes lower carbon footprint than going out for shopping. For USA, whether the purchase of products will be satisfactory or not is not the point, USA has a policy of goods return within specified period, which is usually about 30 days after purchase. Buyers could return goods if not satisfied; and refund and speed of refund depend on the reputation of retailers. In USA, consumers are confident with Amazon on its reputation of refund policy, making them very easily and quickly decide to buy and make payment with comfort, we can see from a lot of goods reviews complaining but lesser goods returns and refunds.

Online system provides tools to display our products to specific target customers, even deeply and precisely specific audiences, resulting in smaller size of audiences than advertisements with mainstream media such as television, radio, magazines, and newspapers.

Abovementioned data is consistent with ECF's business direction, nowadays, we consider to continuously expand online sales channels and have planned to determine people, systems, tools, and further develop related platforms to facilitate the Company's growth in online sales channels.

Power Consumption of the Republic of the Union of Myanmar

Based on the data from the Myanmar Electric Power Authority, it reports that the amount of electricity demand in Myanmar from 2012 to 2013 was increased from 12,459 million kWh to 25,683 million kWh, during 2018 to 2019, the demand was double when comparing to previous period, or equivalent to 13% per year in average, while the actual power generation in 2012 was at 10,000 million kWh only. From domestic unrest since 1 February 2021, Covid-19 outbreak and the information from <https://www.trade.gov/country-commercial-guides/burma-energy>

It was found that Myanmar's energy sector is currently ranked as the country with lowest electricity generation rate in ASEAN region, or just 50% of the population with access to the country's electricity sources; as reference from the

Myanmar Information Management Unit (MIMU), 80% of rural population could not access domestic energy sources, most of rural population relies on kerosene, candles, batteries and generators for their daily lives. The lack of electricity has threatened not only the country's economic growth, but also hindered the expansion of infrastructure and industrial development.

Based on the report of the Myanmar government's Ministry of Electric Power (MOEP), the annual energy demand in Myanmar has been annually increased from 15% to 17% to fulfill those energy demands. The government has also planned to use energy mixture of hydropower, natural gas, coal and renewable energy so that about 10 million households could get electricity, this is a part of the National Electricity Plan (NEP), which is set of 100% access to electricity nationwide by 2030.

Mixed-Energy Installed Capacity in Myanmar (Year 2020)

Source of Supply	Hydro	Natural Gas	Coal	Diesel	Solar	Total
Total Installed Capacity (In MW)	3,262 (54%)	2,496 (41%)	120 (2%)	116 (2%)	40 (1%)	6,034 (100%)

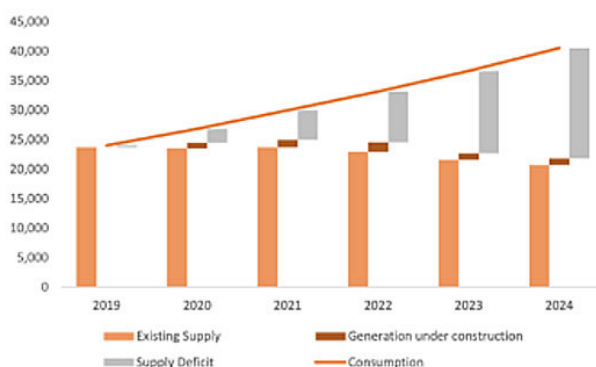
Source: Ministry Of Energy and Ministry of Electric Power

Power Generation Data in Myanmar (Year 2020)

Source of Generation	Hydro	Natural Gas	Coal	Solar	Total
Total Generation Mix (MW)	1,990 (52%)	1,722 (45%)	76 (2%)	40 (1%)	3,828 (100%)

Source: Ministry of Energy and Ministry Of Electric Power

Data on the gap between electricity demand and production capacity in Myanmar (2019 to 2024)



Source: World Bank

Therefore, it can be considered that the demand for electricity in Myanmar has continued to increase when compared to the amount of electricity that can be used at present, where the demand for electricity is still less than the amount of electricity to be produced. The alternative energy power plant projects, in particular, a solar power plant spending less than one year for construction, are significant alternatives in increasing the amount of electricity generated in Myanmar.

3. PRODUCT PROVISION

In terms of furniture production, the Company has 2 production bases including Head Office and Branch 1 as follows:

1. Head Office: located at No. 37/9, Village No. 10, Ban Bueng- Klang Road, Thang Kwian Sub-district, Klang District, Rayong Province. This factory comprises 9 buildings for production process as follows:

1. Five furniture manufacturing buildings
2. Two warehouse buildings
3. One small showroom building (temporary)
4. One raw material warehouse building (small)

This Head Office will have production lines related to self-assembled particleboard/MDF furniture only.

2. Branch 1: located at No. 29/1 -2, Village No. 3, Soi Chongko- Chumnumnai, Wangchan Sub-district, Wangchan District, Rayong Province. This factory has 7

buildings for production process as follows:

1. Four buildings for furniture production;
2. One building as processed rubber wood sawmill and drying plant;
3. One warehouse to stock ready-made products
4. One building for foil paper production.

This factory will use for the production lines related to sawmill, rubber wood drying plant, rubber wood furniture production and assembly plant as well as foil paper factory only.

The Company has daily operated machine production line as follows:

- Nomal working time (1st shift) from 8.00 AM.- 5.00PM. is 1 shift with OT from 6.00 PM. onwards.
- Nomal working time (2nd shift) from 6.00 PM.- 2.00PA. is 1 shift with OT from 2.00 AM. onwards.

Presently, the Company has not operated the production for 24 hours.

Current full production capacity and actual capacity

Production capacity	Production capacity of dried rubber wood (cubic meter/ year)	Production capacity of particle board furniture (cubic meter/ year)	Production capacity of rubber wood furniture (cubic meter/ year)	Production capacity of foil paper (meter/ year)
Full capacity	8,700	160,000	7,900	24,000,000
Actual capacity (approximately)	6,409	109,440	4,901	10,820,659
Rate of current capacity use (approximately)	73.66%	68.40%	62.04%	45.09%

Remark : For production capacity of self-assembled particleboard/MDF furniture and rubberwood furniture, the machines are run with full effectiveness and workforce at this moment.

Details of machines and equipment for production categorized by production steps

1) Processed rubberwood production consists of

Machine and equipment for production	Production capacity
1. Log sawing table	Approximately 900 - 1,000 cubic foot / day for production period from 8.00 - 17.00 Hrs.
2. High-pressure fumigation tank to prevent weevil and termites	Approximately 70 - 80 cubic foot for 45-minute drying opeartion / round and there will be 8 -9 rounds / day
3. Oven	ovens that can contain 850 - 1,000 cubic foot / day
4. Boiler with firewood and wood scraps from production process as fuel	

2) Rubber wood furniture production consists of

Machine and equipment for production	
1.	Wood cutting table for raw material preparation
2.	CNC machine to cut wood in specified pattern and size to prepare for forming with technology from Japan and Taiwan
3.	Wood planner and roller
4.	Paint spraying equipment

Rubber wood furniture production volume in the past

Unit : piece

Product type	Production Volume		
	2020	2021	2022
Dining Table	10,514	8,473	32,399
Dining Chair	83,583	93,823	60,933
Bench	170	300	1,390
Bed	-	170	1,424
Center	19,800	2,200	2,293
Buffet + Hutch	9,083	1,184	945
Wagon	7,938	13,061	3,450
Shelf	10,009	24,412	7,102
Other components	40,095	36,949	45,091
Sofa	-	-	300
Total production volume	181,548	180,575	155,327

3) Self-assembled particleboard/MDF furniture production consists of

Machine and equipment for production	
1.	Wood cutting table for raw material preparation
2.	Machine for covering particle board surface
3.	CNC machine to cut wood in specified pattern and size to prepare for forming with technology from Germany

Production volume of self-assembled particleboard/MDF furniture in the past

Unit : piece

Product Type	Production Volume		
	2020	2021	2022
Multifunctional shelf	2,485,242	2,479,509	1,761,432
Multifunctional cabinet/ showcase	351,939	235,113	268,916
Shoe cabinet	43,313	39,440	61,380
Wardrobe	58,392	50,215	59,615
TV Stands	101,501	175,541	76,895
Computer table/ working desk	103,677	87,533	49,217
Dressing table/ bed	30,573	43,529	31,556
Total production volume	3,174,637	3,110,880	2,309,011

4) Foil paper production consists of

Machine and equipment for production	Production capacity
1. Machine for patterning foil paper with technology from Japan and China for totally 2 production lines	Machine can be operated for patterning for 24,000,000 meters/ year
2. Foil paper quality checking machine	

Records of Foil Paper Production Volume

Unit : meter

Paper size	Production volume		
	2020	2021	2022
30 grams	13,802,600	13,887,750	9,796,500
45 grams	1,517,105	1,571,400	1,238,450
60 grams	360,800	387,000	305,750
Total production volume	15,680,505	15,846,150	11,340,700

Raw materials for production

The Company's main raw materials for production are as follows:

Raw materials for production	Proportion of order compared to value of total raw material order (%)	Origin of raw material
1. Particle board	43.45	Domestic order
2. Paint	9.20	Domestic order
3. Materials (fitting) (such as handle, hinge, drawer rail, lock key and mirror)	12.71	Domestic order
4. Box	10.31	Domestic order
5. Rubber wood timber	4.78	Domestic order
6. Other equipment (such as foam, foam sheet, sandpaper and consumable materials)	7.11	Domestic order
7. Paper	3.30	Mostly imported
8. Edge-closed PVC material	3.26	Domestic order
9. Glue	4.30	Domestic order
10. Wood sheet/ wood top/ veneer wood/ wood board	0.96	Domestic order
11. Sponge	0.52	Domestic order
12. Artificial leather (PVC)	0.30	Domestic order
13. Cushion	-	Domestic order
Total	100.00	

Source : Information from the Company by actual calculation proportion in 2022

In 2022, the Company had a proportion of raw material orders by domestic order per import for 97.15%: 2.85%. The Company did not make any purchase agreement with any domestic manufacturer or distributor for the purchase of raw materials, the Purchasing Department will prepare data to compare the conditions of manufacturers and distributors twice a year (December and June), the data preparation and review for comparison in December will be used as a database for ordering from January to June; where are the data preparation and review for comparison in June will be used as database for ordering from June to December. The Company has a policy to diversify orders and reduce the proportion of purchase orders if any distributor is found of gaining excessive orders. At present, the Company has not relied on any manufacturer or distributor and the Company has not purchased raw materials with any persons who may have conflicts with the Company.

4. ASSETS USED IN BUSINESS OPERATION

4.1 Fixed assets with the Company and subsidiaries used in business operation

Type of Asset	Nature of Asset	Nature of Ownership	Obligation	Net Asset Value		Asset Utilization
				As of December 31, 2022 (Million Baht)		
1. Land	<ul style="list-style-type: none"> - Land of Title Deed No. 22357, 29832, 47836, 55949, 61964, and 55306 located at Thang Kwian Sub-district, Klaeng District, Rayong Province, in total area of 43-0-37 rai - Land of Title Deed No. 78, 542, and 743, located at Wang Chan Sub-district, Wang Chan District, Rayong Province, in total area of 54-2-11 rai - Land of Title Deed No. 138570 and 138571, located at Bueng Kham Phroi Sub-district, Lam Luk Ka District, Pathum Thani Province, in total area of 1-0-3 rai 	Owner	Collateral of credit facility with the creditors which are financial institutions 2 locations, total mortgage limit of 482.96 million baht.	217.54		<ul style="list-style-type: none"> - Location of head office, building and warehouse buildings - Location of factory and warehouse buildings - Location of showroom and warehouse of the Company
2. Improvement of Land		Owner	- None -	29.71		Location of head office, factory and warehouse buildings
3. Building	<ul style="list-style-type: none"> - Head office, factory, and warehouse buildings, located at No. 37/9 Village No. 3, Ban Bueng-Klaeng Road, Thang Kwian Sub-district, Klaeng District, Rayong Province - Office, factory and warehouse buildings, located at No. 29/1 Village No. 3, Chong Ko-Choomnorn Nai Alley, Wang Chan Sub-district, Wang Chan District, Rayong Province - Office, showroom and warehouse buildings, located at No. 25/28 Village No. 12, Bueng Kham Phroi Sub-district, Lam Luk Ka District, Pathum Thani Province 	Owner	Collateral of credit facility with the creditors which are financial institutions 2 locations, total mortgage limit of 450 million baht.	119.31		Use for office, factory, showroom and warehouse buildings
4. Improvement of Building		Owner	- None -	40.69		For factory / office use

Type of Asset	Nature of Asset	Nature of Ownership	Obligation	Net Asset Value		Asset Utilization
				As of	(Million Baht)	
				December 31, 2022		
5. Machines and Equipment of the Factory		Owner	Some parts of machines are collateral of credit facility with the creditors which are financial institutions	57.81		For factory use
6. Electrical System		Owner	- None -	33.32		For factory / office use
7. Furniture and Fixtures and Office Equipment		Owner	- None -	2.43		For factory / office use
8. Vehicle		Asset under hire-purchase agreement	- None -	1.04		For contact and transportation use
9. Work in Construction and Machines under Installation		Owner	- None -	201.76		On the process of construction and installation, all of which are machines for the manufacture of furniture.
Total				703.61		

4.2 Assets under the category of ordinary shares of subsidiaries

Type of Assets	Nature of Assets	Nature of Ownership	Obligation	Net Asset Value		Asset Utilization
				As of 31 December 2021		
				(Million Baht)		
Ordinary shares of ECF Power Company Limited (ECF-Power)	A total of 90,928,250 ordinary shares with a par value of THB 10 per share.	The Company holds 99.99% of total shares in ECF-Power.	As of December 31, 2022, the Company used 35,066,100 ordinary shares of ECF-Power out of a total of 90,928,250 ordinary shares as a collateral for the issuance and offering of debentures with an outstanding balance of THB 340 million which will be due for redemption by December 2023.	THB 1,042.11 million	The value appraised by an independent financial advisor is THB 11.46 per share. The date on appraisal report is 1 December 2022.	Used as a collateral for the issuance and offering of debentures for the Company

4.3 Intangible Assets Used for Business Operation

As of 31 December 2022, ECF's intangible assets is THB 0.95 million, consisting of computer programs, and ECF's right-of-use assets is THB 14.54 million consisting of machines rented by the Company.

Change in Accounting Policy

With the effect from 1 January 2020, the Company has changed its accounting policy for the appraisal of lands, buildings and machineries from revaluation method to cost method (approved by the Board of Directors' Meeting on 30 March 2020) which can be applied under the Announcement of the Federation of Accounting Professions Announcement No. 18/2554 dated 12 April 2011 on "Accounting Guidance on Revaluation of Assets". The main reason of this change in accounting policy relates to: 1. the practical feasibility and elimination of complexity and significantly excessive cost of accounting closure under the same accounting policy of businesses under the Company Group; and 2. the Company's management deems that the accounting recording by means of cost method is consistent with the same industry practice and also reflects the Company's business management and performance that is clearer and more appropriate than the revaluation method. The Company has restated the previous financial statements applied for comparison as if the Company has recorded and presented the values of lands, buildings and machineries by means of cost method from the beginning.

Asset Impairment

Asset balance in accordance with the account book of the Group of the Companies is reviewed every day of reporting whether there is an indicator of impairment. In case of indicator, recoverable asset is valued (fair value deducted with cost necessary for sale of asset or value from use of asset at whichever amount is higher). Each transaction of asset or asset unit that generates cash will be reviewed as the case may be.

In the event that the book value of assets is higher than its recoverable value, the Group will recognize an impairment loss by reducing the book value to be equal to its recoverable amount to be expected for return and

recognition in the statement of comprehensive income and the losses on impairment will be recorded back as other incomes when there is an indication that the said impairment no longer exists or exists but reduces. The reversal of an impairment loss will not be greater than the book value of that asset, net value of depreciation or amortization as if no impairment loss was recognized in previous years.

Measurement of Fair Value

Fair value is the price received by the Group of the Companies from sale of asset or paid for transfer of liability in the transaction occurred in normal condition between market participants as of the value measuring date. The liquid market is the market where transactions of asset and liability occur in sufficient frequency and volume to continuously provide price information. The market participants include buyers and sellers in main market or market that avails maximum benefits for that asset or liability. The market participants must be independent from each other, all-around, and reasonably understand, enable to enter into transaction for that asset or liability, and willing to enter into transaction for that asset or liability.

For regular and comparable measurement of fair value and disclosure of related value in financial statements, hierarchy of fair value shall be determined into three levels based on type of information applied in valuation technique for measurement of fair value. However, the hierarchy of fair value in the first priority is offering market price that must not be adjusted in the liquid market for the same asset or liability ("Information Level 1"). The secondary hierarchy is other observable information ("Information Level 2") and the lowest hierarchy is non-observable information ("Information Level 3").

Information Level 1 includes offering market price that must not be adjusted in liquid market for the same asset and liability and the business can access as of the value measurement date.

Information Level 2 includes other information other than offering market price including in Level 1 that is directly or indirectly observable for that asset or liability.

Information Level 3 includes unobservable information used with that asset or liability.

Investment Fund in Associates and Joint Ventures

The investment fund in associates and joint ventures in financial statements records account using interest method. The associates is the business substantially influenced by the Company or the Group of the Companies by having power to participate in decision making on financial and operating policy but not up to the level to control such policy. Joint ventures is the joint of undertakings in the business under common control of the Company or the Group of the Companies and other joint venture party in that business. The consolidated financial statements of the Group of the Companies include share of profit or loss of the associates and joint ventures based on interest method from substantial influence or common control date until termination of substantial influence or common control date. When the amount of share of loss of the Company in associates and joint ventures exceeds investment fund in associates and joint ventures, investment fund is recorded to write down the amount to zero, and stop recognizing share of loss unless the case that the Company or the Group of the Companies incurs obligation according to law or by analogy or agrees to pay obligation of the associates and joint ventures.

Investment Policy in Subsidiaries and Associates

As of December 31, 2022, six subsidiaries of the Company are as follows.

1. VV - Decor Company Limited
2. ECF Holdings Company Limited

3. ECF Power Company Limited
4. Planet Board Company Limited
5. Somewa Plaza Company Limited
6. V.V. Rich Company Limited

In addition, one associates to be invested by ECF Power Company Limited for investment transaction is Green Earth Power (Thailand) Co.,Ltd.

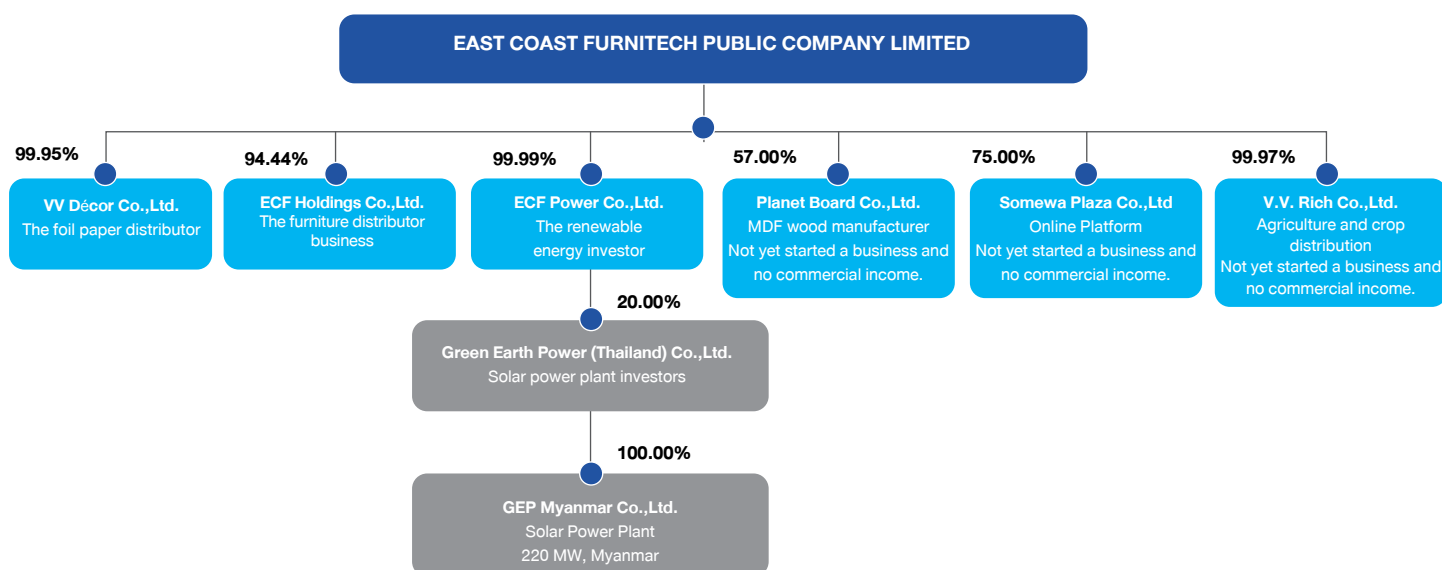
In considering investment in subsidiary or associates, and each investment project, the Company gives precedence to consideration on investment in the business that mainly supports and promotes business operation of the Company by prudently taking into account return on investment, risks, and financial liquidity of the Company. Such investment must be considered by the Board of Directors, and the Shareholders' Meeting under the determined scope of approval authority, and must be executed in accordance with the requirements and notifications of the Capital Market Supervisory Board, and the Stock Exchange of Thailand, including other related laws. The Company will control through delivery of director and/or executive of the Company to be the director for control of the management direction and policy in consistency with the business operation of the Company.

5. UNDELIVERED WORKS

-None-

1.3 The Company Group's Shareholding Structure

1.3.1 As of 31 December 2022, the shareholding structure of East Coast Furnitech Group can be summarized as follows:



Planet Board Company Limited ("PNB"), a subsidiary in which the Company holds 57% of the shares, and another 43% of the shares consisting of:

1. Mr. Khomwit Boonthamrongkit
shares, or 25.00%
2. Ms. Kritchanok Patamasattayasonthi
shares, or 3.00%
3. Ms. Pichapim Patamasattayasonthi
shares, or 3.00%
4. Mr. Eakalak Patamasattayasonthi
shares, or 3.00%
5. Mr. Ekaridhi Patamasattayasonthi
shares, or 3.00%
6. Mrs. Kunthong Udommahuntisuk
shares, or 3.00%
7. Mr. Warattakrit Pornjamsai
shares, or 3.00%

ECF Power Company Limited ("ECF-P"), a subsidiary in which the Company holds the shares, is holding 20% of the shares in Green Earth Power (Thailand) Co., Ltd., and another 80% of shares consists of:

1. Scan Inter Public Company Limited
shares, or 40.00%
2. Mata Corporation Company Limited
shares, or 12.00%
3. Noble Planet PTE. Ltd.
shares, or 11.50%
4. Molin Energy Company Limited
shares, or 5%
5. Allied Technologies International Company Limited
shares, or 3.342%
6. Thanont Property Company Limited
shares, or 3.329%
7. Aquarius Estate Company Limited
shares, or 3.329%
8. Planet Energy Holdings PTE. LTD
shares, or 1.5%

SoMeWa Plaza Company Limited ("SoMeWa"), a subsidiary in which the Company holds 75% of the shares, and another 25% of shares consisting of:

1. Mr. Teerawut Kannibhakul
shares, or 12.50%
2. Mrs. Isareeya Warapakornkit
shares, or 12.50%

General Information of the Company, Subsidiaries and associated company

General Information of East Coast Furnitech Public Company Limited

Company's name in Thai	: บริษัท อีสต์โคสต์เฟอร์นิเทค จำกัด (มหาชน)
Head Office Location	: 37/9, Moo 10, Banbueng - Klaeng Road, Thang Kwian Subdistrict, Klaeng District, Rayong Province 21110
Type of business	: manufacturer and distributor of self-assembled particleboard/MDF furniture, rubber wood, foil paper to be used in furniture manufacturing, production and distribution of dried rubber wood, distribution of furniture through , websites, online platforms and service of PVC trim cutting services, investment in solar power plant business, and agriculture and crop distribution business.
Telephone Number	: +66 38-675-181-4, +66 2-152-7301-4
Fax Number	: +66 38-678-220
Registered Capital	: 287,846,277 Baht which has been divided into 1,151,385,108 ordinary shares at a par value of 0.25 Baht
Paid-up Capital	: 239,871,897.50 Baht which has been divided into 959,487,590 ordinary shares at a par value of 0.25 Baht
Name of the 1st Subsidiary	: VV Décor Co.,Ltd.
Location	: No. 25/28, Moo 12, Bueng Kham Phroi Subdistrict, Lam Luk Ka District, Pathum Thani Province 12150
Business type	: Trading business as the distributor of foil paper for customers
Telephone Number	: +662-152-7301-4
Fax Number	: +662-152-7305
Registered Capital	: 1,000,000 บาท
Paid-up Capital	: 1,000,000 baht
has been divided	: Ordinary shares 10,000 shares, par value of 100 baht per share.
Proportion in which the company holds shares	: 99.95% of registered and paid-up capital.
Name of the 2nd Subsidiary	: ECF Holdings Co., Ltd.
Location	: 37/4, Moo 10, Banbueng - Klaeng Road, Thang Kwian Subdistrict, Klaeng District, Rayong Province 21110
Business type	: Trading business as the distributor of furniture for ECF
Telephone Number	: +66 38-675-181-4, +66 2-152-7301-4
Fax Number	: +66 38-678-220
Registered Capital	: 45,000,000 baht
Paid-up Capital	: 45,000,000 baht
has been divided	: Ordinary shares 450,000 shares, par value of 100 baht per share.
Proportion in which the company holds shares	: 94.44% of registered and paid-up capital.
Name of the 3rd Subsidiary	: ECF Power Co., Ltd.
Location	: 37/7, Moo 10 Banbueng - Klaeng Road, Thang Kwian Subdistrict, Klaeng District, Rayong Province 21110

Business type	:	Holding Company
Telephone Number	:	+66 38-675-181-4, +66 2-152-7301-4
Fax Number	:	+66 38-678-220
Registered Capital	:	909,282,500 Baht
has been divided		Ordinary shares 90,928,250 shares, par value of 10 baht per share.
Paid-up Capital	:	909,282,500 baht
Proportion in which the company holds shares	:	99.99% of registered and paid-up capital.
Name of the 4th Subsidiary	:	Planet Board Co., Ltd.
Location	:	No. 25/28, Moo 12, Bueng Kham Phroi Subdistrict, Lam Luk Ka District, Pathum Thani Province 12150
Business type	:	MDF manufacturer, now, the project has not started and has no commercial income.
Telephone Number	:	+662-152-7301-4
Fax Number	:	+662-152-7305
Registered Capital	:	50,000,000 baht
has been divided		Ordinary shares 10,000,000 shares, par value of 10 baht per share.
Paid-up Capital	:	12,500,000 baht
		Ordinary shares 10,000,000 shares, par value of 1.25 baht per share.
Proportion in which the company holds shares	:	57% of registered and paid-up capital.
Name of the 5th Subsidiary	:	Somewa Plaza Co., Ltd.
Location	:	No. 25/28, Moo 12, Bueng Kham Phroi Subdistrict, Lam Luk Ka District, Pathum Thani Province 12150
Business Type	:	Online Platform and E-Commerce, at present, there is no commercial revenue.
Telephone Number	:	+662-152-7301-4
Fax Number	:	+662-152-7305
Registered Capital	:	2,000,000 baht
		Ordinary shares 200,000 shares, par value of 10 baht per share.
Paid-up Capital	:	2,000,000 baht
		Ordinary shares 200,000 shares, par value of 10 baht per share
Proportion in which the company holds shares	:	75% of registered and paid-up capital.
Name of the 6th Subsidiary	:	V.V. Rich Company Limited
Business Type	:	Agriculture and crop distribution, at present, there is no commercial revenue.
Registered Capital	:	1,000,000 baht
		Ordinary shares: 10,000 shares, par value of 100 baht per
Paid-up Capital	:	Under the process of company registration
Proportion in which the company holds shares	:	99.97% of registered and paid-up capital.

Associated Companies	: Green Earth Power (Thailand) Co.,Ltd.
Location	: 33/4, The Nine Tower Grand Rama 9, Floor 36, Huai Khwang Subdistrict, Huai Khwang District, Bangkok 10310.
Business Type	: Investment in a 220-megawatt solar power plant project in Myanmar through the acquisition of 100% shares in GEP Myanmar Co., Ltd. only
Telephone Number	: +662-168-8168
Fax Number	: +662-168-8169
Registered Capital	: 2,252,716,300 baht Ordinary shares 22,527,163 shares, par value of 100 baht per share.
Paid-up Capital	: THB 1,171.12 million, consisting of 22,527,163 ordinary shares with a par value of THB 100 (consisting of 10,806,478 ordinary shares, fully paid; 10,196,996 ordinary shares, paid-up of THB 56.72 per share and 1,523,689 ordinary shares, paid-up of THB 38.13 per share)
Proportion in which the company holds Shares	: 20% of registered and paid-up capital.

1.3.2 The Company does not have a case in which a person who may have a conflict of interest holds shares in a subsidiary or associated company more than 10% of the number of shares with voting rights of that company.

1.3.3 Relationship with the business group of the major shareholders

Related companies

1. East Coast Industry Company Limited (ECI)

It was established on 17 December 1992, initially for business of sawmill, drying factory for processed rubberwood, and manufacturing and distribution of rubber wood furniture. Subsequently, the business was changed to a trading of furniture manufactured by the Company and furniture imported for sale, its registered capital and paid-up capital is THB 20,000,000. ECF's directors and major shareholders become directors and major shareholders of ECI. However, ECI held the Board of Directors Meeting No. 1/2012 on 17 September 2012 with a resolution from the meeting to "consider and approve the establishment of a business operation policy that will not compete with East Coast Furnitech Company Limited". In order to prevent the potential conflicts of interest, at present, it has no more business operation and is under liquidation process and then closed the business.

2. East Coast Design Company Limited (ECD)

It was established on 12 July 1996 to engage in the business of manufacturing and distributing furniture both domestically and internationally, and engage in the business of importing or exporting furniture of all kinds, as well as related materials and equipment, its

registered capital and paid-up capital is THB 14,000,000. ECF's directors and major shareholders become directors and major shareholders of ECD. However, ECD held the Board of Directors Meeting No. 1/2012 on 13 September 2012 with a resolution from the meeting to "consider and approve the establishment of a business operation policy that will not compete with East Coast Furnitech Company Limited". In order to prevent the potential conflicts of interest, at present, it has no more business operation and is under liquidation process and then closed the business.

3. V-Chats Decor Co., Ltd. (VCD)

It was established on 19 April 2002 to operate its main business as a manufacturer and distributor of foil paper and provide PVC trim cutting services for distribution to general furniture factories, its registered capital and paid-up capital is THB 27,000,000. ECF's directors and major shareholders become directors and major shareholders of VCD. However, VCD held the Board of Directors Meeting No. 1/2012 on 12 September 2012 with a resolution from the meeting to "consider and approve the establishment of a business operation policy that will not compete with East Coast Furnitech Company Limited". In order to prevent the potential conflicts of interest, at present, it has no more business operation and is under liquidation process and then closed the business.

4. V-Chats Industry Co., Ltd. (VCI)

It was established on 26 June 2002 to operate its main business as a manufacturer and distributor of dried processed rubber wood with a registered capital and paid-up capital of THB 14,000,000. ECF's directors and major shareholders become directors and major shareholders of VCI. However, VCI held the Board of Directors Meeting No. 1/2012 on 14 September 2012 with a resolution from the meeting to "consider and approve the establishment of a business operation policy that will not compete with East Coast Furnitech Company Limited". In order to prevent the potential conflicts of interest, at present, it has no more business operation and is under liquidation process and then closed the business.

5. B.V. Parawood Company Limited (BV)

It was established on 25 October 2002 to engage in the business of distributing lumbers, sawmill, wood drying plant with the registered capital and paid-up capital of THB 2,000,000. ECF's directors and major shareholders become directors and major shareholders of BV. However, BV held the Board of Directors Meeting No. 1/2012 on 11 September 2012 with a resolution from the meeting to "consider and approve the establishment of a business operation policy that will not compete with East Coast Furnitech Company Limited". In order to prevent the potential conflicts of interest, at present, it has no more business operation and is under liquidation process and then closed the business.

The related companies No. 1 to 5, East Coast Furnitech Public Company Limited, as the "Promisee" entered into a memorandum of understanding on 26 December 2012 with East Coast Industry Company Limited, East Coast Design Company Limited, V-Chats Decor Co., Ltd., and B.V. Parawood Co., Ltd., each company is a "Promisor", the main points of the memorandum of understanding are as follows:

1. The Promisor agrees to not undertake any business in the way of disposing, transferring, mortgages, pledges, exchanges of assets which are the same type, model and kind in any goods or products with the Promisee in which the Promisee has previously operated or operates the business after the Promisor.

2. The Promisor agrees to not produce processed wood, dried wood, veneer and other woods, as well as to make furniture, appliances made of particleboard, rubber wood and other materials of all kinds, including to domestically sell the products or export.
3. The Promisor agrees to not produce foil paper, PVC cover, including to domestically sell the products or export.
4. The Promisor agrees to not import or export dried processed rubber wood, veneer, other wood, particleboard furniture, and rubber wood furniture, foil paper, PVC cover of all kinds, including related materials of all kinds.
5. The Promisor agrees to not undertake any business for the purpose of East Coast Furnitech Public Company Limited, and not conduct any business related to all types of businesses of East Coast Furnitech Public Company Limited or any other acts to make trade competition.
6. In case the Promisor fails to comply with the memorandum of understanding given to the Promisee according to Clauses 1 to 5, the Promisor agrees to pay a fine of THB 5 million (worth THB 5 million, the Promisee considered it is appropriate and acceptable because these 4 companies currently do not have income from the business operation) with the interest rate of 7.5% per annum from the date the Promisor fails to comply with the memorandum of understanding given to the Promisee. In case of any damages happened to the Promisee due to the non-compliance with the memorandum by the Promisor, the Promisor agrees to indemnify the Promisee and agrees to allow the Promisee to take legal action in all cases.

6. Index Living Mall Public Company Limited

It was established on 15 February 1994 to engage in the business of manufacturing and distributing furniture, with the registered capital and paid-up capital of THB 2,525,000,000. Miss Kridchanok Patamasatayasonthi, who is the spouse of Mr. Arak Suksawad, a shareholder, director, authorized director, and the management of ECF, is a director and major shareholder in this company.

7. Index Interfurn Company Limited, a company under the Group of Index Living Mall Company Limited

It was established on 1 July 2009 to engage in the business of manufacturing and distributing furniture, with the registered capital and paid-up capital of THB 960,000,000. Miss Kridchanok Patamasatayasonthi, who is the spouse of Mr. Arak Suksawad, a shareholder, director, authorized director, and the management of ECF, is a director and major shareholder in this company.

In order to prevent the potential conflicts of interest in case of Mr. Arak Suksawad and his spouse, Miss Kridchanok Patamasatayasonthi, each are serving as a director, executive and major shareholder in the businesses of same nature. Therefore, Mr. Arak Suksawad, as the Promisor, has entered into a contract with East Coast Furnitech Public Company Limited, as the Company, the main points of the contract are as follows:

1. *The Promisor agrees that while the Promisor is an authorized director, executive director and managing director of ECF and/or is an employee of ECF, the Promisor must perform duties in accordance with the law, objectives and Articles of Association of the Company, as well as the resolutions of the shareholders' meeting, with honesty and maintain the interests of the Company.*
2. *The Promisor further agrees that while the Promisor holds the positions under Clause 1 and/or is an employee of the Company, the Promisor will not engage in the business of same nature and in competition with the business of the Company or become a shareholder in a company or be a partner in an ordinary partnership, or be a partner with unlimited liability in a limited partnership or be a director of a company or other companies operating in the same nature and/or is competing with the Company's business, whether doing it for the benefit of him/herself or for the benefit of others according to the regulations of the Company, the Public*

Company Limited Act, the Securities and Exchange Act, and related laws, unless notifying the shareholders' meeting before the resolution of appointing the Promisor to be the Company's director, or with the consent of the Company's Board of Directors, or of the shareholders' meeting of the Company, as the case may be, in accordance with the regulations and/or relevant laws.

In the event that the Promisor fails to comply with the above terms and conditions, the Company is entitled to claim damages caused by the act of the Promisor, provided that the lawsuit must be filed within 1 year from the date the Company or the shareholders as mentioned in the next paragraph become aware of the violation, and not more than 2 years from the date of violation.

In the event that the Company does not exercise its right to claim for damages as mentioned above, the Promisor consents to any one or more shareholders holding a total of not less than 5% of the total issued shares to notify in writing to the Company for claiming. If the Company does not take action as informed by the shareholder within 1 month from the date of notification or the prescription under paragraph two having less than 1 month left, the said shareholder may exercise his/her right to claim on behalf of that company.

3. *If in the future, the Promisor obtains any information or is provided by someone with any information about the business of manufacturing and distributing furniture that has potential and interest for the investment. The Promisor agrees to propose to the Board of Directors only for consideration, and although the Board of Directors will not consider the investment in the business of manufacturing and distributing for such furniture, the Promisor will not invest with any person, jointly invest or hold any shares, regardless of whether the investment conditions are inferior. ๓๗๓*

1.3.4 Major Shareholders

The name list of major shareholders as of December 31, 2022; the total number of shareholders is 6,379 people as following details.

Name-Surname	Shareholding data as of December 31, 2022	
	Number of shares (shares)	Proportion (% of paid-up capital)
1. Suksawad Group	482,206,550	50.2567
1.1 Mr. Arak Suksawad	151,637,750	15.8040
1.2 Mr. Chalee Suksawad	149,982,750	15.6315
1.3 Miss. Tippawan Suksawad	149,560,550	15.5875
1.4 Mr. Wanlop Suksawad	23,538,800	2.4533
1.5 Mrs. Waraporn Suksawad	6,283,100	0.6548
1.6 Miss Kridchanok Pattamasuttayasonthi	1,200,000	0.1251
1.7 Mr. Sitthichock Chinnurat	600	0.0001
1.8 Mstr. Wantana Suksawad	600	0.0001
1.9 Miss. Warisara Suksawad	600	0.0001
1.10 Miss. Supichaya Suksawad	600	0.0001
1.11 Mstr. Nopparut Suksawad	600	0.0001
1.12 Mstr. Peerawut Suksawad	600	0.0001
2. Wiriyatorphan Group	36,181,500	3.7709
2.1 Mrs. Wassana Wiriyatorphan	34,384,500	3.5836
2.2 Mr. Vitthaya Wiriyatorphan	1,661,900	0.1732
2.3 Miss Weeraya Wiriyatorphan	135,100	0.0141
3. Thai NVDR Co.,Ltd.	23,970,486	2.4983
4. Mr. Jakkapol Thongjaroen	16,265,500	1.6952
5. By the Group of Daol Securities (Thailand) Public Company Limited	7,412,200	0.7725
5.1 Mrs. Kunthong Udommahuntisuk	6,410,300	0.6681
5.2 Mr. Wasin Puttaree	702,400	0.0732
5.3 Mrs.Suteera Puttaree	90,200	0.0094
5.4 Empress Satana Sonakul Na Ayutthaya	73,600	0.0077
5.5 ML Thirachet Sonakul	72,300	0.0075
5.6 ML Ratanamongkol Chayapirat	63,400	0.0066
6. Miss Tassanee Wongjiraj	7,204,000	0.7508
7. Thepphusawatana Group	7,122,500	0.7423
7.1 Mr. Sakchai Thepphusawatana	6,600,000	0.6879
7.2 Mr. Saksit Thepphusawatana	202,800	0.0211
7.3 Mr. Chowarit Thepphusawatana	120,000	0.0125
7.4 Miss. Wimon Thepphusawatana	109,700	0.0114
7.5 Miss.Wilawan Thepphusawatana	90,000	0.0094

Name-Surname	Shareholding data as of December 31, 2022	
	Number of shares (shares)	Proportion (% of paid-up capital)
8. Pattamasuttayasonthi Group	6,650,000	0.6931
8.1 Mrs. Kunthong Udommahuntisuk	3,500,000	0.3648
8.2 Mr. Pisit Pattamasuttayasonthi	3,150,000	0.3283
9. Mr.Kanuengnij Jindha	5,050,000	0.5263
10. Wanvisut Group	4,441,000	0.4629
10.1 Mr. Numchai Wanvisut	4,436,000	0.4623
10.2 Mr. Numphol Wanvisut	5,000	0.0005
11. Other shareholders (6,345 people)	362,983,854	37.8310
Total Shares	959,487,590	100.0000

Foreign shareholders: As of December 31, 2022, there are 2 foreign shareholders with total shares of 91,500 shares or 0.01 percent of total shares.

Note: The Company has a limitation on the percentage of equity shares held by foreign shareholders stated in the article 11 of that “the Company’s shares can be transferred without restriction unless 49 percent of paid-up stock is held by foreign shareholders”.

1.4 REGISTERED CAPITAL AND PAID-UP CAPITAL

At Present, the Company has registered capital of 287,846,277 Baht (Two Hundred Eighty-Seven Million Eight Hundred Forty-Six Thousand Two Hundred Seventy-Seven Baht) which has been divided into 1,151,385,108 ordinary shares at a par value of 0.25 Baht (Twenty-Five Satang). The paid-up capital is equivalent to 239,871,897.50 Baht (Two Hundred Thirty-nine Million Eight Hundred Seventy-one Thousand Eight Hundred Ninety-Seven Baht and Fifty Satang) which has been divided into 959,487,590 ordinary shares at a par value of 0.25 baht per share (Twenty-Five Satang)

1.5 AMOUNT OF REGISTERED AND PAID-UP CAPITAL

1.5.1 Convertible Securities

ECF has issued and offered warrants to purchase the Company’s newly issued ordinary shares (ECF-W4) by allocating to ECF’s existing shareholders in a proportion manner, the details of ECF-W4 are as follows:

Type of Securities	:	Warrants to purchase ordinary shares of East Coast Furnitech Public Company Limited No. 4 for the existing shareholders (“Warrants” or “ECF-W4”)
Type	:	Holders’ name-specified and transferable Warrants
Numbers of Warrants issued	:	191,894,988 unit
Accommodated Shares	:	191,894,988 shares
Offering price	:	Baht 0.00 No valuation is calculated
Exercise Ratio	:	1 (one) unit of the Warrant will entitle its holder the right to purchase 1 (one) ordinary share of the Company, unless there is an adjustment of the exercise ratio pursuant to the right adjustment conditions.
Exercise Price	:	Baht 2.00 (two) per 1 (one) new ordinary share,
Issuance Date	:	2 June 2021
Term of the Warrants	:	3 (three) years from the issuance date of the Warrants

Exercise Date	<p>: The Warrant Holders can exercise their rights to convert into the Company's ordinary shares as according to the following scheduled date:</p> <ol style="list-style-type: none"> 1. The first exercise date is 20 July 2021 2. 20 November 2021 3. 20 March 2022 4. 20 July 2022 5. 20 November 2022 6. 20 March 2023 7. 20 July 2023 8. 20 November 2023 9. 20 March 2024 10. and the last exercise date will be on the same date as the expiration date of the Warrant, which is 2 June 2024. <p>In the event that any exercise date does not fall on a Business Day of the Company, such date shall be moved to the Business Day prior to such exercise date. The Company will not extend the term of the Warrants and there is no requirement demanding the Warrant Holders to exercise their rights prior to the expiration. (Please see details stated in Clause 2.3 Procedures of Exercise of Warrant Rights).</p>
Number of warrants that have not been exercised at present	191,894,988 Units

1.5.2 Debt Securities

ECF issued and offered debt securities on 31 December 2022, with following details:

Objectives of debt securities issuance	<p>: To increase the liquidity and/or be used to repay debts and/or used for additional investment in renewable energy business and/or as an investment in buying additional furniture manufacturing machines and/or as working capital for the business operations.</p>
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Outstanding amount of debt securities	<p>: As of 31 December 2022, the Company has the outstanding debt securities which have not yet matured, for totally THB 1,190 million, as following details:</p> <p>: - <u>“Secured bonds of East Coast Furnitech Public Company Limited No. 2/2564, with redemption due in 2023, in which the bond issuer is entitled to redeem the bonds before redemption date.”</u> Outstanding value is THB 340 million, with redemption due on 8 December 2023.</p> <p>The issuance and offering to institutional investors or large investors is pursuant to the Notification of the Capital Market Supervisory Board Concerning the Application and Approval for Offer for Sale of Newly Issued Bonds.</p> <p>Key financial conditions are the bond issuer will maintain the “Interest Bearing Debt “ to “Equity” Ratio for not more than 4: 1 (four to one) at the end of quarterly accounting period or the end of fiscal year of the bond issuer for the purpose of calculating the ratio as specified.</p> <p>- <u>“The Company’s bonds No. 1/2565, Lot 1, Lot 2 and Lot 3 with the redemption due in 2023, 2024 and 2025, respectively, in which the bond issuer is entitled to redeem bonds before redemption date.”</u> The outstanding value is THB 850 million with the redemption due on 9 June 2023, 2024 and 2025, respectively.</p> <p>The issuance and offering to institutional investors or large investors is pursuant to the Notification of the Capital Market Supervisory Board No. Thor.Jor. 17/2561 (including amendments).</p> <p>The Company will maintain the Interest-Bearing Debt to Equity Ratio for not more than 4: 1 according to the consolidated financial statements at the end of quarterly accounting period or the end of fiscal year throughout the life of bonds.</p>
Registrar of Debenture	<p>- <u>“The secured debentures of East Coast Furnitech Public Company Limited No. 1/2020, maturity in 2022”</u></p> <p>Registrar of Debenture: Siam Commercial Bank Public Company Limited. Head Office is located at No. 9 Ratchadaphisek Road, Chatuchak, Bangkok 10900 Telephone: 02-544-2923</p> <p>- <u>“The Company’s bonds No. 1/2565, Lot 1, Lot 2 and Lot 3 with redemption due in 2023, 2024 and 2025 respectively.”</u></p> <p>Bond Registrar is Siam Commercial Bank Public Company Limited. Head Office is located at 9 Ratchadaphisek Road, Chatuchak, Bangkok 10900. Telephone 02-544-2923</p>
Debenture holder representative	<p>- <u>“The secured debentures of East Coast Furnitech Public Company Limited No. 1/2020, maturity in 2022”</u></p> <p>Debenture holder representative: Country Group Securities Public Company Limited Head office is located at 132 Sindhorn Tower 1, 3rd Floor, and Sindhorn Tower 3, 18th, 20th Floor, Wireless Road, Lumpini, Pathum Wan, Bangkok 10330 Telephone: 02-205-7000</p> <p>- <u>“The Company’s bonds No. 1/2565, Lot 1, Lot 2 and Lot 3 with the redemption due in 2023, 2024 and 2025 respectively.”</u></p> <p>The bond holder’s representative is Pi Securities Public Company Limited. Head office is located at 132 Sindhorn Building Tower 1, 2nd and 3rd floors, and Tower 3, 17th, 18th and 20th floors, Wireless Road, Lumpini Sub-district, Pathum Wan District, Bangkok 10330. Telephone 02-205-7000</p>

1.6 DIVIDEND PAYMENT POLICY

Company's Dividend Payment Policy

The Company's policy is to declare dividend payments to the shareholders at a rate not less than 40% of its net profit after corporation tax, financial statements and legal reserves. The annual and interim dividend payments might be subject to change, depending on the Company's operations, financial position, future projects and overall economic conditions. The Company's Board of Directors shall be empowered to consider the option. Moreover, the Board of Directors' resolution approving dividend payment shall be proposed for final approval with shareholders' meeting. Exemption is on interim dividend payment which the Company's Board of Directors shall be authorized to make decision and report the decision at the next shareholders' meeting.

Data showing the comparison on dividend payment records for the years 2020, 2021 and 2022.

Details of Dividend Payment	2020	2021	2022
Net profit of separate financial statements (THB Million)	30.45	12.40	10.66
Allocate 5% of legal reserve (THB million)	1.55	- None -	- None -
Number of shares (million shares)	959.49	959.49	959.49
Dividend paid per share (THB)	0.0125	0.0157	0.011
Total dividends paid, approximately (THB million)	11.99	15.06	10.55
Proportion between dividend payment and net profit after deducting reserve (Dividend payout ratio)* (%)	41.49%	121.53%	99.05%

Note : 1. ECF has a dividend payment rate based on the dividend payment policy of the years 2020, 2021 and 2022.
2. For the operational performance of the year 2022, the Company is in the process of proposing the dividend payment to the shareholders' meeting for further approval.

Dividend Payment Policy for Subsidiaries

The Board of Directors of subsidiaries may consider the annual dividend payment of subsidiaries and the approval from the shareholders' meeting of the subsidiaries is required, unless it is an interim dividend payment which the board of directors of subsidiaries may, from time to time, approve the payment of dividend when it deems that the subsidiary has sufficient profits to pay dividends. The Board of Directors of subsidiaries will report to the shareholders' meeting of the subsidiaries in following meeting. The Board of Directors of subsidiaries will consider the dividend payment after mainly taking into account many factors for the benefit of the shareholders, such as profit from the operations and financial status of subsidiaries, reserves for future investments, reserves loan repayment or as the working capital within the subsidiaries. The dividend payment must not significantly affect the normal operations of the subsidiaries as deemed appropriate by the Board of Directors.

Dividend Payment Policy for Associated Companies

The dividend payment of ECF's associated companies will be in accordance with the agreement among shareholders, and vary according to the terms of each contract, the dividend will be paid to shareholders in proportion to the shareholding by each shareholder. The details are in accordance with the agreement among shareholders. In case of Green Earth Power (Thailand) Company Limited (GEP) in which a subsidiary of ECF (ECF Power Company Limited) is holding 20% of shares in GEP, there is an agreement stipulating the policy and approval for the dividend payment of GEP and its operating company (GEP Myanmar Co., Ltd.) for not less than 90% of net profit after deducting annual budget, reserves, and advance borrowing expenses under the loan agreement of the operating company.



2. RISK MANAGEMENT

2.1 RISK MANAGEMENT POLICY AND PLAN

The Company's risk management policies and plans are prepared for executives, and employees to use for responding and operating their tasks under the critical situations or circumstances that may prevent the organization from continuing to operate or may affect the Company's overall performance result and the operating result so that the Company can continuously and effectively operate, minimize the impact, damage or loss that may occur in order to efficiently and systematically operate. Risk management is to work in such a way that all workloads shall assess the risks before operating, considering the risk countermeasures in advance to perform main duty to watch out the risks in advance together. Risk management is part of routine responsibilities in the recognition and acceptance from those involved in a pre-decision manner. If the organization by all levels, from the level of the Board of Directors, the Risk Management Committee, executives, and employees, is aware of the duty of risk management in advance before any risky incident of all areas shall occur. This means that the risk management will be an important approach to reduce the impact on the damage that shall be occurred to the organization in terms of operating results, image, maintaining benefits to all stakeholders, society and communities, supporting the business guidelines to ultimately create sustainability for the organization.

The main objectives are:

1. To be used as a guideline in managing the continuity of the Company in various crises that may arise.
2. To enable the Company to prepare itself in dealing with any crisis or emergency that may arise.
3. To reduce the impact of interruption in the Company's operations.
4. To mitigate the damage to an acceptable condition and reduce the severity of the impact that shall occur.
5. To provide guidelines for the audit, monitoring

and assessment of risks that may affect the achievement of the Company's vision, operational objectives, goals or strategies to strengthen the guidelines for organization development with continuous sustainability.

Risk Management Policies

- Assign the risk management as the responsibility of directors, executives, and employees at all levels, aware of existing or potential risks within their functions and to the overview of organization by focusing on managing risks in various areas to be at sufficient and appropriate level.
- Provide an enterprise the Company's risk management process that meets good standards in line with international practices to effectively manage risks that may affect the operations of the organization, to develop and implement risk management throughout the organization in the same direction by using the risk management system as part of the decision making, strategic planning, plans, and performance of the Company's executives and employees, as well as to focus on the achievement of given objectives, goals, vision, mission, and strategies for creating the operational excellence and building confidence among the Company's stakeholders.
- Establish the guidelines to prevent the Company's operations from risks and mitigate risks to avoid any damage or loss that may occur, as well as to regularly monitor and evaluate risk management results; apply the information technology systems in the Company's risk management process, and thoroughly encourage personnel at all levels to have access to news and information about risk management, as well as arrange the risk management reporting system for the Risk Management Committee, executives, and staff of the internal control audit unit to ensure the efficiency and consistency.

The Company's risk management plan consists of 8 steps as follows:

1. Control Environment
2. Objective Setting
3. Event Identification
4. Risk Assessment
5. Risk Response
6. Control Activities
7. Information and Communication
8. Monitoring

Risk Management Structure

In order to effectively and efficiently implement the risk management, the Company has established the risk management unit to coordinate with internal control system auditors including the Company's Risk Management Committee with following duties and responsibilities:

1. The risk management unit has overall responsibility for overseeing the risk management within the organization.
2. The Secretary of the Risk Management Committee is responsible for auditing and supporting the Risk Management Committee to their performance of risk management duties, in order to ensure that the risk management system is appropriate and effective.
3. The scope of duties and responsibilities of the Risk Management Committee are as follows:
 1. Systematically perform their duties in accordance with the risk management policy set by the Board of Directors, risk assessment, risk prevention and monitoring in the furniture industry, to reduce the likelihood of damage to the organization to an acceptable level by focusing on the creation of risk management culture in the organization.
 2. Provide advice and support to the Board of Directors in formulating risk management policies, risk appetite and risk tolerance.
 3. Screen and review the risk management report to ensure that the risks are adequately and appropriately responded to at an acceptable level for the organization.
 4. Perform any other tasks as assigned by the Board of Directors.

5. The meetings of the Risk Management Committee shall be held at least twice a year and reported to the Audit Committee and the Board of Directors for acknowledgement.11

Review of Policy

Executives and teams responsible for the internal risk management must annually review the risk management policy, and propose to the Risk Management Committee for review and approval, if there is any change. However, the investors or shareholders who are interested could learn more about the policy of risk management on www.eastcoast.co.th Topic: Sustainable Development and Corporate Governance, respectively.

2.2 RISK FACTORS TOWARDS THE COMPANY'S BUSINESS OPERATIONS

2.2.1 Risks towards the Company's Business Operations

1. Business Risks

1.1 Risk from Industrial competition

Based on the information from the Department of Business Development, Ministry of Commerce, it was found that at present, there are totally 4,058 registered juristic persons who submitted the financial statements and are entrepreneurs in the businesses of furniture manufacturing, wooden furniture, metal furniture, furniture made of other materials (except stone, concrete or ceramic), and are wholesalers of household furniture (based on the latest information on the website of the Department of Business Development, Ministry of Commerce as of 3 January 2023), accounting a total registered capital of THB 39,413.20 million; and in the top 5 of each type of entrepreneurs as mentioned above, a total revenue according to the information in the latest financial statement submitted is THB 42,896.83 million.

In the group of furniture manufacturers and distributors, there are at least 10 major entrepreneurs who are key players in the industry. If comparing the target customers of such major players to ECF, it was found that they are not the same customer group as ECF, that is, some entrepreneurs operate their business as furniture manufacturers and deliver products to sell in large furniture retailers who sell products under their house brands, and the products will be directly sold to end users, these entrepreneurs are not the Company's direct competitors due to different groups of target customers.

While some entrepreneurs will focus on the production of integrated furniture products covering almost all types of furniture, to be sold through showrooms and real estate project

customers. Some entrepreneurs mainly produce furniture as orders from single large retailer. In addition, some of them are furniture manufacturers, but in other types of furniture which are not produced from other material such as attan furniture, plastic furniture, etc.

It can be said that most of entrepreneurs in large retailer group in Thailand are not direct competitors of ECF due to different groups of target customers.

Considering furniture manufacturers and distributors whose customers are Hypermarket stores, similar to the Company's customers, at present, there are only 4 manufacturers selling products in hypermarket stores; however, since all these 4 manufacturers are medium to small furniture factories with limited capacity in accepting orders, none of entrepreneurs have sales volume close to the Company's. Additionally, most or 50% of ECF's sales revenue comes from the manufacturing for sale to foreign customers; therefore ECF has mainly considered foreign competitors, the Company is currently predicting that there may be only one competitor whose nature of business is similar to the Company's, and located in ASEAN region, and having the same group of overseas target customers, this competitor is HEVEA PAC Malaysia SDN BHD, Malaysia.

In 2022, ECF's situation and competitiveness of the Company are not disadvantage compared to competitors. In addition, the Company could maintain the revenue level without losing any market share, although we have been under various situations in 2022 including war, inflation, cost of living, rising oil prices, and Covid-19 outbreak situation which still exists, the orders placed by foreign customers are considered at an acceptable level. Despite the order volume not increasing, the trading continued. Considering the market share of both exports and domestic sales in 2022, ECF did not lose any significant market share.

However, with good buyer relationship creation and emphasis on product quality together with manufacture that can fulfill customer needs based on the needed quantity, resulting in the continuous product ordering of most overseas customers with the Company for long time over ten years. However, the Company realizes on the strength of the foreign competitors. The key competitors are the group of manufacturing factories in Malaysia and Vietnam. Malaysia is advantageous by focusing on made-to-order production, and mass production and sales using modern technology to support production process, under low labor and transportation cost. In meanwhile, Vietnam also focuses on made-to-order production under low labor cost. However, its weakness is the reliance of raw materials imported from foreign countries. The Company can

create our advantages through proper awareness on building standpoint of the Company's products by ongoing monitoring the changing consumer behavior trend, and adapting toward the product manufacturing pattern that supports such needs, seeking ways to continuously minimize costs and expenses, including finding channels to create added value for products in order to be competitive with advantages on many areas compared to competitors.

1.2 Operational Risk

The Company has held the weekly meetings between the Head Office which is part of manufacturing plant, and Marketing Department located in the branch, to follow up on problems arising from operations, coordinate and recognize the problems arising from working together in a timely manner, the daily and weekly follow-ups on the operations at the function, department and unit levels is also provided.

1.3 Compliance Risk

The Company has established a unit to supervise the Company's operations, it is a joint operation between the Company Secretary Unit and Finance & Account Unit to be responsible in ensuring that the Company has properly complied with laws, SET requirements, or the regulations of relevant government agencies & regulators but still in accordance with the given plans.

1.4 Risk of Finance and Exchange Rate

The current important issue of financial risk is the receivables management, because during 2022, the war, inflation, cost of living and economic problems occurred may affect the financial situation of some groups of ECF's customers, especially dealers nationwide. In this issue, responsible agencies are requested to accelerate the planning of debt collection management system to be prudent, concise and timely with situations that may occur to each customer to enter the correct and appropriate system with the objective to reduce the debt collection period and continuously reduce the value of long overdue debts as soon as possible.

ECF has distributed the products to foreign customers with the condition of payment in USD, during 2021 and 2022, the Company had a proportion of sales to foreign countries at 61.31% and 49.79% of sales revenue, respectively. In addition, the Company imported raw materials for the production of foil paper. During 2021 and 2022, the Company has the proportion of purchasing such raw materials at 2.44% and 2.85% of the total purchase number of raw materials. Therefore, the Company may be

exposed to the risk of exchange rate fluctuation which may affect the Company's net profit. However, we have prepared financial instruments to hedge against such potential risks. As of 31 December 2022, The Company has forward contracts with financial institutions in the country to utilize and mitigate the impact of volatility of exchange rates that may occur in the future to a certain extent. Still, the Company has a policy to use the credit line of foreign currency forward trading to be sufficient to the level that we think it is sufficient to hedge the risk without opening the credit limit for foreign exchange speculation, and the movement is monitored to know the tendency of exchange rate fluctuations in a timely manner.

In terms of preventing other financial risks, the Company has considered to find a way to reduce the financial cost from borrowing for business operation and investment expansion in many projects, it has continuously decreased as well.

1.5 Risk of New Customers and Reliance on Existing Customers

At present, the Company reduces the risk of new customers by checking their identity and financial credibility through the information from the Department of Business Development, Ministry of Commerce, and checking from other reliable sources before considering and giving credit term for new customers.

For the risk of reliance on existing customers, the Company can reduce its reliance on foreign customers, at present, the Company's proportions between foreign customers and domestic customers are similar, and the Company's Marketing Department could expand more customer base such as customers in the United States, India and China, and has continued to seek ways to expand to other customer groups in other countries, resulting in lesser reliance on customers in Japan which currently accounts for the largest proportion among international customers.

1.6 Risk of Fire Inside the Factory and Application for Insurance

ECF reviewed the fire prevention policy, provided employees working in production process with trainings to educate them, and reviewed the insurance amount to cover comprehensive and full coverage every year, which is still in accordance with the plan set out.

1.7 Risks from Non-Long-Term Purchasing Agreements

As of 31 December 2022, The Company manufactures and distributes its furnitures via the three major channels of distribution:

Type 1: Production and distribution for export and domestic distribution to large retailers such as Home Pro, Lotus, Big C, Mega Home, Do Home, Global House, etc. In 2021 and 2022, the Company sold products to these two groups for THB 1,421.65 million and THB 1,292.25 million, or equivalent to 91.75% and 94.17% of revenue from furniture sale, respectively.

Type 2: Production and distribution for the Company's brands, in this segment, it provides a small proportion of total sales revenue. For the past year 2022, we produced under the brand HASTA, many customers turned to order the production for their house brand, causing the Company producing under the Company's brands for some large retail customers only.

Type 3: Distribution through wholesale stores and dealers nationwide, it is expected that this group will start to result in further good growth in the future because there are signs showing economic recovery and domestic consumer confidence has begun to resumed with the purchase of products.

Type 4: Distribution through online channels, such as Lazada, Shopee, NocNoc, etc., including online channels directly contacting the Company, such as FaceBook, Line, etc. During 2022, ECF made a strategic plan for further growth in the future.

However, as the key nature of production of the Company's products is made to order The Company receives advance ordering plan from domestic and overseas customers every year. Both domestic and overseas customers will not enter into long-term purchasing agreements for products. The Company therefore may expose itself to risk from the uncertainty of the order quantities of the customers due to non-entering into long-term purchasing agreements. It was to say that the customers may reduce order quantities or not order products in the future. Such an event may affect the Company's business operation and profitability. However, due to the Company's high quality products and proper pricing when compared with the competitors, the Company is advantageous from receiving orders in high quantities for economies of scale, and punctual product delivery, resulting in total product orders continuously placed by foreign customers and Hypermarket, together with the development of product styles to be new, modern, and ways to additionally procure other types of products as new alternatives and expand sales opportunities. These are important factors resulting in continuous orders placed with the Company. In addition, ECF has a way to diversify risks by developing

more distribution channels in every channel to reduce the dependence on solely selling to any distribution channel.

2. Production Risks

2.1 Raw Material- Related Risk

- Risk from Raw Material Shortage

During 2021 and 2022, The Company has a proportion of purchasing all types of wood to be used as raw materials in the production process. The highest raw material purchase value, accounting for 43.13% and 43.45% of the total raw material purchase amount, the proportion in 2022 was higher than those of 2021 due to the increasing price of raw materials that has increased since 2021.

The Company enters none of the sales agreements with any specific raw material suppliers and may expose to risk from supply of raw materials if the suppliers fail to sell sufficient raw materials to the Company or suspend selling raw materials to the Company. However, the Company realizes on such risk issue, and prevents risk from acquisition of raw materials by continuous ordering raw materials from seven major suppliers to diversify risks without relying on any raw material supplier with production potential and maintaining good relationship with the suppliers of raw materials for long time. More than 80% of its major suppliers of raw materials have sold raw materials to the Company for a long time, over ten years.

- Risk from Fluctuation of Raw Material Price

The main raw materials for the Company's furniture production are Particleboard, MDF and rubber wood. During 2022, the price situation of main raw materials for particle board and MDF wood is not significantly changed, compared to 2021, resulting in no impact on the Company's production cost structure. However, the Company has used the purchase control policy, consistent use of raw materials in the production cost structure, and continuous waste management inside the factory.

Besides, rubber wood which is considered as an industry which is the future of Thailand because almost all countries have closed

forests, causing a shortage of wood for consumption, as a result, the rubber wood is in greater demand. In addition to generating income for rubber plantation farmers, it also generates more income for the country from the export of rubber wood products, and it tends to increase every year.

Based on the data from the Agricultural Information Center under the Office of Agricultural Economics as of November 2022, it forecasts that at present, among Thailand's rubber plantation areas has harvesting areas of approximately 21.98 million rai in 2021 and it is expected to be approximately 21.93 million rai and 22.99 million rai in 2022 and 2023, respectively. The data from the Office of Agricultural Economics was found that in 2021, the target of rubber tree cutdown was 400,000 rai, it appeared that the actual demand for rubber tree cutdown was higher than the target of 470,000 rai. The purpose of rubber plantation is to tap rubber latex to produce rubber sheets for sale. The rubber tree is considered as a by-product of rubber plantation because when the rubber trees get older, the latex will be decreased, so the rubber trees are cut down for sale, especially in the furniture production business for sale. Therefore, if rubber wood is more demanded, it will inevitably affect the cost of rubber wood, leading to an impact on the profitability of business.

In overview in part of such cost management for both types of main raw materials, the Company will closely monitor the movement, variation, and fluctuation of price to be up-to-date and enable to prevent risk from fluctuation of the price of main raw materials that may affect the Company's operating result. The Company will consider the purchase prices of woods based on the data obtained from the market survey of wood raw materials, and consider the amount of wood to be used so that the Company can control the costs of wood raw materials to be appropriate and in line with the market conditions, as well as adjust the sales strategies to reflect the conditions of changing costs.

2.2 Risk from Labor Shortage

The Company operates the manufacturing and distributing business of furnitures and surface papers. The production labor is considered as key factor. As of December 31, 2022, the Company has had total of 1,045 employees classifying into 207 full-time employees and 838 daily-waged employees. Approximate 89.70% of total daily-waged employees are in factory/production department and the number of foreign labors is 83.76% of daily-waged employees.

The large amount of labor will affect production cost and competitiveness of the business. During the year, there is always a turnover and the Company's expansion and adjustment of the production process, possibly resulting in increase/decrease in labor turnover until the production capacity may be affected in some periods. Being aware of such risk issues, the Company has formulated guidelines for preventing risk of labor shortage, and it has previously never confronted this problem. In addition, the Company has planned to improve its production lines by importing sophisticated machines to continuously and increasingly ensure automatic system in production process, contributing to reduction of the potential impact of labor shortage to some extent.

3. Sustainability Risk

The sustainability risk relates the environmental, social and corporate governance issues, the Company has sought for a way to manage such risk to create opportunities and reduce risks that will affect the Company's profitability, competitiveness, image, reputation and survival, by focusing on the formulation of mission and corporate strategy, including the analysis of risks and the important issue of sustainability to support the risk management at different levels for building the confidence of all stakeholders. Followings are details:

- Environment Aspect

The Company is well aware of the impact of climate change on the supply of raw materials, including particleboard, processed and dried rubber woods, then has thought of ways to reduce the amount of woods used in production, and the production guideline that will help reduce the loss of woods as much as possible, including the concept of recycling to be used in production process, for example, the Company uses recycled paper grade in production of the Company's brochures, product manuals, etc.

Additionally, the Company has properly controlled the dust arising from the wood production process to reduce

the potential impact on the environment, communities and society surrounding the Company's manufacturing plant.

- Society Aspect

The Company has emphasized and respected the principle of human rights in the supply chain to create sustainability in business processes. In addition, the Company is aware of the risks from the behavior of people in society that may change; therefore, in order to adapt itself to the development of products, the Company has developed its products to be ready for the changes that occur, with the objective to reduce the potential impact on the overall revenue and production costs. The Company has focused on the new inventions to respond to consumer behavior and to sustainably create values that can meet its goals.

- Corporate Governance Aspect

The Company has placed the importance on the disclosure of material information to reduce the risks and prevent stakeholder expectations, for example, the shareholders or individual investors in the Company's securities must have equal opportunity to obtain important information in a timely manner for investment decisions without creating any advantage for any group, etc. In addition, the Company has emphasized compliance with the regulatory policies inside the organization through the issuance of governance policy on many areas such as the Charter of the Board of Directors and the Charters of all sub-committees. The Corporate Governance Policy, Business Ethics, the Code of Business Conduct for Directors, executives and employees, policy on retention and use of insider information, the anti-corruption policy, etc., which are part of the Corporate Governance Policy, shall be annually reviewed by the Board of Directors, to ensure that the Company has considered and prioritized it to prevent the potential corporate governance risk and to minimize the impact on the Company's business operations.

For more supporting information can be considered in the topic: Business drive for sustainability in this 56-1 One Report form.

4. Management Risk

- Risk from Dependency on Key Executive

The Company commenced its business operation from the foundation of Mr. Wanlop Suksawad and continuously expanded its business via professional management of the executive group in Suksawad Family. Throughout over 20 years of business operation, the key executives of the Company have ongoingly created

reliability for the business and built good relationships with both domestic and overseas customers. The Company therefore may be exposed to risk from dependency on the key executives of the Company in management. If the key executives are changed, it may affect the Company's business operation. The Company has realized such risk and then prepared position succession plan and supported its employees to fully play role in opinion expression and operation under determined authority. The Company has the Nomination Committee to play a role in continuously monitoring the progress of this issue and has also driven the teamwork to increase the potential and efficiency in working by considering on appropriate and adequate reward together with emphasis on equitable and regular training of every level of employees to have working knowledge and understanding. In addition, the employees are supported and entrusted with higher positions to support the Company's management. Therefore, the Company ensures that it will reduce dependency on the management of the key executives in the future.

5. Risks from Investment in Alternative Energy Business

Since 2016, the Company has expanded its business to the renewable energy business, until 31 December 2020, the Company has invested in solar power plant projects (after 24 December 2020, the Company has disposed of all ordinary shares held through its associate, Safe Energy Holdings Co., Ltd., which invests in the biomass power plant business and the trading is finalized on that day, a total of shares to be disposed was 233.88 million baht), which ECF Power Company Limited, as a subsidiary in which the Company holds 99.99% of total shares, invests in the said project. Therefore, the solar acquirement of solar power plant business may pose risks in many areas, including:

- Risk from Project Success / Risk from Delay on Commencement of the Planned Project Operation
In part of solar power plant project in Minbu City, Myanmar, via shareholding of 20% in Green Earth Power (Thailand) Company Limited, December 31, 2022, it has currently been under construction of the Project - Phase 2 3 4 total amount 170 MW from total of 220 MW. Which in the past, the major risks to be an obstacle causing the construction to be delayed from the plan are the unrest situation in Myanmar, the situation of the COVID-19 epidemic that has caused the travelling to the construction site to be delayed, and the political unrest situation

in Myanmar. However, the latest progress on the construction of the project for Phase 2 is that the preparation of area to support the installation of solar panels is in progress and will be complete soon, and the product ordering such as solar panels with installation accessories required for construction is processed as planned. However, the impact of COVID-19 and the political unrest have resulted in the delay of commercial operation date for next phases. The management team and the work team are aware of the aforementioned issues. At present, the construction team will continue to fully accelerate the construction to minimize the impacts. In addition, based on the terms of the Power Purchase Agreement, the project can claim a force majeure from the impact of COVID-19 and the political unrest in Myanmar. Now, the project has not been notified of any delays in the construction from relevant government agencies in Myanmar.

In order to closely manage the project and reduce risks, the Company has delivered its director representative to attend the meeting and hold the director office in Green Earth Power (Thailand) Company Limited as the Company's director representative to continuously attend every Board's meeting and closely overhear the progress including problems and corrective guidelines for success of the project operation on setting plan, and the result of completed project, which is Phase 1 with size of 50 megawatts.

- Risks of deposit placement for the study of feasibility about other renewable energy projects

As of 31 December 2022, the Company has a condition of making a refundable deposit in case the outcome of the feasibility study for an investment in a wind power plant project is not satisfactory. However, at the moment, the project owner is in the process of gradually returning the deposit to the Company, the latest outstanding balance as of 31 December 2022 was THB 44.50 million.

The deposit to study the feasibility of the biomass power plant project in Japan as of 31 December, 2022, amounted THB 100 million, the said project is from the founders of the solar power plant project in Myanmar (Minbu Power Plant) or Green Earth Power (Thailand) Company Limited (GEP), but now, all shareholders of the GEP

power plant project still focus on the success of the construction of power plant project in Minbu to complete all four phases as soon as possible, and the source of investment fund is spending on GEP, which is a project with high investment amount, in addition, many situations also resulted in the delay of construction, causing the delay in the investment of biomass power plant projects in Japan at the moment. If the construction of all 4 phases of the Minbu Power Plant can be completed by 2023 - 2024 as targeted, the founders of the biomass power plant project in Japan will make the construction progress, and the Company will consider the possibility of investing in such project in order to reach the conclusion of the investment.

- Risk from Interest Rate Fluctuation Since the funding for the construction of power plant projects is the amount of the project supported by financial institutions, the interest rate charged by the financial institutions with the Company is specified to be floating interest rate. Thus, if the interest rate is changed, it will directly affect the financial cost of the Project and affect share of profit gained by the Company, ultimately. Nevertheless, in respect to Minbu Power Plant Project, hedging from interest rate has been determined based on the specified proportion to abate risk from fluctuation of interest rate in accordance with condition specified in Credit Facility Agreement.
- Risks from the COVID-19 situation and political unrest in Myanmar According to the Power Purchase Agreement, the Minbu Power Plant project can claim a force majeure due to the aforementioned situations to request an extension of the construction period. In addition, the Myanmar government has never issued any notice to the project regarding the delay in the commencement of commercial electricity distribution. As of 31 December 2022, the construction of Phases 2 to 4 is still under ongoing construction.

6. Risk of the Investment from Securities Holders

The investors in the Company's securities may be exposed to the risk of non-return or possibility of losing all or part of their investment, affecting the return on investment which may be caused by the Company's operating results, the conditions of related Industries and economic conditions are the important factors that determines whether the return on investment will be high or low, and the trading situation in the Stock Exchange of Thailand. If the economy expands well and the Company has a good operating result, the Investors in the Company's securities shall have the opportunity to earn higher returns. On the other hand, if the economy is stagnant or in a downtrend, and the Company's profits decline due to such an impact, the return to be paid to the investors shall tend to be decreased. Therefore, the investment involves risks and investors should closely and closely study all relevant information.

7. Emerging Risks

7.1 Information Technology Risk

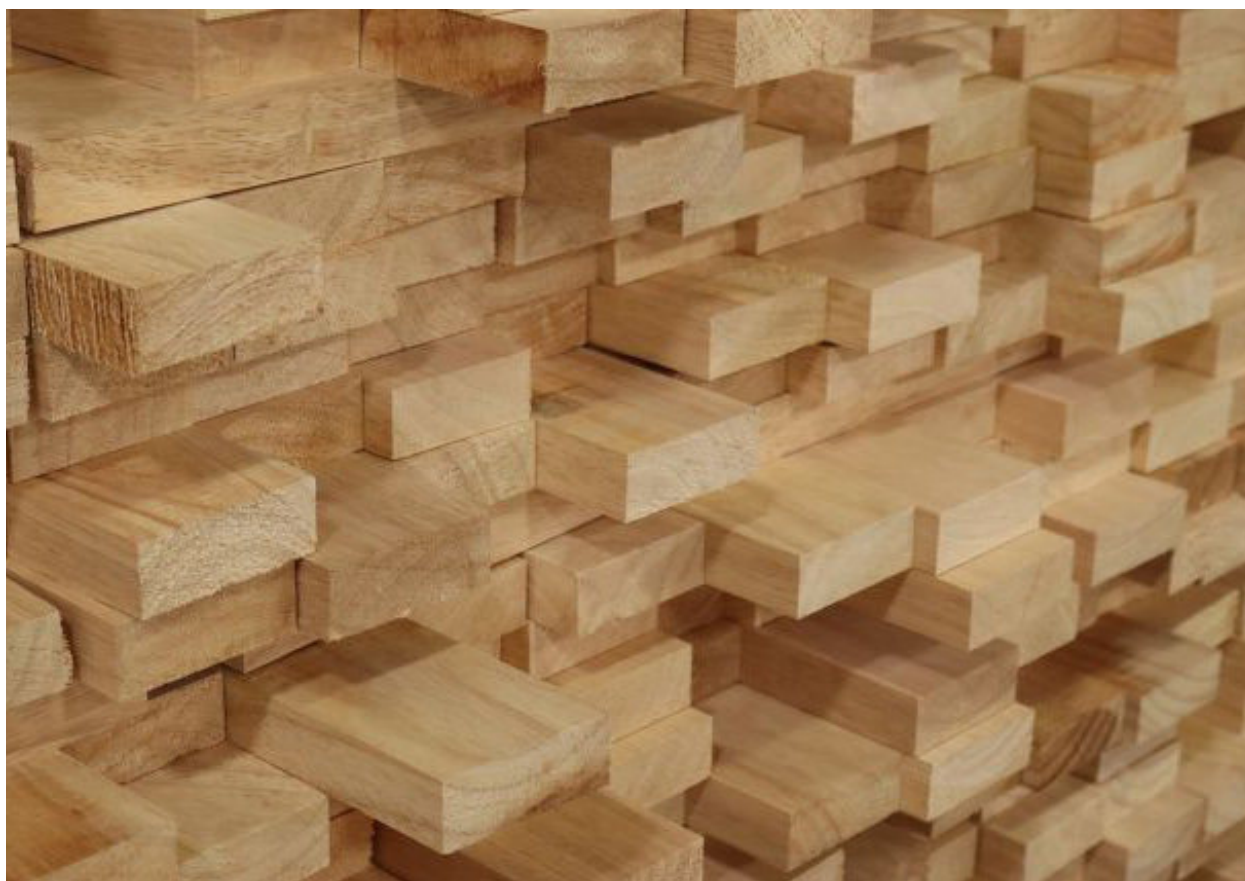
In today's world, the information technology system, computer, and data storage have played important roles in the internal management of the Company, this includes being an important part of the internal control system through related programs such as sales management function, accounting and finance function, database creation and storage function, and related general operations. ECF has therefore prioritized the make of guidelines for preventing information technology risks that may be occurred inside the organization, since in the past, the Company has established the policy on this issue to relevant departments, notified them for acknowledgment, driven actual implementation, and followed up the results to be concrete and clear that ECF could protect all risks of the information technology system in the organization to cover all areas.

7.2 Risks of Covid-19 Impacts

The COVID-19 outbreak, results of government's measures for the purposes of controlling and preventing disease outbreak, may affect the Company's production capacity because the Company's operation has been limited as a result of the decreasing number of working hours due to the enforcement of the Emergency Decree prohibiting everyone from leaving home for a certain period as specified, this effect was evident in 2021. However, with the epidemic situation, the number of people vaccinated has been increased, resulting in a good result in 2022, the production situation of the Company is considered that its recovery is close to the time before being affected by COVID-19.

7.3 Risks from the effects of the Russian-Ukrainian war, inflation problems, and the rising oil prices

The Russian-Ukrainian war in February 2022 has affected the price of oil to be increased, subsequently causing effects on other areas, such as the tendency of production costs, and sales and administrative expenses of the Company to be increased. However, under these impacts, ECF has urgently adapt itself and find ways to reduce costs and expenses, starting from the procurement process, procurement of raw materials, negotiations with business partners, diversification of sales risk by having multiple customers without mainly relying on solely selling to any customer, monitoring and examining risks and problems that may be occurred in advance and speeding up finding solutions before the impact is greater, and adjusting the working organization to be more efficient, these are important guidelines that help the Company's overall performance to be not significantly affected by the Russian and Ukrainian war, inflation, rising oil prices.





3. DRIVING BUSINESS FOR SUSTAINABILITY

3.1 POLICIES AND TARGET ON SUSTAINABILITY MANAGEMENT

East Coast Furnitech Public Company Limited (“the Company”) has provided the policies on sustainability management, taking into account the compliance with business directions and strategies based on the Global Reporting Initiative (GRI) framework and guidelines of the United Nations Sustainable Development Goals (SDGs) in line with the objectives ***“To lead the organization into the development and profits with sustainable growth along with social and environment responsibility, including good corporate governance.”*** to reflect the intention and commitment to drive the businesses by taking into account the issues of corporate governance, people, environment, society, covering the prioritization of respecting human rights, labor rights, anti-corruption, etc., to be the guideline for operations and to create understanding and responsibilities for stakeholders.

Since 2021, ECF has combined the Sustainability Report into Form 56-1: One Report, or learn more information at www.eastcoast.co.th under the topic “Publications”.

Sustainability Management Target





The Company has established the corporate sustainability management targets in line with its short-term and/or long-term business strategies as follows:


Business Target






The Company has established the goals or indicators of the Company’s operating result, both monetary and non-monetary terms, by maintaining the growth rate of sales and profits from operations in the furniture business group to continuously grow for at least 10-15% per year and aiming to become an organization that develops further investments to reduce costs in the integrated furniture manufacturing business for strengthening its competitiveness and conducting business with ethics, respect the rights and responsibilities to shareholders and stakeholders, benefiting to society and reducing the impact on environment, by maintaining the gross profit margin of the furniture business for not less than 25% per year. In addition, the Company shall be able to create a level of customer’s satisfaction with the Company’s products for at least 80%, based on the result of annual satisfaction customer survey results.

For long-term goal, the Company has set the return from the renewable energy business at the proportion of not less than 30% of the total net profit of the Company and all subsidiaries within 3 years, and diversified the business risks to other types of businesses that are potential and have opportunities for continued growth, and targeted to become the leader in the business of furniture manufacturer and distributor for export and the leader in furniture distribution business for wholesalers and retailers nationwide and in the ASEAN region. The Company has also established the secondary goal following to the business goal on corporate sustainability management with details as follows:

Sustainability Target

Sustainability Targes according to the GRI framework	Sustainability Management Targets	Sub-policies	Guidelines/Tools/Standards	Significant Scope	Sustainable Development Goals: SDGs
				within the organization	outside the organization
1. Economy 1. Sustainable growth under good corporate governance, making the business survival 2. Effective risk management	<ul style="list-style-type: none"> • Able to develop and expand the business for economic stability sustainability. • Building trustfulness of shareholders. • Building confidence in the Company's businesses through customer satisfaction • Building social sustainability • Building the solvency. • Building profitability • Building asset management capabilities for maximum benefit. • Accurate, transparent and verifiable financial statements • Efficient supply chain management • Efficient raw material management • Building product and service values • Making teams and employees understanding on aiming towards the common target of sustainability. • Fair labor compensation • Appropriate price levels of products and services 	<ul style="list-style-type: none"> • Good Corporate Governance Policy • Business plan and investment expansion plan • Production plan and use of raw material plan • Marketing plan and customer satisfaction surveys • investment budget • Corporate Risk Management Policy • Research and development of products 	<ul style="list-style-type: none"> • Developing a variety of products to provide customers with more choices for their convenience, serving daily use. • Creating various innovations to use in production process for time reduction, cost reduction but maintaining quality products and responding future requirements • Analyzing the results of customer satisfaction surveys and applying the result to develop for quality enhancement of both products. and service. • Determining governance structure of corporate risk management to be able to adapt in any situation and quickly and timely take into account new risks. • Encouraging employees to create innovations to be used in their own work processes • Expanding the business to reduce the sole reliance on main business • Closing supervising and monitoring operating result, ability to grow and various risks of businesses to be invested 	<ul style="list-style-type: none"> • Board of Directors and senior management • Employees • Creditors • Partners and Accounts Payable 	   

Sustainability Targes according to the GRI framework	Sustainability Management Targets	Sub-policies	Guidelines/Tools/Standards	Significant Scope		Sustainable Development Goals: SDGs
				within the organization	outside the organization	
2. Society						
1. Linking stakeholders in value chain	<ul style="list-style-type: none">Rights and equality	<ul style="list-style-type: none">Good Corporate Governance Policy	<ul style="list-style-type: none">Encouraging employees to attend training on knowledge related to operations inside and outside the organization	<ul style="list-style-type: none">Board of Directors and senior Employees	<ul style="list-style-type: none">Customers	
2. Respecting Human Rights	<ul style="list-style-type: none">Strict compliance with the agreement	<ul style="list-style-type: none">Anti-Corruption Policy			<ul style="list-style-type: none">Partners and Accounts Payable	
3. Good Corporate Governance	<ul style="list-style-type: none">Adhering to the contract and complying with terms & conditions	<ul style="list-style-type: none">Non-infringement policy on the intellectual property or copyright of others			<ul style="list-style-type: none">Communities, Society and Environment	
4. Compliance with relevant laws, rules and regulations	<ul style="list-style-type: none">Welfare and fair compensation					
5. Good quality products and services.	<ul style="list-style-type: none">Not be demanded or receive or pay any unjustified benefits	<ul style="list-style-type: none">Complaint Protection Policy				
6. Customer satisfaction and Complaint Management	<ul style="list-style-type: none">Accuracy, completeness, without distorting information	<ul style="list-style-type: none">Conflict of Interest Prevention Policy				
7. Labor management and personnel potential development	<ul style="list-style-type: none">Reasonable price level of products and services	<ul style="list-style-type: none">Insider Policy				
8. Health, sanitation and safety at work	<ul style="list-style-type: none">Polliteness/Efficiency in communication	<ul style="list-style-type: none">Ethics in Business Operation				
9. Anti corruption	<ul style="list-style-type: none">Speed of responding to the needs of stakeholders	<ul style="list-style-type: none">Business Ethics for Directors, Executives and Employees				
10. Growing with Society and good Environment by participating in society development and enhancement for its growth and being a good society	<ul style="list-style-type: none">Building good relationships	<ul style="list-style-type: none">Investor Relations Code of Conduct				
	<ul style="list-style-type: none">Independent and fair competition, non-exclusive / non-distorting, deceptive or using other information that is inaccurate in the way of competition / not slandering, attacking competitors without reasonable information / behaving within the framework of good competition rules.	<ul style="list-style-type: none">Human resource development policy				
	<ul style="list-style-type: none">Development of knowledge, competency and consistent and thorough performance	<ul style="list-style-type: none">Employee Compensation and Welfare Policy				
	<ul style="list-style-type: none">Safety of life and property	<ul style="list-style-type: none">Human Rights Policy				
	<ul style="list-style-type: none">Opportunities and advancements at work	<ul style="list-style-type: none">Occupational Safety, Health and Work Environment Policy				
	<ul style="list-style-type: none">Good working culture and atmosphere	<ul style="list-style-type: none">A plan to upgrade and develop communities in the area where the Company's office is located.				
	<ul style="list-style-type: none">Health and safety					
	<ul style="list-style-type: none">Encouraging personnel to have awareness of anti-corruption in all forms					
	<ul style="list-style-type: none">Not have a negative impact on the traditional way of living in the communities, social contribution and support of beneficial activities including improving the quality of life of people in the communities					

Sustainability Targes according to the GRI framework	Sustainability Management Targets	Sub-policies	Guidelines/Tools/Standards	Significant Scope		Sustainable Development Goals: SDGs
				within the organization	outside the organization	
3. Environment 1. Use of raw materials 2. Air quality management 3. Biodiversity 4. Water management 5. Power management for efficient use	<ul style="list-style-type: none"> Optimal use of raw materials or materials that are environmentally friendly and/or recycled Checking and actions to correct and prevent negative impacts and result in positive impacts Management of biology, water and energy that is effective, environmentally friendly, maximize benefits; recycling according to the Circular Economy concept. Reducing the impact arising from the Company's energy consumption 	<ul style="list-style-type: none"> Efficient Use of Resource Policy Greenhouse Gas Reduction Policy 	<ul style="list-style-type: none"> Efficient Use of Resource Policy Greenhouse Gas Reduction Policy 	<ul style="list-style-type: none"> Employees 	<ul style="list-style-type: none"> Communities, Society and Environment 	    

Review of sustainability management policies and/or targets in 2022

In pervious year, the Company reviewed the sustainability management policies and sustainability management targets to make the content consistent with the current situation, none of any material changes have been made and the policies related to sustainability management have published on the Company's website at www.eastcoast.co.th under the Menu 'Sustainable Development.'


3.2 Managing impacts on stakeholders in the business value chain

3.2.1 Business Value Chain



The Company has adhered to the sustainable business operations, in which the Company's business relates to different groups of stakeholders in the entire value chain in each of its operational activities, to enable the development and enhancement the capability in appropriately responding to the needs or expectations of stakeholders for the survival and sustainable growth of the business



3.2.2 Analysis of Stakeholders in Business Value Chain

The Company operates the business by adhering to good governance, respect to the right take into account the benefits of the group of stakeholders and duties of each group are carried out with all of the aforesaid under the Company's concern on either both positive and negative impact, or both direct and indirect impact for equally getting satisfactions from the Company's stakeholders of all groups.

Stakeholders	Expectation	Reaction	Connection Guideline
Employees 	<ol style="list-style-type: none"> 1. Arrangement of fair remuneration in consistency with economic state 2. Career Opportunities and Progress 3. The development of knowledge and competence in areas directly related to the career, and knowledge to be continuously applied in their living. 4. Occupational health care 5. Work-Life Balance 	<ol style="list-style-type: none"> 1. Emphasize on every level of the Company's employees under equitable and fair employee treatment. 2. Provide return which is appropriate for knowledge and competency of each employee, together with focus on continuous development of potential, and knowledge 3. Policy on safety, occupational health and working environment plan 4. Trainings for personnel's potential development 5. Respect to human right, dignity and basic right in working, as well as not disclose or transmit information or secret of the employee to the third party or unrelated party. 6. Give the employees the opportunity to have communication channel for suggestion and complaint on working. Suggestions shall be considered and corrective method shall be determined for interest of all parties and creation of good relationship in cooperation. 	<ol style="list-style-type: none"> 1. Survey on organizational commitment 2. Journal for "Eastcoast People" 3. Employee Comment Box 4. E-mail 5. PR Board 6. Organizing seminars to educate 7. Activities to meet and socialize on various occasions. 8. Communicating the Company's human rights policy to employees

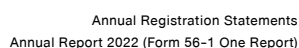
Stakeholders	Expectation	Reaction	Connection Guideline
Shareholders /Investors 	<ol style="list-style-type: none"> 1. Good Corporate Governance 2. Maintaining rights and equality 3. Good and regular returns of investment 4. Good operational performance and sustainable of business operations 5. Careful Risk Management 	<ol style="list-style-type: none"> 1. Realize and emphasize on basic rights of the shareholders 2. Promote and facilitate the right of the shareholders 3. Disclosure of accurate, complete and adequate information for decision-making. 4. Implementation based on the principles of good corporate governance 5. The Company properly and regularly paid dividend to the shareholders in dividend payout ratio in accordance with dividend payout policy as prescribed by the Company. 6. Business management under the sustainable administration. 7. Planning for comprehensive and appropriate business risk management with with diligence and caution 	<ol style="list-style-type: none"> 1. Ordinary and Extraordinary Meeting of Shareholders 2. Disclosure of Data Information via SET Portal Straight Through System of the Stock Exchange of Thailand, and the organizational website 3. Organizing an event to declare our performance through the Opportunity Day event organized by the Stock Exchange of Thailand 4. To discuss, talk and reply inquiries through the Investor Relations Department by assigning the responsible person. 5. Website : www.eastcoast.co.th 6. Quarterly Performance Report 7. Press releases via various media 8. Company visits 9. Widely communicating the policy of Data Protection of shareholders, and/or investors and as required by law
Customers 	<ol style="list-style-type: none"> 1. Variety of quality goods and services to fulfil customer needs. 2. Products that are responsible to society and environment, and are reused 3. Convenience of product access. 4. Preparedness and rapidity of customer service. 5. Reasonable price of goods. 6. Confidentiality of customer information. 7. Service availability during purchase and after purchase 	<ol style="list-style-type: none"> 1. Operate manufacturing and distributing business for goods which are safe for usability by taking into account the user's health and after sales service that create maximum customer satisfaction. 2. Use eco-friendly materials in product manufacturing 3. Arrange communication channel so that customers can complain with the Company. Customer complaint shall be attentive and contingent problems shall be fairly solved for customer 4. Operate the business by adhering to honesty and fairness, not performing acts that violate the right of customer 5. Not demand to receive or agree to receive property or any other interest in bad faith from customers both directly and indirectly. 6. Define a customer confidentiality policy. 	<ol style="list-style-type: none"> 1. Visiting customers to offer new products and opportunities to directly listen to feedbacks and needs from customers. 2. Survey on Customer's Satisfaction 3. organizing activities held by the Company to reach target customers through established marketing channels such as organizing trade shows for wholesaler group and retailer group nationwide, etc. 4. Provision of opinion, suggestion, and complaint channel for customers 5. Widely communicating the policy to maintain the confidential data of shareholders, and/or investors and as required by law 6. Providing additional information about the Company or its products via Website: www.eastcoast.co.th Including applications developed by the company.

Stakeholders	Expectation	Reaction	Connection Guideline
Business Partners and Business Creditors 	<ol style="list-style-type: none"> 1. Fair business doing 2. Management under good governance and transparency of business operation 3. Sustainable business chain management 4. Ability in supporting business operations 5. Co-development of products and services to enhance the quality and standards 	<ol style="list-style-type: none"> 1. Treat business partners under equality. 2. Select business partners that operate business according to law, and comply with manufacturing standard, and safety and environmentally friendly standard 3. Keep business secret or business information of the business partner 4. Create good mutual relationship and understanding, share knowledge, and mutually and continuously develop and add value to raw materials and goods ordered by the Company. 5. Not demand to receive or agree to receive property or any other interest apart from business agreement. 	<ol style="list-style-type: none"> 1. Regular holding annual meeting of the business partners 2. Discussion for brainstorming in creative development of products 3. Business partner company visit for hearing opinions and suggestions 4. Providing information to trading partners for the acknowledgement of our anti-corruption policy 5. Procurement Manual
Business Competitors 	<ol style="list-style-type: none"> 1. Operate business and compete under transparency and fairness, and compliance with the framework of good competition and honesty. 	<ol style="list-style-type: none"> 1. Compliance with the framework of rule of fair competition 2. Not destroy reputation of business competitors with malevolence. 3. Not violate intellectual property / copyright. 4. Not seek for secret information of business competitors by dishonest or improper means. 5. To cooperate in developing Thai furniture to be internationally competitive in the world market. 	<ol style="list-style-type: none"> 1. Meeting and discussion, opinion sharing, and cooperation in various agenda. 2. Applying for a membership of associations related to and in charge of furniture industry.

Stakeholders	Expectation	Reaction	Connection Guideline
Creditors 	1. Duly interest repayment. 2. Profitability of the Company's performance.	1. Strictly complying with financial covenants to creditors as agreed in loans contracts. 2. Good financial management to achieve creditors' confidence 3. Properly and duly disclose operating result information and financial position. 4. In case of failure to comply with conditions in loans repayment, creditors must be notified in advance for finding a solution and preventing damages together. 5. A meeting is organized to meet financial institution creditors and company visit shall be annually arranged.	1. Meeting and discussion 2. Disclosing accurate financial performance information in a timely manner to creditors so that they could know the updated information of the Company's financial status.
Community, Society, and Environment 	1. Operate businesses that do not affect the community or the effects caused by the business operations could be managed. 2. Effective management of wastes from business operations. 3. Participation in community's activities, and improving the quality of life of people in communities. 4. The Company's business operations by prioritizing the policies which will reduce greenhouse gas emissions affecting the environment.	1. Create the understanding, reliability and engagement with community. 2. Formulate preventive and corrective measure for impact occurred with community and society as the result of the Company's operation. 3. Managing for creating a good environmental maintaining and protection system. 4. Evaluation of community relation activities to measure the efficiency to those activities. 5. Culture consciousness and promote educating and training to the employees of all levels in respect of environmental preservation. 6. Promote environmentally friendly use of technologies, machines and raw materials used in production process. For environmentally friendly practical guideline in the production process of the Company. 7. Formulate a policy to reduce greenhouse gas emissions and carbon footprint.	1. Community relation activities (engagement with community activities) 2. Regular survey and discussion for hearing opinions and requirements of community and society on yearly basis. 3. Opening channels for accepting complaints if having any problem or impact on the community and the environment through given via Website : www.eastcoast.co.th 4. Widely communicating policies related to the environment inside the organization.

The policies and practical guidelines showing the responsibility to all stakeholders can be considered as in the details disclosed by the Company in the Corporate Governance Policy or via the company's website www.eastcoast.co.th

ECF has selected issues affecting the sustainability development approach by considering the risks to people, environment, and current and potential impacts, its sustainability management strategies through the development of products, services, beneficial investments, and issues expected by stakeholders. The process is provided to prioritize from agencies linking to the Company's stakeholders and executives to reviewing significant issues every year. In 2022, many issues were considered and analyzed in line with corporate strategies and stakeholder expectations in terms of corporate governance, economy, society and community, and environment in the matrix with the horizontal axis representing the level of likelihood and the vertical axis representing the level of severity, based on the analysis of risks that will be exposed to people and environment, as follows:






3.3 GUIDELINES OF SUSTAINABILITY MANAGEMENT ON ECONOMIC DIMENSION

3.3.1 Economic Policies and Guidelines

ECF has focused on business management by adhering to the principles of sustainable growth under corporate governance and efficient risk management, in which the Company has considered that under the framework of corporate governance policy, defined risk management policy and the establishment of good internal control system in all functions inside the Company will be used as an operational framework for parent company, all subsidiaries and associated companies. The implementation of policies and guidelines will create the sustainability in economic dimension for the organization. Additionally, the Company has also presented the said information in Part 1: Risk Management, and Part 2: Corporate Governance, of Form 56-1: One Report, containing comprehensive details about the corporate governance policy and internal controls.

3.3.2 Economic Performance

Value Distribution to Stakeholders in 2022

Value Distribution to Stakeholders		
 Value distribution to shareholders <ul style="list-style-type: none">10.56 million baht	 Investment to human resource <ul style="list-style-type: none">Employee compensation 214.60 million bahtSeminar training fee 0.06 million bahtDirector Remuneration 5.78 million baht	 Economic value <ul style="list-style-type: none">Create costs and expenses to circulate in the economy.1,290.36 million bahtTax expenses paid to the government1.12 million baht

3.4 SUSTAINABILITY MANAGEMENT IN SOCIAL DIMENSION

3.4.1 Social Policy and Practices

East Coast Furnitech Public Company Limited and its subsidiaries (the “Company”) are committed to conduct its businesses with responsibility to society, the environment, and communities in various areas, both within or outside the premise where the Company conducts business, either directly or indirectly, by focusing on the participation in the development of these communities to be strong because the Company has believed that **“Strong Community will make the Company Stable”**. However, the Company’s business operations are under the principles of good corporate governance with transparency, verifiability, compliance with relevant laws and regulations, as well as morality, ethics, respect to human rights principles, impacts on society, communities, including the benefits of stakeholders. The Company therefore has established the social responsibility policy as a framework for business operations as follows:

1. Operate businesses taking into account the responsible management approach in treating employees, customers, business partners, communities, and society in accordance with the principles of stakeholders in value chain to reduce the potential impacts due to the Company’s businesses, so that the Company’s businesses will securely and sustainably grow under the framework of corporate governance principles, business ethics, code of business conduct, human rights policy, and anti-corruption policy, etc.
2. Manufacture products and create services with good quality, environmentally consciousness, recyclability, better quality of life for consumers, and also quickly and efficiently manage the satisfactions and complaints.
3. Conduct social responsibility activities by focusing on the participation and support to communities, public and private organizations that have direct and indirect interests in the Company’s business operations.
4. Support the participation of the Company’s employees and embed them the values in public consciousness for corporate culture creation.

5. Operate and pay attention to the safety and occupational health of employees by establishing a policy on safety, occupational health and working environment, developing the potential of employees to grow up in their line of work, and making succession plans.
6. Apply the knowledge, experience and expertise of the Company's personnel and support equipment and tools to help and develop society environment and community.
7. Seeking for an opportunity to create space either inside or outside the Company for public benefit, or an opportunity to improve the quality of life for nearby communities.

Relevant Social Issues and Practical Guidelines

Relevant Social Issues	Sustainability Management Issues	Guidelines / Management Guidelines
Fairly treatment to all employees/labors without discrimination and with equal opportunity	1. Employment/Termination	Formulating human rights policies and guidelines and providing a process to ensure that all employees and labors are fairly treated, complying with labor laws related to employment/termination, and not violating human rights for the whole supply chain.
	2. Compensation and Welfare	Establishing a clear remuneration and welfare policy, and communicating it for common understanding between employers and employees/labours.
	3. Employee development	Formulation of personnel development policy
	4. Taking care of employees to have a good quality of life and work safety	Formulation of policies and guidelines on safety, occupational health and working environment
	5. Gathering to negotiate employee benefits.	
Responsibilities to customers	The business loses competitiveness due to failure in adapting itself to meet rapid changes in customer needs	Improving the customer satisfaction and building long-term engagement
	The violation of consumer rights and lack of awareness for responsible production of goods and services	<ul style="list-style-type: none"> • Fair marketing and sales • Modification of products, packaging or business models to meet customer needs • Customer Confidentiality Policy
Partner Management	The irresponsible operations of partners	<ul style="list-style-type: none"> • Sustainable Supply Chain Management • Development and realization of green procurement concept
Community and social development	Conflicts between communities and businesses due to business operations that cause troubles to communities and society.	<ul style="list-style-type: none"> • Management of impacts from operations to prevent conflicts with communities • Improvement on the quality of life of people in communities to be self-reliant in a sustainable way. • Participation in the creation of coexisting society

Social management targets

The Company has set social management targets that are consistent with short-term and long-term business strategies as follows:

1. Not cause problems in violation of human rights, no child labor and use legal labor and no cause the inequality and discrimination.
2. No production process that may affect the communities and society.

3. Conducting business in accordance with laws, relevant rules and regulations, and having a policy for anti-corruption.
4. Having important measures to ensure the safety, occupational health and work environment in the workplace including the communities surrounding the establishment
5. Continuously promote and effectively implement the development of labor skills through the policy of personnel development and to promote the Company's personnel to be the quality person for both the organization, society and the nation.
6. The Company's business operations can create satisfaction of customers and build long-term engagement.
7. The Company has fair marketing and sales operations, retaining the benefits and safety of customer data.
8. The Company has an idea to improve the products, packaging or business model to meet the needs of customers in a concrete and efficient manner.
9. The Company's operations shall not cause any conflicts with the communities.
10. The Company can develop the quality of life of people in the communities to enable them to be self-reliant in a sustainable manner.
11. The Company participates in making society livable.

At present, the Company has established the practices or guidelines for sustainable business management in terms of society, with details as follows:

The Respect on Human Rights

The Human Rights means the basic rights that all humans are supported or protected from being discriminated, just because of the differences in terms of physical, mental, race, nationality, religion, sex, language, age, skin color, education, social status or any others as prescribed by each country's law.

In conducting the business, it is inevitable to be both directly and indirectly involved with "people", including the Company's employees, the business partner's employees, people in surrounding communities or remote communities where the Company may get involved with. Therefore, taking care of business human rights is a matter of importance, it is not only a matter of "rights", but also covers the treating to people with respect and human dignity. Consequently, the Company has established a framework for conducting business in accordance with the principles of human rights protection for the entire supply chain, including employees, suppliers and customers. The following guidelines have been established:

1. Respect the human rights without the classification of hometown, race, sex, age, skin color, religion, status, family, education or any other status that is not relevant and affecting the operations by honoring each other and treating each other with equality.
2. The payment of labor wages and compensation is based on fairness. Every year, the Company shall organize an annual meeting in which the employees shall hear the annual policy, including ideas, working principles, living principles from the Company's executives, and many activities will be conducted to strengthen and promote the love and harmony in the workplace.
3. Build the opportunities and encourage employees at all levels to have opportunities in developing their labor skills, training and development of potential to enable the enhancement of work standard.
4. All employees shall be protected in terms of safety at work, clean, safe and hygienic workplace
5. Employees are granted of the political liberty and rights but they shall not use the position they hold or the Company's properties, equipment or tools for political purpose, we have the policy of political neutrality, we shall neither sponsor, nor support specific political parties.
6. The Company shall solve any potential conflict based on rule of law
7. The Company shall not conduct our business that involves child labor abuse. All employees shall be at least 18 years of age.

8. The respect on human rights is always monitored and any act that is in the scope of human rights violation related to the Company's operations will not be disregarded or ignored. When any employee noticed such act, he/she has to report to his/her head or the person in charge to acknowledge and also gives his/her cooperation to investigate facts. If having any questions or inquiries, employees should consult with their head or the person in charge through designated channels.
9. Any person violating the human rights is considered to violate the Company's Code of Ethics and must be considered of disciplinary punishment according to the Company's regulations. In addition, that person may be punished by law if such action is illegal.
10. The Company's customers shall be well protected and treated with the good quality of products and services from the Company.

Anti-Corruption Policy and Guidelines

ECF has anti-corruption policy which is approved by the Board of Directors' meeting. Corruption means to perform or omit to perform duties, this includes bribery in any form by offering, promising, giving, committing, demanding or accepting money, property or any other improper benefits, causing the misuse of power, to government officials, government agency, private agency, or any person in charge, either directly or indirectly, to act or refrain from performing his/her duties, with the intention to acquire or maintain business or to specifically recommend business to the Company, or to obtain or retain any other benefits that are inappropriate for business with the Company, him/herself or related parties.

ECF has also prepared the documented guidelines based on anti-corruption policy by topic for clarity, understanding, and correct implementation, consisting of practical guidelines:

1. Giving or acceting gifts and hospitality, the policy prohibits to give or accept gifts from customers, business partners, or parties related to the Company's businesses, and government officials, in any cases, including bribery or the case creating corruption channels for the benefits of the Company's businesses.
2. Sponsorship
3. Donation
4. Political Contribution
5. Conflict of Interest
6. Facilitation Payment
7. Revolving Door

ECF has joined the Thai Private Sector Collective Action Against Corruption (CAC) project by declaring its intention to join Collective Action Coalition of Thai private sector, and has been certified on 30 December 2022. ECF has publicized its anti-corruption policy and guidelines on the Company's website www.eastcoast.co.th. In addition, the measures to be taken against those who do not comply with such policy and guidelines are also established, any directors, executives, and employees who violate the said policy, and direct supervisors who ignore the offense or acknowledge the offense but do not take any corrective action shall be taken of disciplinary action, with penalties up to being dismissed and/or removed from the position. Lack of knowledge on the applicable policies and/or laws cannot be used as an excuse for non-compliance with the policy, and in case it appears that the Company's agent, business intermediary, distributor of products/services, or any contractor does not comply with the policy and guidelines, the Company may terminate the transactions with such party as deemed appropriate.

In addition to anti- corruption guidelines, the corruption risk management manual is also prepared, and it was considered and approved by the resolution of the Risk Management Committee and the Board of Directors. The said policy provides details of duties and responsibilities, measures to determine the control environment, corruption risk assessment, mechanisms for reporting or whistleblowing, punishment and remedy, review and improvement of risk management manual, etc.

Sustainable Business Management Approaches Involving Employees

Policy on Respecting Human Rights by Taking into Account the Equality and Diversity

It is our policy not to discriminate based on gender, color, race, religion, or social status, through the respect on human rights taking into account the equality and diversity, this not only reduces the compliance risk or the likelihood of human rights disputes, but can also develop employee engagement with the organization and will help attract talents to work with the organization. This will lead to reducing the risk of personnel shortage and reduce the costs of training and developing new employees to replace those who have resigned, including the development of efficiency and effectiveness in work. This is directly related to competitiveness, career path creation, position succession and sustainable business growth. ECF has also established the policy on equal opportunity for employment without discrimination, this also covers the disabled and other underprivileged groups of people.

Employee's Compensation and Welfare Policy

The Company has a policy to consider the compensation for employees and workers mainly based on the growth rate of the annual performance, then, consider the increase ratio of compensation to cover the annual inflation and finally, consider the individual increase based on the level of diligence, intention, dedication and ability to perform duties. From the above-mentioned considerations, all is based on the principle of fairness to maintain and motivate employees to through the preparation of the performance appraisal form according to which the human resource department has set the weight for each topic of assessment to know the average score that each employee receives by considering will cover terms of complying with discipline set by the Company such as work leave, late coming, personal behavior, development in job content, creativity, job success etc.

Furthermore, the Company has guidelines to promote the channels for money saving and create financial security for employees through the establishment of provident fund starting since 2013.

In 2022, the Company organized the training course on savings and benefits of provident funds, and more than 84 employees attended the training with signatures as evidence.

In 2022, among 207 permanent employees, 81 of them became members of the provident fund, representing 39.13% and the Company's contribution to the provident fund was 0.83 million Baht.

Operational Guidelines

1. The Company has assessed wages based on the appropriateness of each job position and the amount of works to be assigned, guideline for developing work methods for better efficiency, actual success of works, personnel's potential development planning and succession plan, etc.
2. The Company has established a clear performance appraisal system for providing employees with fairness by using corporate KPIs as indicators.

Target of Corporate Engagement Survey

Objective : To provide the opportunity to the Company's employees to independently express their opinions or comment or communicate information as a guideline for jointly developing the Company.

Benefits for employees: Have more channels to independently express their opinions.

Benefits for the Company: Being provided of recommendations from all employees to apply the said information as a guideline for the development of the Company, building relationships and developing employees for stable growth of the organization.

Target : The target of total average score set by the Company is 80%, the plans to increase employee's satisfaction or engagement to the organization are considered and implemented through various relation activities, weekly meetings. In addition to monitoring and discussing on the duties and responsibilities of normal operations, contents of information to be communicated are added to create more understanding about the direction of business operations, strategies and plans of the Company to all employees.

Personnel Development Policy

The Company pays attention to personnel development in order to increase employees' working ability and efficiency by establishing the clear and consistent personnel development plans as an annual training plan for working skill enhancement. The employees are trained by the in-house training and the training programs organized by the related government agencies and private training institutes. In addition, the Company has also provided welfare to employees to create employee's morale and encouragement and the welfare will be continuously reviewed to improve many benefits as appropriate.

The personnel development is aimed as the important basis by the Company as follows:

1. The Company encourages directors and executives to attend the training and seminars in relevant and appropriate courses to continuously develop knowledge and understand their roles, duties and responsibilities as the Company's directors and executives.
2. Employees are participated in determining the working direction of their own department, expressing opinions and views in working to improve their works to be more efficient and effective.
3. The working atmosphere is stimulated to allow everyone to engage in the Company's success and the employee compensation is considered from the Company's overall success and individual spirit and dedication to work.
4. Employees are encouraged to create knowledge from work operation, the improved working manual is prepared to be consistent with the actual working that changes all the time.
5. Employees are encouraged to travel and attend the trade fairs both domestically and internationally to keep up with the situations of production, product development, marketing and to learn about consumer behavior that is changing all the time in order to be used in the Company's work process by updating and adapting to quickly cope with every situation in the furniture industry, and many businesses invested by the Company whenever there is any change.
6. The development of value-added creation is promoted in the products manufactured and distributed by the Company, or services related to the Company's business so that the Company will sustainably grow, and the awareness and consumer needs will be continuously created.
7. Employees are promoted to develop and encourage to have a working attitude to continuously create the working development and progress, such as the production process must be continuously improved, the marketing must continuously generate more revenues from selling products. The department controlling the Company's expenses must manage to continuously reduce the costs and expenses while manage to reach the maximum efficiency, part of this development and encouragement is in line with resource consumption reduction plan, waste and environmental impact, in order to further develop consciousness to be the corporate value and culture.

Practical Guidelines

1. Human Resources Department is responsible in assessing demands and needs for the Company' personnel development and set up an annual development plan as well as complete the budget. The personnel development plan must comply with the actual demands and needs in accordance with the Company's development plan and must be approved by the department head. Each department is required to submit the annual development plan to the Human Resources Department in advance.
2. The Human Resources Department must monitor the training plan, if there is any change or modification of the development plan, the relevant parties must be notified for acknowledgement.
3. The Human Resources Department must control the development budget to be limited within the given budget plan.
4. The Human Resources Department will perform as a training administrator, every department that will organize the training must cooperate and coordinate with the Human Resources Department in terms of date, time, venue, training materials and equipment to be used, etc.

5. The Human Resources Department is responsible for evaluating and monitoring the results of completed training courses.

In addition, the Board of Directors determined to have a succession plan for the succession preparation of Managing Director and top executives, the Nomination Committee considered and planned the policies on the succession plans to prepare the readiness in the event that any executive is unable to perform his/her duty, the succession plan will help the Company's operations to be continued and effective. The succession is planned for the positions in various functions with the personnel who have knowledge, ability and experience to be able to continuously perform duties instead of the vacant positions or to promote to a higher position, as following details:

1. Provide junior executives with opportunities to work with top executives in their respective lines of works, participate in listening to the meeting at the level of policy assignment from top executives.
2. Provide field-specific personnel with more capabilities to manage other fields to support higher job positions.
3. Designate potential junior executives as successors.
4. Provide junior executives with opportunities to attend the training on leadership, raising awareness at the level of responsibility and honesty to the organization, and guidelines for managing personnel in the line of work they are responsible for.
5. Develop junior executives and provide them with opportunities to present working plans and performance results to top executives.

For the employee level, the Company has a policy to maintain employees with high potential by assigning policies in considering and selecting the qualified candidates to be successors and notifying those persons for acknowledgement. The plans are also prepared to maximize the scope of responsibilities, decision authority, and send them to participate in training courses that are consistent and suitable for the potential development of such persons and the future position. This plan will create the Company's confidence that the personnel are prepared their readiness to immediately replace when the position is vacant and to prevent the operational risk to smoothly support the continuous business expansion in the future.

Targets of Employee Training and Development

Objective : The Company considers the employees as the valuable resources and they are important to the Company's progress. Therefore, the Company commits to develop and increase the capability of all employees to grow together with the Company.

Benefits to employees : Gain more knowledge, capabilities and skills, have better work efficiency and have a good career opportunity and progress.

Benefits to the Company: To have more potential for business competition and help create engagement towards the organization from employees.

Safety Promotion Activities

ECF has regularly maintained the working environment to be safe for life and properties of employees, customers and third parties who visit us for working, improved and inspected the security system to prevent fire and dangers from water, and hired an engineering team who has been trained and registered as building and equipment inspectors to inspect, supervise and control the Company's operations to comply with the requirements of law. This engineering team is mainly responsible for inspecting the strength of the building, electrical system, air conditioning system, health and environment system, fire protection and suppression system, building safety management system, and annually checking the performance of building's equipment. Basically, ECF has regularly and continuously provided trainings on first aid and basic life-saving to educate employees; in addition, the Company has also provided employees with annual health check-up. When employees are healthy, they could efficiently perform their assigned duties. The Company has published the details of policy on safety, occupational health and working environment through its website www.eastcoast.co.th under the topic "Sustainable Development" and sub-topic "Corporate Governance."

Sustainable Business Management Approaches Involving Customers

The Company has a sustainable business management approach to prevent the loss of competitiveness of the business that fails to adapt itself to meet the rapidly changing needs of customers at present, through the continuous improvement of customer satisfaction by understanding and responding to customer needs as well as building good relationships and experiences between the company and its customers before, during and after sales for building a long-term business relationship leading to sales and income of the business.

The Company's practical guideline is to design the customer satisfaction and experience surveys on the Company's products and services, including the image of the business in the eyes of customers, in order to understand customer needs and apply their comments or feedbacks to improve the products and services to keep up with changing behavior and expectations of customers as well as to assess the ability in maintaining the customer base and building customer engagement with the Company for further expansion of market share.

Goals of Customer Satisfaction Survey

- Objective : To be another channel for communication, listening to customers' opinions to apply feedbacks as part of the product and service development for meeting the needs of customers.
- Benefits to customers : a channel to express opinions for obtaining better products and services.
- Benefits to the Company : directly learning customers' suggestions to apply such information as a guideline for the development of the Company's products and services to create strengths of the Company's products for competitiveness in the market.
- Target : ECF has set the quantitative target on the improvement of customer satisfaction, at the average score of minimum 80% for each topic

For the prevention of the consumer rights violations and a lack of consciousness in responsible production and consumption, the Company will use a business management approach through fair marketing and sales, aiming to provide consumers with accurate, complete, transparent and fair information for supporting their decision-making, and communicating the potential impacts from the use of products and services to reflect the ethics and integrity of the business, as well as safely managing the personal information of customers and respecting the rights of consumers. This will lead to building customer confidence and long-term engagement with the Company.

The practical guideline is the adaptation of product, packaging or business models to meet the needs of customers who are responsible for social and environmental impacts, by taking into account the responsibility of business for the entire life cycle of product, from the design of furniture products to the transportation and procurement of raw materials, production, transportation or delivery of products, marketing and sales, use of customer's products until the end of product life cycle, in order to enhance responsible operations and create added values for the business by maximizing the efficiency of the management of limited resources. In addition to managing financial costs, the Company also shows its responsibility for social and environmental costs both directly and indirectly incurred by the Company's operations.

Policy on the Confidentiality of Customer Information

In 2022, ECF has established a policy on confidentiality and customer privacy by adhering to the main principle that the Company seriously and consistently prioritizes the confidentiality of customer information and will use it with caution, the said information will not be used for the benefit of oneself and those involved, unless it is the information required to be disclosed to the third parties in accordance with relevant laws. Several important principles are divided as follows:

1. ECF respects the rights of customer privacy and will not publicly disclose customer identifiable information.
2. ECF will keep all personal information of customers confidential, use it only for the purposes notified to customers, not disclose it to third parties, unless obtaining the consent of customer, and the Company will provide information to the extent permitted by the customer only, unless such disclosure is required or stipulated by law.

3. ECF will securely control the personal information of customers, continuously review and develop measures to be consistently strict, such as the use of modern and reliable technology or data storage systems for working to prevent unauthorized access and leakage of customer information.
4. ECF will keep personal information of customers with respect to the law according to the government guidelines and related regulations.

Policy on Prioritizing Safety and Health of Customers and Consumers

ECF is committed to being a manufacturer and distributor of **good products**, meaning that products that are suitable for use are well designed, durable, stable, in good condition, usable and perform its function, with details in accordance with the specified standards, beautiful shape, attractiveness, durability, safe use. The products are designed by taking into account the health of consumers, and social and environment responsibility.

The quality of products defined by the Company includes:

- **Function Performance:** the product must be usable as its intended function.
- **Reliability:** this is the reliability of the Company in manufacturing products that consistently function well.
- **Durability:** the product life is long at a certain extent, not too easily damaged or not failed to function well before reasonable time.
- **Beautifulness:** the product must have neat and beautiful shape, texture, pattern, and packaging to attract customers.
- **Safety:** the products must have minimal risk and harm in use.
- **Compliance with standards:** the product must have a level of quality in compliance with the standards as it should be.
- **After-sales service:** the Company has prioritized the customers, they can contact the Company to inquire about how to assemble, use, or ask for advice on usage at specified channels.

Policies and Guidelines on Compliant Handling, Impact of Products or Services that Customers and Consumers Should Know

In 2022, ECF has established the policy and guidelines on handling the complaints from customers/consumers who may be affected by products or services, in which they should know as following details:

Important Requirements and Standards for Customer Complaint Handling

1. Receiving complaints and facilitating the customers who raise the complaint
 1. Customers can easily and conveniently access complaint channels.
 2. All customer complaints are recorded in the complaint system.
 3. All complaints are verified for accuracy and completeness after receiving customer complaints.
 4. All complaints are classified of type and severity within the day receiving complaint.
2. Responding complaints
 1. All customer complaints are responded within 24 hours.
 2. All resolved complaints are notified back to the complainant/customer within 15 days after solving.
3. Complaint Management
 1. All complaints are initially resolved/handled.
 2. All complaints are resolved within 15 days (non-urgent cases) from the date of entry into the complaint system.
 3. All complaints are resolved within the specified period (urgent cases) from the date of entry into the complaint system.
 4. All complaints with dissatisfaction appeal will be resolved until the customer is satisfied.
 5. All complaints are resolved and closed, and the customers are satisfied with the resolution of such complaints.

Sustainable Business Management Approaches Involving Business Partners

The Company has a sustainable business management approach to prevent itself from the problem that the business partners operate without social responsibility until affecting the Company, through supply chain management because the operations of business partners may affect the Company; therefore, the Company needs to focus on the consideration and selection of partners to ensure that its business partners have appropriate operating guidelines and take into account social and environmental issues, such as consideration about giving the importance on the respect for human rights and fair treatment of their own workers in terms of employment, compensation, occupational safety, health and work environment, including take care of labors of partners as well as operate their businesses by considering social and environmental impacts and having responsibility.

The practical guideline is to establish the policies and practices for sustainable supply chain management from the selection process of business partners, clear and fair procurement process to monitoring the operations of partners to ensure the compliance with the policies and guidelines set by the Company.

For the future, the Company has a guideline for considering the green procurement policy to reduce environmental impacts in various activities for the entire value chain, such as selection of raw materials such as particleboard, MDF, and packaging; the Company's furniture products are environmentally friendly throughout the production process, the use of fuel that reduces environmental impact in the transportation process, etc.

Guidelines on Responsible Treatment to Creditors

The Company has established the policy and guidelines on fair and responsible treatment to creditors as follows:

1. Strictly comply with financial covenants, loan repayment conditions and guarantee terms with creditors as loan agreement.
2. Have financial management and a good source of funding to build confidence among creditors.
3. Accurately and timely disclose performance result to creditors so that they could know the updated financial status of the Company.
4. In terms of measures to prevent debt defaults, in case of failure to repay debt as the conditions, the creditors must be notified in advance to jointly find solutions and prevent damages.
5. Have a meeting to discuss with executives or responsible persons of each creditor from financial institution, and arrange their annual visit to see the Company's businesses along with presenting information on the growth direction and business plans.

Guidelines on Responsible Treatment to Competitors

ECF has established the policy and guidelines to conduct businesses, compete with transparency, fairness, and comply with good and honest competition framework as follows:

1. Comply with the rules of fair competition without making an agreement with any competitor or other business operators, that is monopolized or reduce competition in the market.
2. Not damage the reputation of trade competitors by slandering.
3. Not infringe intellectual property/copyright
4. Not seek confidential information of trade competitors through dishonest and inappropriate means.
5. Give cooperations in developing Thai furniture to compete in international level.
6. Arrange the meetings for discussions, exchange of ideas, and collaboration on various agendas.
7. Join as a member of associations involved in and overseeing the furniture industry.

Sustainable Business Management Approaches Involving Communities and Society

The Company has a sustainable business management approach to prevent conflicts between communities and Company due to the impacts from business operations that cause problems to communities and society, to be an obstacle for the success of the Company in the long run.

The practical guideline is to emphasize the improvement about the quality of life of people in the communities to enable them to be self-reliant in a sustainable manner. The Company contributes to the growth of the local economy in the areas where it operates by employing and using local raw materials, as well as supporting the community affairs which help in developing skills and potential of people in the communities. This is to support human, economic and social developments at the same time, as well as to help in developing satisfaction and good relations between the Company and communities.

Participation in creating a livable society through various forms of social and voluntary activities to develop communities by planning and implementing with the use of existing resources such as employees, expertise, funds or partner networks, to help in developing and strengthening the communities by adhering to the principle that the communities are the center of driving and creating the good change for the society. This will not only create the satisfaction and support community participation, but it also helps to develop good relationships and trustfulness between the Company and communities. This will lead to creating sustainable values for the Company and society.

Policy and Guidelines for Whistle Blowing, Complaint Handling, Channels for Complaints and Protection of Whistleblowers

The whistle blowing policy and procedure ("Policy") have been established as a tool to help the Company to receive complaints from employees and third parties about the corruption, infringement or non-compliance with laws, the Company's rules and regulations, and code of business conduct, which may lead to damage to the Company's property, image, and reputation. This policy is useful and may be revised to be consistent and appropriate to the future circumstances, see the details of this policy on the Company's website at www.eastcoast.co.th, details of topics are mainly summarized as follows.

1. Receiving complaints or whistle blowing

The Board of Directors has assigned the Audit Committee/or a sub-committee established to consider the complaints or a sub-committee specifically established, to consider and receive complaints, whistleblowing, any acts that may cause suspicion of corruption, violation of rights, or non-compliance with laws, the Company's rules and regulations and code of business conduct. The whistleblower must notify details of whistleblowing or complaining issue with evidences or information adequate for investigation, including name, address, telephone number, following channels can be contacted for complaining or whistleblowing:

1. Sending letter to
Assoc. Prof. Dr. Montree Socratyanurak
Chairman of the Audit Committee / Independent Director; or
Mr. Arak Suksawad
Managing Director; or
Office of the Company Secretary
East Coast Furnitech Public Company Limited
No. 25/28 Village No. 12, Bueng Kham Phroi Sub-district,
Lam Luk Ka District, Pathum Thani Province 12150
2. Send email to the Office of the Company Secretary: cg@eastcoast.co.th or Human Resources Department: hrrayong@eastcoast.co.th
3. Through complaint channel on the Company's website at <https://www.eastcoast.co.th>

Those who can whistleblow or raise complaints about corruption, violation of rights, or non-compliance with laws, the Company's rules and regulations and business ethics are all of the Company's stakeholders such as shareholders, customers, trade competitors, government officials, communities, society, the Company's directors, executives, and employees. ECF has considered and agreed that the whistle-blowing or complaint channels as mentioned above are appropriate, safe and accessible with confidence and without any subsequent risk to whistleblower.

2. Procedures

After receiving any information from whistle-blowers or complainants, the Company has procedure taken whenever receiving complaints or whistleblowing as follows:

1. Investigate and consider the facts in detail.

When receiving complaint or whistleblowing through complaining channels provided, the Company will gather all related facts, scrutinize and process, and establish a working group for investigation, members of this working group will be those involved, such as superiors/top supervisors in the function being complaint or whistleblown, and Human Resources Manager, and/or other persons deemed appropriate. This working group will start collecting data, evidences and check facts in detail.

This working group will assess the duration for considering information until reaching a conclusion on action measures, the representative of this working group will notify the whistleblowers or complainants of such action period, and the working group will complete it as soon as possible.

2. Seek for conclusion on action measures

This working group will conclude the action measures to mitigate the damage to those affected and will not take any penalties against the whistleblowers or complainants who provide information with good faith.

3. Report the result

The Office of the Company Secretary or Human Resources Department is responsible for reporting the result of investigation if the complainant/whistleblower reveals him/herself. In case of important issue, Managing Director and/or top executives of the function being complaint/whistleblown will be reported (In case that the top executive of the function could not join the investigation working group on the issue complaint or whistleblown), depending on the level of importance and the severity of issue complaint/whistleblown.

3. Protection and Confidentiality Measures

To protect the rights of whistleblower or complainant, the Company will hide the information of those providing information with good faith by concealing their name, address or any information that can identify the complainant or whistleblower, and keep their information confidential. Only those who are responsible for investigating the complaints can access to such information. The whistleblower or complainant and those who cooperate in the investigation will be protected in accordance with following criteria:

1. The Company will be fair to and protect all of the Company's stakeholders including shareholders, customers, competitors, government officials, communities, society, the Company's directors, executives, and employees, or any other persons who whistleblow or provide evidences of corruption, infringement, or non-compliance with laws, the Company's rules and regulations and code of business conduct.
2. The whistleblowers or complainants and those who cooperate in the investigation can choose to remain anonymous if they consider such disclosure will cause insecurity or any damage; however, the disclosure of identity will make the Company to report the progress and clarify facts or mitigate the damage more conveniently and quickly.
3. The Company will not reveal the name, last name, address, picture/photo or any other information that can identify the whistleblowers or complainants and those who cooperate in the investigation, then investigate whether it is true.

4. Those who receive the information from performing duties related to complaints are responsible for keeping information, complaints, evidences, documents of complainants and informants confidential, not disclosing to others irrelevant, unless it is a disclosure required by law and the disclosure will be done as necessary extent, mainly taking into account the safety and damage of the whistleblowers or complainants and those who cooperate in the investigation, source of information or related persons.
5. In the event that the whistleblowers or complainants and those who cooperate in investigation consider that they may not be safe or be suffered or damaged, they can request the Company to set the appropriate protection measures, or the Company may impose the protection measures without request if it deems that the issue tends to cause any trouble, damage or insecurity.
6. The damages to those who are suffered will be relieved through appropriate and fair procedures.
7. If the whistleblowers or complainants and those who cooperate in the investigation have reported their concerns or questioned in good faith, the Company may not use it as an excuse to take any action that is detrimental to their employment including job transfer, demotion, suspension of work, cut of eligible welfare and benefits and prohibit any person from retaliating against the whistleblowers or complainants and those who cooperate in the investigation. This retaliation against the whistleblowers or complainants and those who cooperate in the investigation in good faith will be considered as unethical act, may cause disciplinary action in accordance with the Company's rules and regulations on personnel management, and further consider and take punishment process based on personnel management regulations.
8. If any person in the Company bullies, threatens, discriminates or uses disciplinary action to the whistleblower and other persons involved in the investigation of corruption from any whistleblowing, in an improper way or in an unfair manner, he/she will be considered of breaking discipline and must be liable for the damages to the Company or those affected by such action, or may have legal offense.

3.4.2 Social Performance

Violation of Human Rights

In 2022, the Company monitored all functions to ensure the compliance with policies/regulations/guideline that express the respect for human rights and found all functions have continuously complied as usual.

Additionally, ECF found no problems and complaints or suing for the violation of human rights, no child labor and ECF has legally used labor, not caused any inequality and discrimination.

Assessment of Corruption Risk and Results of Compliance with Anti-Corruption Policy

In 2022, ECF has conducted the assessment of corruption risk, and found none of any corruption risk that is material to its businesses, and the Company has established the guidelines for internal control systems in the information system, documentation system with Check and Balance, and work processes, to supervise and control for prevention. In addition, the Company monitored the corruption risk in the past or analyzed the potential corruption risk that was assessed, it was also found that the internal control system has been adequately supervised, and in 2022, there was none of any complaint about corruption, illegal behavior and unethical conduct that may significantly impact on the Company.

In addition, the Company has educated the employees through trainings under the course 'Anti-Corruption Policy', totally 128 employees were trained and signed for acknowledgment and compliance with the said policy.

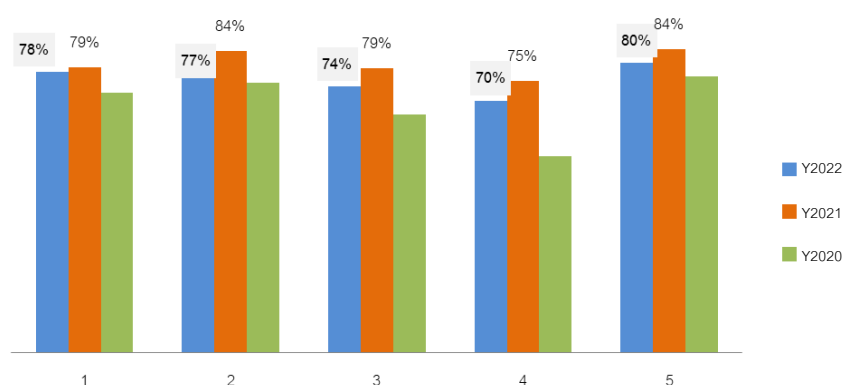
Performance on Employees

The Company has believed that “personnel” is the key for competitiveness and is one of important resources for driving the organization to sustainably grow. The focuses on strengthening the happy organization where everyone could efficiently work with a supportive environment that encourages innovation and the engagement of personnel with the organization are very significant challenges for the organization at the present. The Company has guidelines to respond the way to enhance the happy organization for corporate sustainability and continuous business growth as follows:

The Survey Result of 2022 Employee’s Engagement to the Company

The Company has realized the importance of employees, therefore, allowed all employees to participate in expressing their opinions for the benefits in developing the sustainability for both employees and the Company, as following summary:

Graph showing employee engagement in the organization, year 2022



For the evaluation topics in the questionnaire, details of each topic are as follows.

1. Corporate Image and Communication in the Organization
2. Supervisor and Colleagues
3. Role, Duty and Responsibility Remuneration and Evaluation
4. Growth Opportunity Quality of Life and Work Stability
5. Knowledge and understanding of good corporate governance principles

Based on the result of survey on Employee Engagement for the year 2022, it was found that the overall average score was 76.23%, decreasing when comparing to previous year.

The topic with the highest average score was Topic 5: Knowledge and Understanding of Corporate Governance Principles, because the Company has focused on business operations along with the corporate governance with transparency based on the principles of corporate governance, and has also embedded good conscience among employees. In 2022, ECF has been announced as **one of companies certified under the Collective Action Coalition of Thailand’s private sector**. The Company’s employees were trained and acknowledged in writing, passed the test on their knowledge and understanding of Anti-Corruption Policy and all related guidelines.

The topic with the lowest average score was Topic 4: Opportunities for growth, quality of life, and security.

However, considering each topic with decreasing average score compared to the average score in 2021, the Company guessed the reason that employees worked under pressure to jointly drive the Company’s operations to pass many crises like war, inflation, rising oil prices. As a result, in 2022, the Company restructured the operations, intensely adjusted job positions to align with the workloads inside the organization, efficiently focused on planning and work, and measured performance in accordance with the set goals with plans to continuously monitor and check the results.

Besides, the Company has continued to carefully control expenses and spendings to plan the prevention of potential risks if the impact of situations is worse than the predicted plan.

However, regardless of any reason, ECF will analyze the survey results, improve and find solutions for each topic in the survey to enhance employee engagement.

Target: ECF has set a total average score at 70% as target, and in 2022, a total average score was higher than the target which was 76.23%. However, the Company will further consider and find ways to manage many areas to create a balance for both employees and the Company.

Data of employee relationship and engagement in 2022

The number of employees who voluntarily resigned by gender

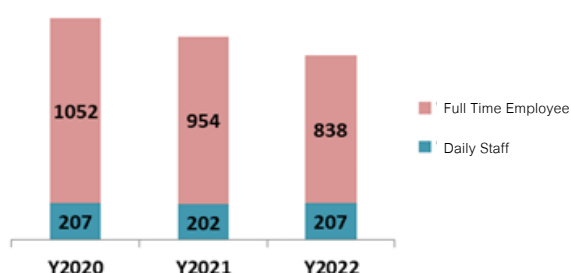
As of 31 December 2022, the Company found that the statistics of employee resignation in 2022 is follows:

Description	As of 31 December 2021	As of 31 December 2022
Number of male employees who voluntarily resigned	46	58
Number of female employees who voluntarily resigned	35	68
Total number of employees who voluntarily resigned	81	126
Major labor disputes	None	None

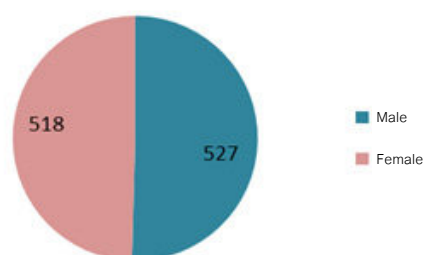
The Company has considered that based on the data of voluntary resignation in 2022, almost all of them are daily workers, mainly due to the decreasing proportion of production based on orders from foreign customers, most of daily workers are expected overtime (OT), when the Company's export revenue has been declined, the Company's overtime was also decreased, as a result, some daily workers decided to resign, and the Company improved in the performance appraisals to be stricter during 2022. Some workers considered that they may not pass the performance criteria; therefore, decided to resign.

Number of employees classified by type is as follows:

Data categorized by employment for the years 2020 – 2021 – 2022



Data classified by gender as of 31 December 2022



**Details about the number of employees classified by department and responsibilities are disclosed in the Company's Annual Data/Annual Report for the year 2022 under Section part 2 Corporate Governance, 7.5 Information about employees*

Based on the data of employees classified by employment type including daily workers and regular employees, it was found that in 2022, the number of daily workers was significantly decreased, accounting for 116 workers or 12.16% compared to the number of daily workers in 2021, as a result of reducing the number of workers in the production line through the improvement of production line in the plant, adding machines so that the production line can efficiently operate and significantly reducing production costs in which the result began in the 2nd Quarter of 2022. In 2022, the Company's employees consisted of 527 males, or approximately 50%, and 518 females, or approximately 50%; therefore, the Company's employment proportion of female employees to male employees is at 1 to 1.

Employment of Disabled

The Company has hired the disabled employees with physical impediment to work in the production process and prepare fittings (the equipment used in the assembly of furniture products) in order to have the opportunity and return equivalent to ordinary employees in accordance with Empowerment Of Persons With Disabilities Act, B.E. 2550 (2007), aiming to protect disabled people to be employed or earn a living without unfair discrimination due to physical and health reasons. The Act requires the government agencies and employers or business owners to employ disabled in accordance with Section 33, at present, the Company has a total of 14 disabled employees or sends money to the Empowerment of Persons with Disabilities Fund under Section 34 or choose to make concessions under Section 35. The Company is currently in the process of Section 35. The Company also takes care of employees who are suffering health problems by moving them to take responsibilities as their potential and ability to minimize the impact on employee health as least as possible.

In 2022, the Company lacked 1 disabled employee to comply with the employment criteria required by law; however, the Company has fully given contributions to the Empowerment of Persons with Disabilities Fund as scheduled.

Compensation for Employees

In 2022, the Company paid the compensation for employees in the amount of totally 214.61 million baht, excluding the compensation for the Executive Committee, and executive levels in which the data will be disclosed to the Stock Exchange of Thailand.

Besides, the Company considered the increase of salary for employees in relation to the rising cost of living in a reasonable manner, and considered together with the level of assessment results of each employee prepared by their supervisors along with the supporting data from Human Resources Department.

Details of benefits provided to employees are as follows:

Basic Right Gained by Employees	Employee-Classified Welfare		
	Full time employees	Contract Employees	Probation Employees
1. Salary	/	/	/
2. Overtime Pay	/	/	/
3. Holiday	/	/	/
4. Leave (sick leave, personal affairs leave)	/	/	
5. Medical fee (health insurance)	/	/	
6. Annual Health Examination	/	/	/
7. Assistance to the Casualty or Sick Employee due to working for the Company	/	/	
8. Provident Fund	/	/	
9. Employee Uniform (particularly for four shirts per year)	/		
10. Child Scholarship	/	/	/
11. Funeral Allowance	/	/	/
12. Expense of Patient Gift	/	/	
13. Discount of Product Price for Employee	/	/	/
14. Domestic Travelling Expense and Oversea Travelling Expense due to the operation of the Company			

As of 31 December 2022, there were totally 1,045 employees, among 207 full-time employees, 81 of them have participated in the provident fund, representing 39.14% in ratio.

Development of Work Skills and Knowledge and Competency

The Company provides the skill development to enhance the efficiency of work by formulating the guideline for the employee skill and proficiency development as well as determination of training hours as follows:

Guideline	Method	Total Number of Hours (per year)
On-the-Job Training	Determine necessary training standard of each position and arrange the head of each work unit for employee during actual working to perceive and understand proper work method.	1. Production Unit in the Factory (not below 50 hours) 2. Marketing Unit (not below 10 hours) 3. Accounting - Finance Unit (not below 30 hours) 4. Human Resource Unit (not below 20 hours) 5. Company Secretary and Investor Relations Unit (not below 30 hours)
In-house Training	Determine the competency-based courses under below classification. <ul style="list-style-type: none"> Basic Course for Employee Specific Position-Based Competency Course Management Competency Course Other courses 	
In-house Training	Delivery of employee for training in the course organized by the external institution	

Operational Result in terms of Training in 2021 and 2022

Course	Number of Training Hours	
	2021	2022
Organizing training for employees of the company	18	96

Note : The prevention of Covid-19 outbreak resulted in the decreasing training activities during 2021. However, in the year 2022, the Company has determined plans to continuously provide more online training activities and seminars for the development of employees' potentials

Employee Development and Care

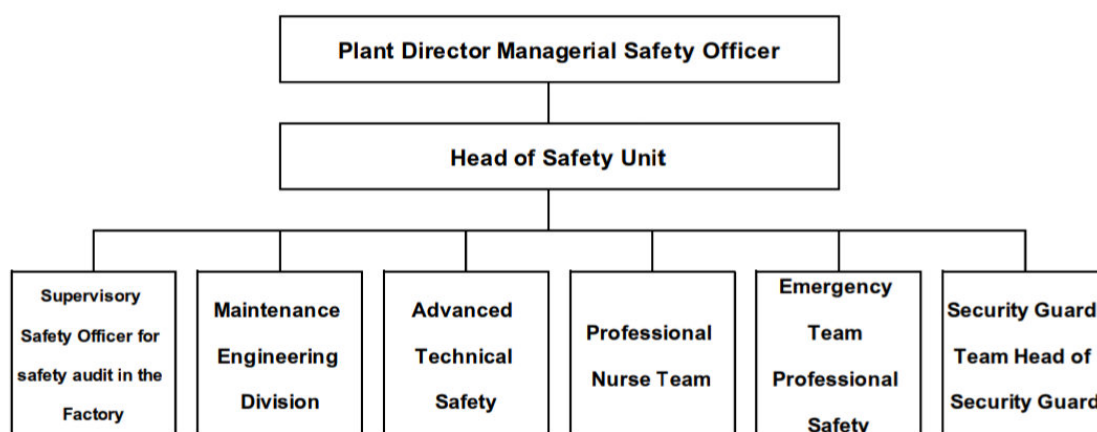
The Company promotion of knowledge management to support Happy Work Place in order to create balance between personal life and working for organizational personnel under target of sustainable happiness creation and preparedness to share happiness into external society. The mechanism of Happy Work Place consists of happiness box in 8 respects as follows:

1. Happy Body: The Company campaigns the employees for health care, exercise promotion, and useful eating so that the employees are healthy with happy and joyful mind, affecting effective operation of the employees.
2. Happy Brain: The Company promotes the employees to always seek knowledge and develop oneself from source of learning and opportunities, leading to skill development and affecting job progress. The Company also regularly organizes training course for the employee.
3. Happy Family: The Company foresees the significance of the family institution. When the employee has warm and secure family life, it will promote the creation of family connection and good relationship between employee family and organization.
4. Happy Heart: The Company campaigns generosity and hospitality to be the promotion of generosity and helpfulness in workplace so that the employee will have love and harmony such as article sharing and cultivation of giving society.

5. Happy Money: The Company supports the employees to know about saving and financial management in order to have savings, know to spend and not to owe debt, to be the promotion of saving spending with savings for use in reserve.
6. Happy Relax: The Company promotes the employees to know about relaxation on something to be the creation of enjoyment, relaxation of fatigue and work stress, helping the employee to have good morale, and resulting in the employee's opportunity of good mutual relationship creation such as mutual grouping for eating and discussing in relaxed atmosphere.
7. Happy Society: The Company promotes social coexistence both in the Company and surrounding society to be the promotion of love and harmony, hospitality toward the workplace community and residential community, and assistance of surrounding society. If the surrounding society is happy, the organization which is in that society will be also happy.
8. Happy Soul: The Company arranges the activity related to the holy days and important traditions for employee participation and faith in religion, cultivation of living morality to be the promotion of virtue and ethics for employees so that the employees will be happy, peaceful in mind and peacefully coexist.

Safety, Occupational Health and Working Environment

Structure of Safety, occupational health and working environment Unit



Summary of Number of Occupational Accidents for 2021-2022

Description	2021	2022
Lost Time Injury Rate (times)	3	2
employee with lost time injury for 1 day (person)	None	3
Number of employees died at work (person)	None	None

Based on above table showing the Company's statistics on accident / absenteeism rate / work-related morbidity rate, the number of accidents at work during 2022 was increased when comparing to 2021; however, the Company has a policy to fully take care of employees who are injured at work and such accidents did not cause any damage to work. The Company has established the guidelines to prevent and mitigate risks of safety, occupational health and working environment by more emphasizing employees to comply with the safety policy in the organization to reduce the number of accidents at work for more efficiency.

Safety promotion activities and occupational health of employees

Fire escape and fire prevention training activities and basic first aid for the year 2022



Training on how to wear personal protective equipment, and the prevention of hazardous chemicals with a total of 6 hours for general knowledge training



Training on how to safely drive forklift



Policy for controlling and preventing the spread of COVID-19

1. All employees must strictly comply with the Public Health's measures and the Company's measures to prevent the spread of COVID-19.
2. All employees are responsible in protecting themselves from COVID-19; therefore, employees must wear medical mask or fabric mask at all time when being outside the house, and regularly wash hands with clean water or alcohol gel.
3. Keeping distance for at least 2 meters from others to prevent direct contact with infected person(s).
4. Avoid going to risky places, such as nightclubs, bars, restaurants and all types of gambling, concerts, crowded events, etc.
5. In case any employee has symptoms such as fever, running a temperature, body temperature over 37.50oC, chill, coughing, sneezing, runny nose, or is at risk, he/she notifies Human Resources Department and supervisor, and should be screened for COVID-19 by RT-CPR or by Antigen Test Kit, and notify the result to Human Resources Department and supervisor.
6. In case any employee is in close contact with someone infected with COVID-19, he/she must notify Human Resources Department and supervisor to assess the risk and consider whether he/she must be quarantined for 14 days or not, or follow the Public Health's measures to determine each period to prevent the spread of COVID-19.
7. In case any employee is a patient infected with COVID-19, he/she must cooperate in the treatment as prescribed by the Public Health

Employee Development

The development of employee potentials will lead to the advancement of work and duties, and apply knowledge and ability obtained to be used in performing their duties, it is also an integral part in driving the Company to steadily grow, these skills are individual competencies for further stepping into becoming a person of quality. However, due to the coronavirus outbreak in 2022, and the prevention of Covid-19 outbreak, the Company is therefore necessary to refrain from organizing any activities that may affect the health of participants and some activities have been organized online

"Happy Credit" Project

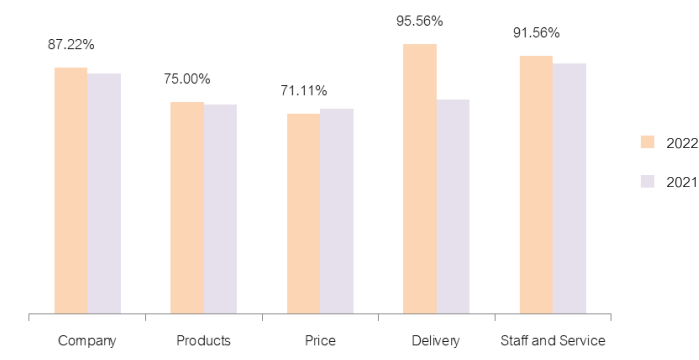
The objective is to release debts for its employees by affixing the collaboration between East Coast Furnitech Public Company Limited and G Capital Public Company Limited to prepare "Happy Credit" Project for easy borrowing, comfortable amortization, special condition granting to the employee with more than 2 years and over service duration. It is the credit granting that helps reduce obligation of the employee who participates in the Project for decrease in amortized installment and loan interest. The knowledge provision and financial management skill development are executed to the employee whereas the employee who participates in the Project shall comply with the rule of the Project and shall disclose actual financial information. Such project has been commenced for execution in 2016 and still continued.

Major labor disputes in the past 3 years

- None -

Customers Performance

Customer Satisfaction Survey 2022



Aiming to know the Company's efficiency in customer care, we have designed a product & service satisfaction survey by dividing questions into 5 sections as follows:

1. Satisfaction with the Company's overview;
2. Satisfaction in the Company's products;
3. Appropriateness of product's prices;
4. Satisfaction on the transportation and delivery;
5. Satisfaction on employee services

The results of customer satisfaction survey in 2022 showed that the average score was 84.03%, an increase of more than 12.15% compared to 2021 with an average score of 71.88%, due to the Company's operations in product and service developments, consisting of transportation, consultancy on the Company's products and after sales services to fully respond to the needs of customers. The topic obtaining the most score of customer satisfaction in 2022 was transportation and product delivery with an average score of 95.56%, an increase of more than 19.56% compared to 2021 with an average score of 76.00%. In addition, it was found that the second highest average score was service of employees, representing a score of 91.56%, an increase of more than 2.76% compared to 2021 with an average score of 88.80%.

Goal: The Company's goal for the performance on customer has been established that the average score in each topic shall not be less than 80%. In 2022, it was found that all topics had an average score lower than the target average score set by the Company, such as product pricing and product style. The Company has continued to focus on the operations under the importance of all customer groups, simultaneously with maintaining the existing customer base, looking for opportunities to create new customer groups, developing products and services and creating better competitive prices in the future.

Performance on Safety and Health of Customers and Consumers

In 2022, there was none of complaints on safety and health of customers and consumers arising from the daily use of the Company's products.

Establishment of Communication Channels on the Impacts from Products or Services

ECF has established the communication channels on the impacts of products and services, details including the Company's name, address, telephone number, website, and product model are specified on the packaging box of the product, and the communication channels are also notified on the Company's website. In addition, the document containing the information about the product type, how to assemble furniture products, how to use and contact channels for customers or consumers is also inserted in the packaging.

Information on plans to develop and enhance the potential of partners

Development together with business partners in the production of corrugated boxes for containing the Company's furniture products.

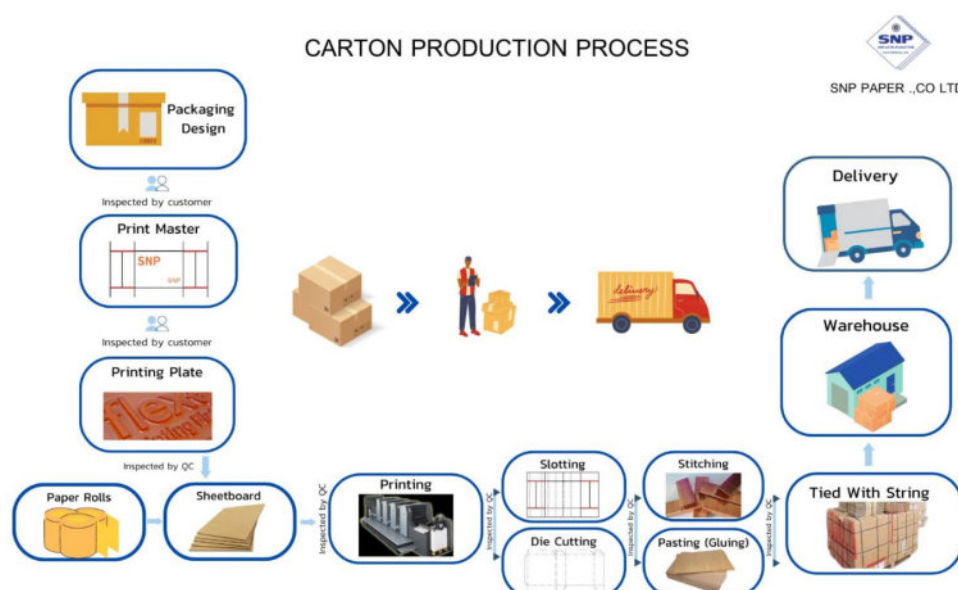
Development of furniture box printer using a Digital Hybrid/Inkjet System



In 2022, the Company and its business partners have jointly developed box printing for containing furniture manufactured by the Company's plant, with the application of Digital Hybrid / Inkjet printer system. When Compared between traditional block printing and digital hybrid/inkjet block printing, there are important advantages and part of sustainable development guidelines is:

Traditional block printing is using molding plastic polymer plate to print a box in desired style, but it is no longer inappropriate over the time, or has deteriorated after using and is difficult to be destroyed. The age of plastic polymers will take many years to be decomposed, and traditional blocking causes water pollution in paint washing stage for each color, requiring wastewater treatment and disposal planning process. In addition, individual molded polymer plastic printer shall use a large motor consuming high electrical power for operation, this consumes more electricity resources. If switching to Digital Hybrid/inkjet block, it shall reduce the use of traditional paper box printing blocks because the design program can edit in case of changing the design, and inkjet printing colors will reduce water used for paint washing, inkjet paint can be washed only once a day with water only 20 liters per day compared to using 30 liters of water per 1 color for traditional polymer block. In addition, inkjet block reduces electricity consumption due to much smaller size of printer's motor.

Diagram of production process for paper boxes with business partners who are manufacturers of corrugated boxes for the Company.



Report on the results of responsibly treating competitors

ECF has set the goal for treatment to competitors that will not cause any disputes between the Company and competitors. In 2022, there was none of any dispute between ECF and competitors.

Performance on Community

The Company pays attention to participate and support in the activities related to development for the enhancement of community quality in neighboring areas to have a better living, the team overseeing this function will be assigned to the Human Resources Department by working together with the Investor Relations Team to explore the needs and satisfaction of the community. The community development project consists of 5 areas as follows:

1. **Education:** The Company annually provides scholarships and schooling equipment to students who have good studying but lack of funds, to schools located surrounding the Company's office area.
2. **Environment:** The Company has realized the importance of production process in reducing the impacts on environment, such as the electricity generation from solar energy to be used in the production process, using tablet instead of drawing papers, effective management of materials remained from production processes, etc.
3. **Health:** The Company annually provides medical devices to Klaeng Hospital, Rayong Province, this hospital serves people in the area and the Company's employees working in the Head Office due to its close location.
4. **Economy & Occupation:** The Company built the ECF PARK as a place to earn income for community people, because ECF Park is located closed to Ban Bueng-Klaeng Road, it is proper to be a place for selling souvenirs and local products. The Company has allowed people residing in communities nearby the Company's head office in Klaeng District, Rayong Province, to rent and sell products in ECF Park.

Activity "Forward Happiness...to Society"

ECF is highly aware on creating the sharing culture in the organization with a focus on promoting employees to have a public mind, make people happy in giving, in order to be a part of making a present society to be more pleasant, many projects and activities have been created to deliver happiness to communities, society and employees who will be a giver. However, due to the outbreak of Covid-19 since 2020, ECF suspended some activities to prevent the outbreak of Covid-19, and the Project "Forward Happiness...to Society" in 2022 was organized as follows:

The outbreak of Covid-19 caused a huge increase in the number of infected people, as a result, many hospitals faced a shortage of medical tools and equipment for taking care of and treating Covid-19 patients, East Coast Furnitech Public Company Limited has realized the importance of medical treatment for patients; therefore delivered medical tools and equipment to hospitals located in nearby areas of branch office in Lam Luk Ka District, Pathum Thani Province, all medical devices are important to patients in increasing the efficiency of treatment for infected patients in communities.



**Activity “Give Happiness Forward to Students on the Occasion of Children’s Day 2022.
At Wat Nong Kankrao School, Thang Kwian Sub-district, Klaeng District, Rayong Province**



Activity “Children are Full up.... We are Delighted by ECF Year 4.”

It is an activity to donate equipment and furniture products of the Company to benefit the school and give scholarships to students in schools located in nearby area of Branch Office 2, Lam Luk Ka District, Pathum Thani Province.



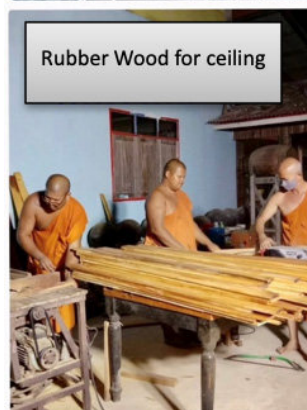
“Activity “Contribution to Improving the Well-being of Nearby Areas”

ECF participated in supporting dried processed rubber woods by preparing desired and proper sizes of woods to be use for improving ceilings and pavilion of Huang Hin Temple located in Ban Khai District, Rayong Province, a temple in a community area close to the Company’s headquarter located in Klaeng District, Rayong Province.

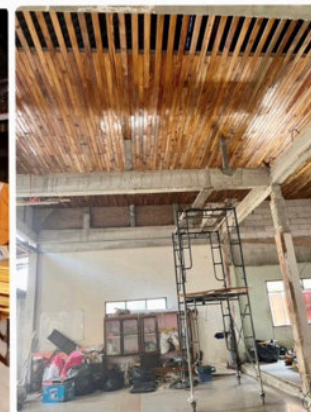
This improvement helped Huang Hin Temple to improve the pavilion to accommodate the visits of general public, enhance the beauty of the temple and take part in continuing the security of important Buddhist place.



Rubber Wood 6 pallets



Rubber Wood for ceiling



Activity “Running together, Sharing to children” aims to raise money for building roof over the footpath and builing enough toilets to meet the needs of students, it is organized by Alumni of Huayyangsuksa School located in Huai Yang Sub-district, Klaeng District, Rayong Province, which is in the area where the Company’s headquarter is located.



Creating the income sources for people in the community

The Company built the ECF Park under one of main objectives to create a source of income for people in the community. The ECF Park is located on Ban Bueng-Klaeng Road, suitable to be used as a place for distributing souvenirs and local products. The Company has allowed people in the community to rent space for selling products at ECF Park. It is also considered as a bus park area with service and selling product areas such as coffee shops, convenience stores, restaurants, clean restrooms and service stations for charging electric vehicles etc.



Until present, the Company has never received any complaints or disputes with communities in the areas near the factory, or areas used in the Company's business operations.

In addition, ECF analyzed the results that are expected to happen to the communities and society and what the Company will obtain from activities or projects for community and social development in accordance with the details of performance mentioned above, these will promote and support the growth of organization, create values for society and communities, build confidence and acceptance from communities and relevant stakeholders based on the community and society management policy, so that the confidence, acceptance, and support to operations will be created to benefit the organization and society as a whole.

Statistics of whistleblowing and complaints in 2022

In 2022, there was none of any whistleblowing and/or complaint from all stakeholders.






The measures taken by the Company to prevent the Company in case of whistleblowing and/or complaints from stakeholders are: Conducting businesses based on the policy that shows responsibility and takes into account all stakeholders of the Company under the policy of corporate governance, Creating internal control system with Check and Balance to be effective and efficient, and Regularly managing and preventing all risks with prudence and concise.

3.5 Sustainability Management in Environmental Dimension

3.5.1 Environmental Policies and Practical Guideline

The Company gives precedence environmental impact occurred from the Company's business process either directly or indirectly, the environmental policies and practical guidelines are under control from environmental friendly production process of products and services in every procedure to reduce the use of energy, water, waste generation, wastes and pollution, including reducing the amount of greenhouse gas emissions, also cultivates its employees to be aware of environmental care, to know how to utilize natural resources for utmost benefits, whether being waste sorting, cleanliness inside the building area, plant and surrounding area, as well as to cultivate the concept of Circular Economy in order to step up to change the production process of products and services in compliance with the said economic system through the concept of "take-back system" in the process for returning the usable raw material waste into the new process to reduce wastes as much as possible.

To formulate environmental policy and guidelines, ECF has analyzed the value chain and environmental impacts as follows:

Business value chain	 Incoming logistics	 Action	 Outgoing logistics	 Marketing & Sales	 Service
Environmental impact due to activities in the value chain	The transportation and storage activities of raw materials such as rubber wood, particleboard, MDF board, waiting for entering into the production process, often use fuel, generates wastes and pollution, including greenhouse gases.	The Company's furniture manufacturing activities are often directly related to the use of electricity, fuel, waste and pollution generation, including greenhouse gas emissions.	The transportation or delivery activities to send the products to customers, both exporting and domestic sales, often consume fuel, generate wastes and pollution, including greenhouse gases.	The marketing and sales activities to consumers often use fossil fuels for travelling and contacting, and generate waste and greenhouse gases.	The use of furniture by consumers often utilizes electricity, generates wastes and pollution.

Above table could lead to a summary of 4 environment-relevant issues as follows:

1. Energy consumption such as fossil fuel, electricity
2. Water consumption
3. Generation of wastes and pollution
4. Greenhouse Gas Emissions

In order to ensure that the Company has guidelines and a reliable environmental and safety management system, the Company has been certified of quality management system standard ISO 9001:2015 (ISO 9001 – Quality Management System). In addition, the Company also annually inspects the environmental and safety performance and has a policy as an important principle to achieve the effective use of resources as follows:

1. Support a monitoring approach in the operations that may affect the environment
2. Promote activities to enhance environmental responsibilities
3. Promote the development and dissemination of environmentally friendly technologies
4. Cultivating the concept of Circular Economy to change the production process in accordance with the said economic system through the concept of "Take-back System"

In addition, the areas responsible for maintaining cleanliness has been separated for zoning and for protecting the environmental condition inside the plant area as shown in below diagram.



Environmental Management Target

The Company has set the environmental management targets and practices that are consistent with short-term and long-term business strategies as follows:

Target	Practices
1. To aware on the wise use of electricity and fuel	Cultivate the concept on wise using electricity and fuel and manage energy for maximum efficiency
2. To reduce the fossil energy consumption	Consider and choose to use clean energy or renewable energy
3. To prevent water shortage problem	Cultivate the concept of wise use of water and manage water for maximum efficiency
4. To prevent water quality deterioration	Wastewater treatment, water source conservation and development
5. To prevent the problem of inequitable or unequal access to water resources.	Water management with good governance and community consideration
6. To reduce the volume of wastes generated in the furniture manufacturing process, the amount of solid wastes and plastic wastes inside the factory	1. Improving the style of production process or adjust the style of products, packaging to reduce the use of raw materials or materials in production. 2. Cultivating the Circular Economy concept to change the production process through the concept of "Take-back System". 3. Cultivating the idea of reducing the use of plastics for waste reduction 4. Participating in the creation of awareness and the change of consumer behaviors
7. To reduce the problem of dust pollution in the air that arises from the production process	Controlling dust at the source or production process at the point where dust is generated

Target	Practices
8. To prevent the problem of incorrect disposal of industrial wastes	Correct disposal of hazardous wastes, especially industrial waste
9. To take part in helping reduce the problems of global warming, climate change, greenhouse gas emissions without responsibility	1.Reducing greenhouse gas emissions 2.Preparing Carbon Footprint 3.Offsetting Carbon and trading Carbon Credits

ECF educates employees through training courses such as environmental policy and environmental management system fundamentals, 5S, and relevant regulations of the Company. In 2022, totally 769 employees acknowledged and shall comply with the Company's environmental management policy with signatures as evidence.

3.5.2 Performance on Quality Environment

1. Energy Consumption

The Company has used energy in production process, services and offices, consisting of 2 parts:

- Electricity supplied by the Provincial Electricity Authority for the office and production in the plant at Head Office in Rayong Province, and Provincial Electricity Authority for Marketing Office at Lam Luk Ka branch office in Pathum Thani Province.
- Fuels such as diesel, benzene for using in transportation of products and the Company's office vehicles.

During 2021, the Company's electricity consumption and fuel consumption are as follows:

Unit: Baht

Type of Resources	Amount			Difference between 2021 and 2022 (%)
	2020	2021	2022	
Electricity	24,512,146.82	26,305,823.63	40,955,737.87	55.69%
Fuel	7,935,400	9,786,105.00	7,413,930.02	-24.24%
Total	32,447,546.82	36,091,928.63	48,369,667.89	34.02%

The above table regarding the use of resources showed that the cost of electrical energy was increased by 55.69%, significantly increasing, because in 2022, reasons are higher electricity price due to the conditions of government agency and one of the Company's subsidiaries operating in a cryptocurrency mining business. However, the Company ceased the said business operation and completely sold all assets used in business operations since November 2022, resulting in the increased energy costs during the year.

Most fuel is used for the transportation of goods, the amount of fuel cost was decreased by 24.24% compared to 2021, partly due to the decrease in the Company's export revenue, subsequently lowering the cost of goods transportation to port. For the management to maximize the efficiency of fuel consumption, the Company has established basic guidelines, such as turning off the engine during loading and unloading or when it is not in use, and conducting evaluation of the driver's performance to give incentives for energy conservation, etc.

The Company set energy management goal that each year, the amount of resource consumption shall be continuously decreasing compared to the value of electrical energy and fuel oil compared to revenue from sales of products according to the Company's consolidated financial statements. During 2022, there were many specific factors that may not be considered in comparison with specified goals, such as operations subsidiary's digital currency mining business which increases electric energy cost, an increase in electricity prices according to the conditions of government agency, and a decrease in export revenue in line with the current global economic situation.

However, in 2022, the Company's values of electricity and fuel consumptions represented 2.89% and 0.52%, compared to revenue from sales of goods in accordance with the consolidated financial statements, respectively, when comparing to 2021 with the values of electricity and fuel consumptions representing 1.70% and 0.63% when comparing to the revenue from sales of goods.

2. Water Consumption

The Company uses tap water supplied by the Provincial Waterworks Authority for the office and production in the plant at Head Office in Rayong Province, and the Provincial Waterworks Authority for Marketing Office at Lam Luk Ka branch office in Pathum Thani Province.

The Company has a water resource management plan to reduce the use of water resource by campaigning for the economical use of water resources in the office area, the plant has established a management plan in addition to normal guidelines, that are, guideline for collecting, allocating, improving the quality of rainwater to be used inside the Company's factory areas in various ways that can be appropriately implemented.

In 2022, the Company's consumption of tap water is as follows:

Unit: Baht

Type of Resources	Amount			Difference between 2021 and 2022 (%)
	2020	2021	2022	
Tap Water	52,300.00	44,708.65	56,472.50	26.31%

Based on the data from the table showing the expense of tap water in the Company, it was found that the expense was increased when comparing to 2021, however, the Company has continued to emphasize the awareness of employees on the use of water resources.

3. Waste and unused materials management

In furniture manufacturing process, the Company has placed the importance on the management of wastes and residual materials arising from the production process, and the generation of pollution that may occur during the production process. For the management of wastes and residual materials from various processes, details are as follows;

- **Wood chips and sawdust:** the products remaining from the wood cutting process shall be used as the fuel for the boiler to generate renewable energy in the production process. If the quantity of wood chips and sawdust is high, the company shall sell them to a third party.
- **Dust** the dust from polishing process using sandpaper or polishing machine, the company shall use filter bag. The filtered dust shall be sold to a third party to use as a raw material accordingly.
- **Residue** of Spraying from the pigmentation process on the work piece, the company has a measure to prevent the impact caused by spraying color to the environment by using a pigmentation room with circulating water to reduce the color mist. The residue from this process shall be properly eliminated.
- **Paint residue** from the manufacture of covering paper; the residue of paint after printing process, the company shall bury such residue in the factory. At present, if the paint residues are still of good quality, the Company will mix them and reuse to reduce the effects caused by the paint residues and this is part of production cost reduction while maintaining good quality products in accordance with the standards set by the Company. From this process, the cost of new paint buying could be reduced by up to 5%.
- **Waste** materials such as rejected artificial leather or textile from production process, the company shall gather them to sell to a third party.
- **Glue** is the adhesive materials to attach the covering paper to the particle boards, the company shall use water base glue that can be melted by water, causing no environmental impact.

The Company has set the target to reduce the amount of wood chips and sawdust which are the remaining raw material from the production process due to the cutting of workpieces, and the amount of paint that will be landfilled after the production process, starting from year 2021 as the base year, to show the benefits of reducing raw material costs and to reduce the generation of wastes arising from the production process as follows:

Unit: Ton

Type of Resources	2021	2022
The amount of wood chips and sawdust generated after the production process	834.35	633.84

The goal for managing all wood chips and wood waste after production processes inside the Company is that the amount will be continuously decreased year by year when comparing to previous year. In 2021, the amount of all wood chips and wood waste after production processes within the Company was 834.35 tons, and in 2022, the aforementioned amount was 633.84 tons, showing that the Company could better manage the amount of wood waste and chips in production process.

As for the amount of A4-paper waste, at present, the Company is in the process of developing an application system to support and facilitate sales and customer service, fast stock checking, presenting the products through Application to replace paper presentation in the future.

During the year 2020, 2021 and 2022, ECF's paper consumption is as follows:

Unit: Baht

Type of Resources	Amount			Difference between 2021 and 2022 (%)
	2019	2020	2022	
Paper	157,104	170,724	202,974	18.89

The goal of the Company's paper management is that the amount of resource consumption will be continuously decreased year by year when comparing to the value of paper expense, and the revenue from sales of goods based on the Company's consolidated financial statements. During 2021, the Company's consumption value represented 0.11% compared to the revenue from sales of goods in accordance with the consolidated financial statements, respectively. In 2022, the value of paper consumption represents 0.14% compared to revenue from sales of products, this shows that the paper consumption has not be significantly increased.

4. Greenhouse gas emissions

The Company's greenhouse gas emissions mostly come from the furniture manufacturing process and the transportation partially causes the increase in the amount of greenhouse gases, affect the environment which is the cause of volatile weather conditions or current global warming. The Company has not neglected the aforementioned problems, the management has considered to find a management approach on reducing greenhouse gas emissions throughout the business value chain, to ensure that the Company's operations have the least impact on the environment.

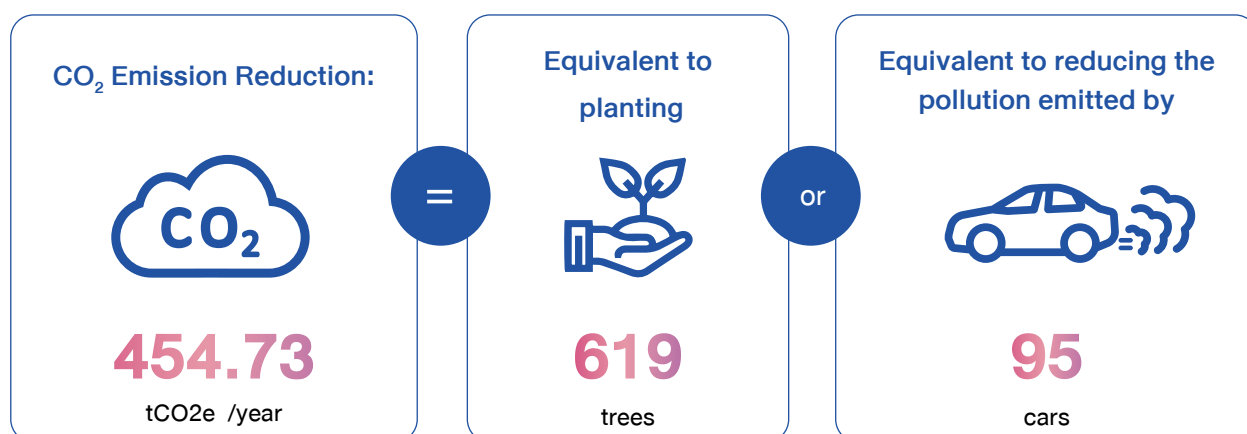
In preparation for the disclosure of information for the year 2023, the Company is aware of the consideration and disclosure of greenhouse gas emissions. The preparation will be made as follows:

1. Preparation of information on business activities that produce greenhouse gases, including direct activities and indirect activities, such as the use of electricity, heat or steam used within the organization.
2. Management guideline to reduce greenhouse gas emissions.
3. Calculated amount of greenhouse gas emissions inside the organization to be used as a starting point and used for comparison for the following years.

In terms of carbon footprint in the organization, in order to offset greenhouse gas emissions throughout the value chain of furniture business, the Company has implemented 2 renewable energy power plant projects in which the calculation of greenhouse gas emission reduction from these 2 plants is as follows:



For the rooftop solar project Installed at the Head Office, Rayong Province, with a capacity of 998 kWh, in 2021, it could reduce the use of electricity by 909,633.42 kWh/year, or reducing greenhouse gas emissions by *454.73 tCO₂e /year, equivalent to planting 619 trees, or reducing the pollution emitted by 95 cars.



The Solar Power Plant Project with the total installed power generation capacity of 220 MW of Green Earth Power (Thailand) Co., Ltd. ("Minbu Power Plant Project" or "GEP") located at Minbu City, Magway Region, Republic of the Union of Myanmar ("Myanmar") whereby the Company assigns ECF Power Company Limited ("ECF-P"), a subsidiary in which the Company holds 99.99% of shares, to invest in the shares of GEP, accounting 20% of total shares. Presently, Phase 1 with a capacity of 50 megawatts from the total capacity of 220 megawatts started the Commercial Operation Date (COD) on 27 September 2019 (and Phase 2 is under construction). Under such project, Phase 1, can generate electricity of 81,162,000 kWh/year in 2022, or reducing greenhouse gas emissions of *40,572.88 tCO₂e/year, equivalent to planting 55,214 trees or reducing pollution emitted by 8,494 cars.



If the aforementioned project can start the Commercial Operation Date for Phase 2 with a capacity of 50 megawatts, Phase 3 with a capacity of 50 megawatts and Phase 4 with a capacity of 70 megawatts, this solar power plant project will help to significantly reduce the amount of pollution and greenhouse gas emissions.

At present, the Company is considering the participation in the Thailand Voluntary Emission Reduction Program (T-VER) established by the Thailand Greenhouse Gas Management Organization (TGO) to make the operation on carbon footprint more standardized.

**Note : The data on the reduction of greenhouse gas emission amount as mentioned above has not been verified by those who have been registered by the TGO or equivalent.*

Target of Greenhouse Gas Emission Management

Objective : To be a part of building a low-carbon society inside the organization

Indicator : The Company can continuously reduce greenhouse gas emissions in the value chain of the business, when calculated in proportion to compare to previous year, the decrease should be at least 5% or higher.

Participation in the Care the Bear Program

ECF has recognized that the current problems of global warming and climate variability are globally significant that all sectors need to focus on and work together to solve them, this is the important reason that the Company wishes to participate in the "Care the Bear" Program, with the expectation that the organization and all employees are involved in solving global warming problem, the Company also aims to develop many related business activities such as manufacturing, logistics, marketing, and procurement of raw materials in line with the concept to help solve global warming problem as a guideline for sustainable operations. The participation in such activity (participated in July 2021) has led to the reduction of carbon footprint, in 2022, by 285.05 kgCO₂e, equivalent to the absorption of CO₂/year for 31 trees. Most of activities are the online meetings within the organization to reduce the travelling using fossil fuels, resulting in the reduction of carbon footprint.



Practical Guideline for Environmental Conservation

Solar Rooftop Project



The Company has installed the Solar Rooftop on the rooftop of factory in Klaeng District, Rayong Province, with a capacity of not more than 998.40 kWh for the internal use, which reduces production costs of electricity costs and helps reduce greenhouse gas emissions caused by the use of electricity. The completed project can generate electricity at full capacity since 2019. In 2018, the Company had electricity expense of THB 36.40 million after the installation of solar panels, and the electricity expense in 2019 was decreased to THB 24.47 million, when compared to 2018, a decrease was 32.79% as a result of the installation of Solar Rooftop.

Considering that the installation of solar cells is the crucial starting point for the Company's success aiming to lower the resource costs, in addition to reducing the burden of the Company's expenses, it also has a positive effect on the environment because solar cells are considered a type of pure energy that does not affect the environment. At the same time, the Company has a policy to find ways to increase the sales of carbon credits from the said project with the amount of greenhouse gas units to be reduced, to further sell as income for the Company.

Use of Recycled Paper instead of Good Grade Paper for Product Assembly Manual

The product assembly manual is necessary and paper is also necessary to be used for manual production. In this process, the Company decided to use recycled paper to replace good grade A4 paper to help in tree cutting reduction for paper production and this also helps in reducing the Company's production cost for approximately 0.40 million Baht per year.

At present, the Company is seeking the way to reduce the use of paper to minimize the environmental impact from the paper production process by printing the instruction on the product boxes, however, this method is limited to apply, it will be applied for the product that has uncomplicated assembly process.

The Use of Eco-Friendly Materials

The Company has changed to use the Edge Banding-typed or plastic materials for covering the edge of wood instead of original materials that are made from 100% PVC and plastic materials are environmentally friendly or Eco-Friendly grade that is biodegradable for minimizing environmental damages.

The Reduction of Chemicals in Production Process

The production process of furniture made from artificial woods such as particle board, which requires resins as admixture to combine woods in the compression process, such resin contains formaldehyde that will harm the users if its ratio exceeds the standard, the formaldehyde measurement standard is defined or it is called the European formaldehyde emission standards, divided into 3 main parts, the levels start from “E2” level that is harmful to the users because the release of formaldehyde is higher than the set value; “E1” level that is not more than 0.75 ppm; and “E0” level that is an advanced standard upgraded from E1. The furniture passed this process will contain formaldehyde not more than 0.07 ppm. All operational parts, especially the manufacturing part, are conducted of development to allow such standards to cover the global furniture industry in the future.

In order to minimize the impacts on both users and the environment , at present, the Company chooses to use wood in E1 level, which was found that the formaldehyde content is lower than E2 level, up to 1.0 mg/l, or can reduce formaldehyde from the use of materials up to 67%, additionally, it also presents positive impact on environment, users and employees’ health, it is also good for cost reduction in the production process, decreasing the amount of costs up to 3.70 Million Baht per year.

Replacement of LED Light Bulbs in Factory

In the Production Department, it was found that there are more than 2,000 points of light bulbs in the production area, at present, the Company has gradually replaced with LED light bulbs because LED light bulbs has real white light which its temperature is similar to natural light, making the eyes comfortable and good for eye care, with longer lifetime, using lesser electricity, and importantly, LED light bulbs is eco-friendly because the fluorescent bulb consists of heavy metals i.e. mercury, etc. which are toxic to the environment, while the LED bulb does not contain any harmful heavy metals and importantly, its materials produced are recyclable.

Change to use Transparent Roof for Factory

At present, the Company has changed the roof of the factory from solid roof to be transparent roof by designing to allow natural light enter into certain areas in the factory to reduce the use of electrical light.

Use of Technology to Reduce Paper Used in Office

The Company is in the process of developing the Application to support and facilitate sales and customer service for fast stock checking, presenting products through the Application. In addition, for the production, the Company has applied the Cloud system to collect all furniture designs, covering all types manufactured and distributed by the Company in order to facilitate the customers in both domestic market and international market, and shorten the work duration of Product Design, and also help reduce the use of papers in working (Paperless system).

The Waste Sorting Campaign Titled “We, ECF, help in global warming reduction” know how to drop

At present, the Company has established the guidelines for employees to control and manage the wastes arising from the activities, the wastes are divided into 4 types as follows:

1. Wet Bin (green) for wet wastes such as food waste, vegetable debris, fruit waste;
2. Dry Bin (yellow) for dry wastes such as branches, leaves, toilet paper;
3. Recycle Bin (blue) for recyclable wastes such as paper, paper boxes, metal scraps, beverage cans, bottles, glasses, plastics;
4. Hazardous Bin (red) for hazardous wastes such as battery, phone battery, ink cartridge.



In addition, in order to encourage the awareness on the use of natural resources for utmost benefits, the Company posted warning signs and messages in many areas such as posting warning messages about the use of toilet paper in employees' toilets, placing the messages 'saving of water and electricity' at the water tap or power switch areas, in building areas, to encourage employee's awareness to reduce the use of natural resources.



Until present, the Company has never received any complaints or disputes with communities in the areas near the factory, or areas used in the Company's business operations in relation to environmental issues or impacts from the Company's production processes.

Other Achievements for Sustainable Development

Creating economic sustainability within the company itself. Considered an important part of the country's sustainable development because the business operations of the company are all impacted both positively and negatively on the stakeholders. The company therefore places great importance on the economic operation. By focusing on effective cost management, increase the production process including creating revenue growth and good returns to the stakeholders of the Company and also for the ability to manage satisfaction of stakeholders to achieve balance and sustainability continually.

Application of KAIZEN System for Operation

The Company focuses on advancement for developing a production innovation to ensure an efficient production cost management. In the Innovation Day Project which has started since 2019 under the policy that, all staffs are given the opportunity to propose a work method or working guideline that can reduce a procedure, save time, and reduce cost. However, it is important that quality is remained maintained. In proposing the said concept, the Company has motivated by taking as part of the consideration on the remuneration for the staff who initiates the project that contributes to the Company's cost management.

Policy and Information on Innovation Development (R&D) in Previous Year

The Company is committed to creating guidelines for the development of innovations in its processes, with the target to enable the innovations to be beneficial to reduce the environmental, community and social impacts on the areas where the Company's offices are located. This will continue to lead to the creation of a guideline to help in reducing costs, expenses, and ultimately creating a stable and sustainable profit.

Information of Innovation Development (R&D) in Previous Year

In the furniture manufacturing business, the Company has encouraged the design team and Production Department to jointly develop products, procurement of new raw materials for production and seek for ways to improve production processes and working processes to keep up with the changing demands of furniture market, and to reduce costs for competitive advantage, for example, finding a solution or model to develop more durable coating material on particleboards and based on the changing market trends, or the development of coating papers that can be used with ceilings and walls, the development of products from previously using woods as all components in production to using steel materials as components in furniture production, etc. In terms of machinery used in the manufacture of furniture, the Company will focus on importing machineries with more advanced production technology, such as a paint sprayer that can reduce the amount of paint to be used, and a drying process to help in reducing production time and cost, top wooden plate pressing machine, microwave system, improving work processes with the work standard system that everyone can work for each other, including finding a way to develop a program to control the production for creating sustainability and reducing the reliance on specific individual abilities, etc.

For research and development of being the manufacturer and distributor of the Company's furniture occurred in last year of 2022, the Company has commenced to develop the innovation on machineries and equipment used in the production process of furniture, which is the development of machinery and equipment in the automatic system for the objective to reduce time cost, production cost in labor and raw materials in manufacturing, and develop in order to find the way to reduce the product packing cost, for instance, reduction of foam usage in manufacturing, collaboration with corrugated box manufacturers in using digital printers without block molding, under the objective to establish the sustainable development guideline in the production process and sales process of the Company's products, and take part to reduce the environmental impact. In last year of 2022, the Company has commenced to have the said operating expense of around 0.70 million Baht.

Additionally, in terms of marketing, the Company is in the process of developing an Application to support and facilitate sales and services provided to customers, fast stock checking, introduction of new products to be presented through the Application. In addition, in terms of production, the Company has adopted Cloud system to collect all furniture designs, covering all types of products produced and distributed by the Company in order to facilitate both domestic and international customers, and reduce working time of Product Design and Development Department, it can also significantly reduce the use of paper resources in working (Paperless system).

As for the businesses invested by the Company through the associated companies, such as solar power plants invested by the Company. The Company has planned to enter into a future carbon credit sales path after completing all four phases of construction for an installed capacity of 220 megawatts in order to seek for opportunities in generating additional revenue for the project and providing a sustainable development approach to help in reducing greenhouse gas emissions.

Operational Result Involving Other Stakeholders

To comply with the best practice to increase communication channels for shareholders, analysts, and investors so that they can follow up and are provided of information, especially financial status, by the Company. In 2022, ECF organized activities and communication channels as follows:

1. Annual General Meeting of Shareholders
2. Securities Analysts' Meeting (focus group style) for 4 times
3. The presentation to the investors at the Opportunity Day event through online channel of the Stock Exchange of Thailand for 2 times.
4. Totally 4 Press Releases are prepared to provide information of quarterly and annual performance.

In 2022, the Company did not participate in the investor seminars organized by the media due to the situation of COVID-19 outbreaks.

Performance of Cyber Security

The Company's Information Technology Department has established the policy to control the cybersecurity for the Company's information technology system (IT Security), by setting the guidelines and prohibitions to be used as the requirements for all employees involved to comply with such regulations, so that the network will be securely used for the system and data on the server.

In 2022, none of any damage or insecurity was found in the Company's information technology system.





4. MANAGEMENT DISCUSSION AND ANALYSIS: MD&A

4.1 ANALYSIS ON OPERATION AND FINANCIAL POSITION

East Coast Furnitech Public Company Limited (“Company”) has explained and analysed the financial position and performance of the Company for consolidated financial statements ended for the year as at 31 December, 2020, 2021, and 2022 due to the Company’s main revenues from furniture business operation. Thus, no detail of the information from consolidated financial statements and separate financial statements have been significantly different.

OVERVIEW OF PAST PERFORMANCE

During 2022, ECF had revenue from business activities of 1,418.93 million Baht, decreasing 8.42% compared to same period of previous year, and had a total income of 1,463.40 million Baht, decreasing 8.09% compared to same period of previous year, due to a decreasing export revenue of 26%, in line with the global economic situation that has been facing the war between Russia and Ukraine since February 2022, this war has resulted in higher cost of fuel, then affecting the cost of living and higher prices of products, people in many countries are experiencing economic problems.

However, ECF’s domestic sales revenue has continued to be increased by approximately 19%, in line with the recovery of domestic economy.

In 2022, the Company’s revenues from exports and domestic sales are approximately 50% and 50%, equivalent to 706.46 million Baht and 712.47 million Baht, respectively. The Company has also had the proportion of revenue from domestic sales higher than revenue from export, compared to past performance in which the Company had revenue from export as the main distribution channel for business operations.

From the completion of restructuring of East Coast Group since 2011, the Company has operated its business

through the operations of two juristic persons consisting of East Coast Furnitech Company Limited (before transformation to be a public company), and VV-Décor Company Limited as the subsidiary of which the Company holds shares in proportion of 99.95%. After such restructuring, the Company’s nature of main business operation is the manufacturer and distributor of Self-assembled furniture made of particle board/MDF wood, rubber wooden furniture, foil paper and dried lumber for using as raw materials in manufacturing furniture.

Other than being the manufacturer and distributor through the group of major domestic and export customers, the Company also distributes products through the group of the nationwide furniture retail and wholesale stores, and distribution through online channel, and distribution on the online platform service providers, for instance, Lazada Shopee and Noc Noc.

During the year 2015, the Company registered the establishment of one more subsidiary, ECF Holdings Company Limited (“Subsidiary” or “ECFH”). At present, the Company has entrusted ECFH to play the role in distributing furniture products to the Company.

The Company established ECF Power Company Limited (ECF-Power) as a subsidiary whose shares are held by the Company for 99.99%, to invest in the renewable energy business. As at 31 December 2022, ECF-Power has invested in only one associated company, Green Earth Power (Thailand) Company Limited (GEP), in the proportion of 20% of total shares. GEP has invested in a 220 MW-sized solar power plant project in Myanmar through the investment in only one subsidiary which is GEP Myanmar Co., Ltd., in the proportion of 100%, and completely recognized revenue from the commercial operation from the construction of Phase 1 Project with a capacity of 50 megawatts since the past 27 September 2019. At this time, it has been in the process of construction of Phase 2 under expectation of completion within 2023, and Phase 3 and Phase 4 will be accelerated to complete the construction as soon as possible by 2024.

Previously, ECF-Power had invested in another joint venture that is Safe Energy Holdings Company Limited, in the proportion of 33.37% to invest in biomass power plants. In the past, the Company recognized a share of profit from the operation of a 7.5 MW-sized biomass power plant located at Waeng District, Narathiwat Province, and a 1 MW-sized Biomass Gasification Power Plant Project located at Long District, Phrae Province. However, the Company sold all of SAFE's shares at the selling price of 233.9 million Baht, and the transaction was completely closed on the past 24 December 2020.

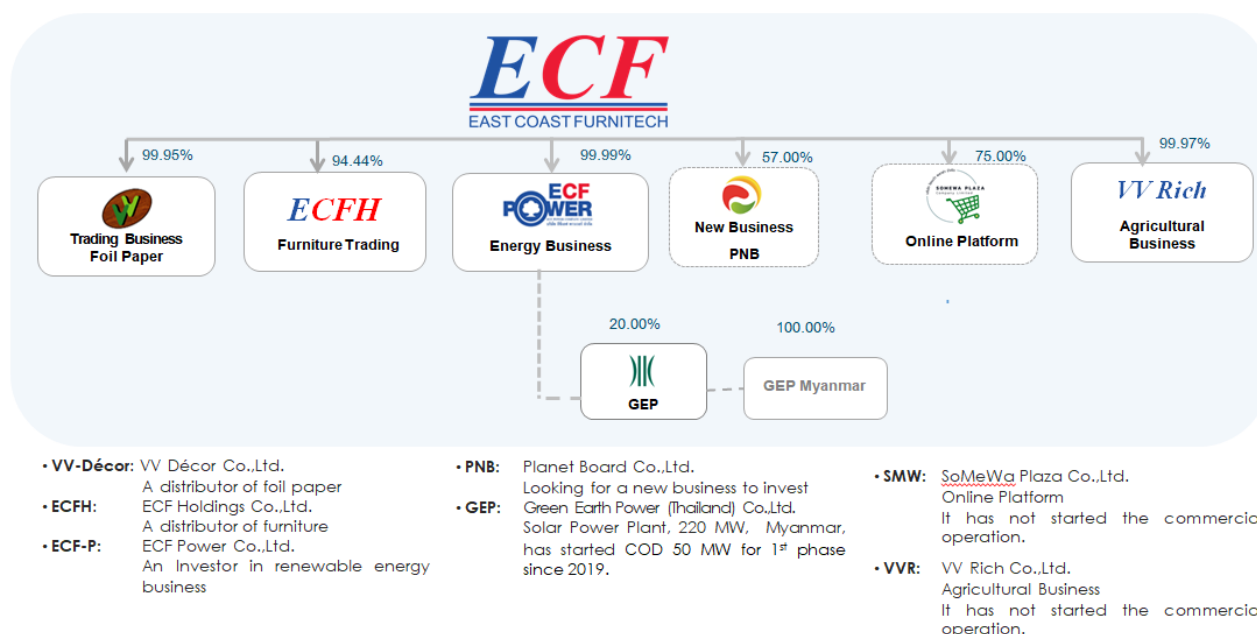
For Planet Board Company Limited (PNB) as a subsidiary recently registered for the company establishment in the proportion of the Company's shareholding of 57%, presently, Planet has delayed its investment in the MDF manufacturer and distributor project because the wood cost has been increased and a demand of wood quantity for using woods in production of biomass power plant project group in the area has been under consideration for procurement for investment in the project. These factors have significantly affected the return-on-investment figures that have previously been considered, and the COVID-19

situation, war, inflation, rising oil prices which affect higher costs and expenses at this moment. Therefore, the management and PLANET team have still been considering to find an optimal solution for the feasibility of PLANET business operation continuity. At present, PLANET has not yet had the commercial revenue.

In addition, Somewa Plaza Company Limited as a subsidiary registered for the company establishment on 14 June 2021 with the proportion of the Company's shareholding of 75% to operate the business of online platform that will be further used as online distribution channel of furniture products in the future. Presently, the development of platform is in progress and has not yet been completed, Somewa Plaza Co., Ltd. has no commercial income.

In the past 2021, the Board of Directors' Meeting resolved to approve the establishment registration of one more subsidiary. Later, on February 2022, the said subsidiary, V.V. Rich Company Limited, with the Company's shareholding proportion of 99.97%, completely registered for the company establishment with Department of Business Development. The establishment objective is to operate the agricultural crop cultivation and distribution business. At present, the company has not yet had the commercial revenue.

Current Shareholding Structure and Business Operation Chart



The Company's business structure which has continuously expanded to other businesses all the time is under the concept of Environment, Social, and Governance (ESG) to reduce the risk of being the furniture manufacturer and distributor of the Company. At present, ECF has invested in main businesses such as renewable energy business, the development of online platforms for conducting e-commerce business and the agricultural crop plantation and distribution business. In addition, considering the production and distribution of furniture of the Company, raw materials to be used for particle board products, MDF wood products, and rubber wood products are likely to be affected by climate fluctuations, possibly resulting in higher production costs. The Company will consider these issues to find ways to reduce the impact or potential risks, environment and the factors of dependence on labors used in production to enter the production that mainly relies on machines. The Company has also searched for ways to diversify the investments in other businesses so that the Company could generate more income in the future.

PERFORMANCE

Revenue from Sales

In the year of 2020, 2021, and 2022, the Company's revenue from sales was 1,384.49 million Baht, 1,549.41 million Baht, and 1418.93 million Baht respectively, being classified into revenue from domestic and foreign sales for the period of 2022 in the proportion of 50% and 50%, respectively.

The decline in revenue during 2022 was mainly caused by the drop of export revenue for approximately 26%, or equivalent to 243.44 million Baht, in line with the global economic situation that is experiencing the war between Russia and Ukraine since February 2022. this war has resulted in higher cost of fuel, then affecting the cost of living and higher prices of products, people in many countries are experiencing economic problems.

However, revenue from domestic sales is opposite to export revenue during 2022, the domestic sales was increased by approximately 19% or equivalent to 112.96 million Baht, which is a result of economic recovery in the country. The values of export sales and domestic sales were 706.46 million Baht and 712.47 million Baht, respectively.

The growth of the domestic distribution channel of products in the year of 2022 indicated more growth than export due to the commencement of recovery on domestic economy and people confidence after the COVID-19 pandemic situation of which the manageable signal has been initiated, resulting in the recovery of the Company's furniture product demand again. The said growth has been the growth from the second key distribution channel that is the distribution through Hypermarket, such as Home Pro, Lotus, Big C, Mega Home, Do Home, Global House, etc., including the product distribution through retail stores and wholesale stores in nationwide, which has been increased when compared with the same period of the previous year.

Although export volume in 2022 were decreased due to the sales revenue for customers in Japan. and the United States was declined, sales revenue for India has not significantly decreased. The Company has considered that the growth of Indian customers shall be better in the future, and expected that the direction of the orders from Japanese customers shall be resumed as usual after Japan has opened the country for tourists. the Company's export revenue is corresponding and in accordance with the overall export direction of Thailand, in 2022, the export of products in the wooden furniture group was valued at USD 487.63 million compared to USD 510.02 million in 2021 or accounting for 4.39% reduction.

Share of Profit from the Investments in Solar Power Plant and Biomass Power Plant Businesses

In the years of 2020, 2021, and 2022, the Company's share of profit from the investments in associates was 35.14 million Baht, 32.42 million Baht and 28.20 million Baht, respectively.

The said share of profit was derived from the investment of ECF Power Company Limited ("ECF-Power") as the subsidiary whose shares are held by the Company in the proportion of 99.99%, whereas ECF-Power recognized share of profit and loss from the investments in the following companies.

1. Safe Energy Holdings Company Limited ("SAFE"), which has been invested by ECF Power Company Limited ("ECF-Power") as the subsidiary that has been invested by the Company for 99.99%. ECF-

Power has invested in SAFE in proportion of 33.37%. In the past until the end of 2020, the Company had recognized the operating result of Biomass Power Plant Project with 7.5 MW capacity of Prize of Wood Green Energy Company Limited ("PWGE") in Narathiwat Province. The Company has recognized profit based on the investment proportion from Q3/2017 to the end of 2020. SAFE has invested in PWGE in a proportion of 99.99% and Biomass Gasification Power Plant Project with 1 MW capacity of Safe Energy (Phrae) Company Limited in Phrae Province, was in the proportion of 49%.

2. Green Earth Power (Thailand) Company Limited ("GEP") operates the business of solar power plant with 220 MW capacity in Minbu City, Myanmar, which has been invested by ECF-Power as the subsidiary in the proportion of 20. At present, the revenue has been recognized from the commercial operation of the Project, Phase 1 with the capacity of 50 MW from total of 220 MW. There have been the remaining projects that must be constructed for additional 170 MW in another 3 phases.

After the Company entered the plan to dispose SAFE's investment since the beginning of Q1/2020, the use of the equity method for measuring the investments has been discontinued, and the value of such investments has been non-current assets held for sale. As appeared in the statement of financial position according to the Company's consolidated financial statements as at 31 March 2020. On the past 24 December 2020, the Company disposed all ordinary shares of SAFE held by the Company in the proportion of 33.37% in the value of 233.9 million Baht and the trading was completely closed on the same day. As a result, the Company will no longer have a share of profit from the investments of SAFE investment; therefore, the transactions of profit sharing from the investments in associates throughout 2020 until present will be a share of profit from the project of solar power plant invested in GEP by the Company.

In 2022, such share of profit was slightly decreased when comparing to 2021, because GEP has financial costs from borrowing from shareholders, each shareholder has given a loan in proportion to their shareholding to support the project during the construction of Phase 2 with size of 50 megawatts so that it will be accelerated to be completed as soon as possible. At the same time, GEP has continued to seek financial support from potential financial institutions to be used as project financing for all four phases of the project. Currently, the plan has continued to be in accordance with expectation; however, GEP has a profit before interest deduction in 2022 higher than 2021 or equal to 181.74 million Baht in 2021, increasing to 194 million Baht in 2022. This shows efficient electricity sales and cost management for Phase 1 project with 50-MW size.

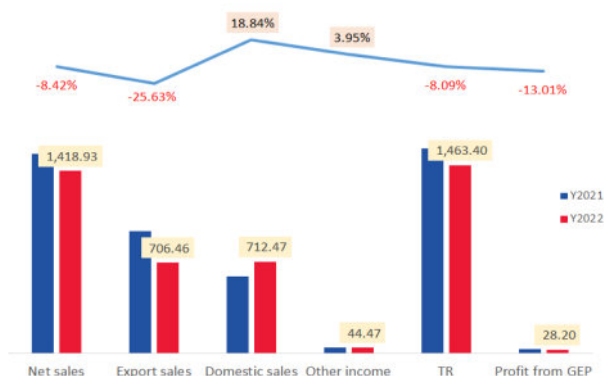
The value of other incomes generated in 2020, 2021, and 2022 was 30.58 million Baht 42.78 million Baht, and 44.47 million Baht respectively. Other significant revenues of the Company in 2022 consisted of income from the sale of materials and scrap from production amounting 14.61 million Baht, interest income amounting 13.73 million Baht, and other incomes that are partly from the operations of subsidiaries amounting 16.13 million Baht, etc.

For the year of 2022, the transaction of gain on sales of non-current assets held for sales (gain on the transaction of disposal of investments in SAFE in the value of 6.17 million Baht), this transaction was appeared in 2020 only.

In addition, the situation of the baht depreciation from 2021 to 2022 and the Company's main revenue from exports in US dollars, resulted in an increase of foreign exchange gains with a value of 8.62 million Baht. This is significantly increased when comparing to 2020 and 2022, the Company had a loss on exchange rates of 0.81 million Baht.

In the period of 2020, 2021, and 2022, the Company's total revenues were 1,415.07 million Baht, 1,592.19 million Baht, and 1,463.40 million Baht respectively. For 2022 when compared with 2021, a decreased proportion of revenue was equal to 8.09%, in line with a decrease in sales revenue, mainly due to a decrease of export revenue by approximately 26% in 2022.

Summary of Key Revenue Figures



Cost of Sales and Expenses

In the year of 2020, 2021, and 2022, the Company's ratios for cost of sales to revenues from sales was 77.81%, 79.84%, and 75.79% respectively, or in the value of cost of sales of 1,077.23 million Baht, 1,237.05 million Baht, and 1,075.42 million Baht respectively.

Since the 2nd Quarter of 2022, ECF could manage the cost of sales to be decreased after the Company has adjusted a strategy to manage cost of sales through effective production cost management by controlling from the purchase of raw materials, controlling the usage by setting a clear budget, establishing a planning unit to control every step, use of raw materials and consumables remained in the production line, improvement of machinery and ordering new machines for more modernization, controlling labor cost, especially overtime pay. As a result, the overall production cost has significantly decreased since the 2nd Quarter, making the overall ratio for the cost of sales decreased when comparing to the revenue from sales to 75.79% compared to 79.84% in 2021.

The Company's ratios for cost of distribution to total revenues in 2020, 2021 and 2022 were 4.35%, 3.91%, and 4.51% respectively, or in the value of 61.61 million Baht, 62.21 million Baht, and 65.96 million Baht respectively. This proportion has increased since 2021, mainly caused by the situation of increasing costs and expenses due to the war, this has resulted in many problems such as inflation, higher prices of goods and expenses, in addition, the Company's export revenue in 2022 was decreased, resulting in an increase in the value and proportion of expenses compared to total revenue.

The ratios for administrative expenses to total revenues transactions occurred in 2020, 2021 and 2022 were 9.66%, 8.41%, and 10.12% respectively, or in the value of 136.64 million Baht, 133.97 million Baht, and 148.17 million Baht respectively. The proportion of administrative expenses

increased when comparing to total revenues, caused by the higher cost and expenses due to war, economy, inflation, and the decline of export revenue in 2022.

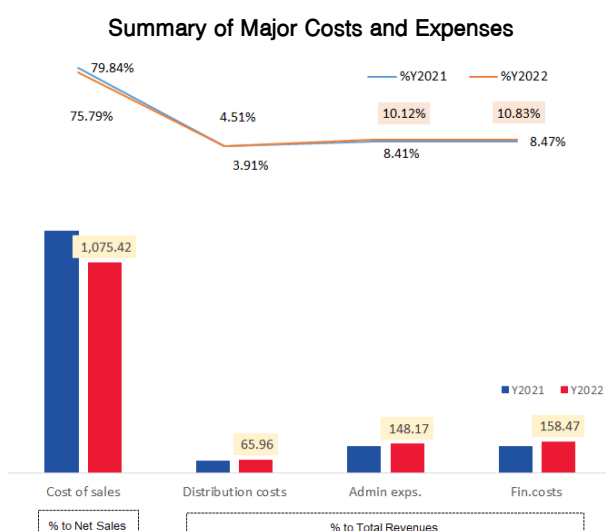
Another expense of 18.13 million Baht incurred in the period of 2020 was the transaction recognized as expenses of a subsidiary and incurred just one time, and inapparent in the transaction in the said nature for the period of 2021 and 2022.

In 2020, ECF Power Company Limited (ECF-Power) entered the plan to sell the joint venture investments to a joint venture party by entering into the purchase-sale contract with another joint venture party at the selling price of around 222.9 million Baht. The value of investments based on the equity method amounted to around 227.7 million Baht, which is less than fair value deducted with cost of selling the investments in the amount of around 4.8 million Baht. Therefore, the Company Group recognized the said loss and presented the transaction as part of "other expense" in consolidated statement of comprehensive income for the year as at 31 December 2020. Later, the said selling plan has been negotiated to increase selling price to be 233.9 million Baht, and gain on sales was around 6.2 million Baht. The aforementioned selling plan has been completed on December 2020.

In addition, in 2020, Planet Board Company Limited ("PNB") has initiated the concept to possibly delay the investment in the production and distribution project for MDF board, and the Company's Management has been in the consideration process of new projects that are suitable for investment instead. For fixed asset transactions of PNB, part of them amounted to around 18.1 million Baht, and therefore, they have not be further used and amortized as expense (already approved by the Company's directors). The said transactions are presented as part of "other expenses" in consolidated statement of comprehensive income for the year ended 31 December 2020 due to PNB's non-business operation and the past completed amortization of asset as expense. Thus, the transaction of amortization as expense occurred during 2021 - 2022 was inapparent at all. The income that was apparent in the year of 2022 was generated from the interest income from lending, and expense incurred from hiring the auditor for preparing financial statements and tax paid as the transaction of key expenses.

The ratios for financial cost to total revenues in 2020, 2021 and 2022 were 9.39%, 8.47%, and 10.83% or in the value of 132.92 million Baht, 134.92 million Baht, and 158.47 million Baht, respectively. Such financial cost has an increased value; however, the Company has a policy to constantly find ways to reduce financial costs. The above finance cost arises

from short-term loans from financial institutions and the issuance of financial instruments through the issuance and offering of debentures. As of 31 December 2022, ECF has a ratio of loans from financial institutions to interest-bearing debt at 41.96% or equivalent to 942.30 million Baht. The ratio of debt issuance to interest-bearing debt was 52.27%, which is the highest proportion for a source of borrowing or equivalent to 1,173.73 million Baht, and the ratio of other interest-bearing debt to interest-bearing debt accounted for 6.41%, respectively.



Gross Profit Margin and Net Profit Margin

The Company's gross profit margins in the period of 2020, 2021 and 2022 were estimated in the ratios of gross profit to revenues from sales at 22.19%, 20.16%, and 24.21% respectively, or in gross profit value of 307.26 million Baht, 312.36 million Baht, and 343.50 million Baht respectively.

The reason for the increase in gross profit while having a decrease in sales revenue in 2022 was the Company's cost of sales management which has continued and begun to see the result since the 2nd Quarter of 2022 by using the new strategy to manage the cost of goods sold through the cost management to be more efficient by controlling from the order of raw materials, setting clearly the budget, setting the planning department that the control has been in every step. The management of using raw materials that are last in the production line to be used first, including the improvement of machines and provision of more modern machines, the control of labor costs especially the overtime expenses.

Upon considering on net profit margin of the Company, it was found the Company's net profit margin in 2020, 2021 and 2022 were 2.24%, 3.20% and 2.54% or in net profit value of 31.65 million Baht, 50.92 million Baht, and 37.19 million Baht, respectively. The net profit for 2022 was classified into the parent company's equity of 37.46 million Baht and non-controlling interest's equity of -0.27 million Baht, the profit

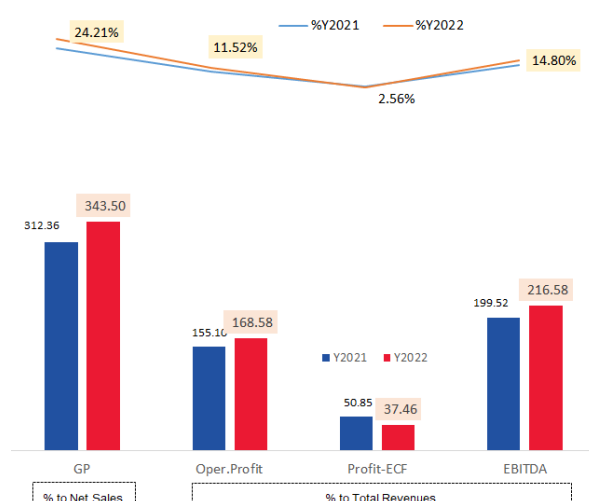
attributable to the parent company was decreased by 26.33%, compared to the same period of previous year, mainly due to an increase in financial cost of the Company.

In the year of 2020, the Company obtained gain on sales of right of claim on accounts receivables and right on brand for Costa brand, where the brand was sold under the resolution of the Board of Directors in the period of March 2020 to approve the Company to sell a portion of accounts receivables arisen from the sales of products through retail stores and wholesale stores of furniture products in nationwide, and the sales of right on related brand to a non-related company who operates the trading business of construction materials and home decorations with the selling price of 55 million Baht. The gain on the said sales of approximately 18.8 million Baht was generated as the payment of the loyalty of the related brand. The Company transferred the control over the right to receive payment from accounts receivables and right on brand to the buyer. This gain is considered as a less frequent transaction in the past year of 2020.

Total comprehensive profit margin for the period of the Company indicated 1.25%, 5.90%, and 3.76% or in total comprehensive profit margin for the period at 17.70 million Baht, 93.88 million Baht, and 55.07 million Baht respectively, in the period of 2020, 2021 and 2022.

Total comprehensive income for the year of 2022 was classified into the parent company's equity of 55.34 million Baht and non-controlling interest's equity of -0.27 million Baht. Other comprehensive income from associated companies was 17.88 million Baht in 2022, a decrease from 2021 which was 44.33 million Baht, due to the appreciation of exchange rate from investments in associated companies inveted by the Company in US dollars. As of 31 December 2022, the value of such investment in Thai baht was 865.88 million Baht.

Summary of Significant Profits



FINANCIAL POSITION ANALYSIS

Assets

Non-Current Assets

As at 31 December 2020, 2021, and 2022, the Company's current assets were 2,035.77 million Baht, 2,020.63 million Baht, and 2,091.18 million Baht respectively, as per the details in each of the following significant transactions.

- Cash and cash equivalents as at 31 December 2020, 2021, and 2022, were valued at 187.14 million Baht, 22.41 million Baht, and 14.31 million Baht or in the ratio to total assets at 5.28%, 0.60%, and 0.36% respectively.
- Accounts receivables - net as of 31 December 2020, 2021 and 2022 were valued at 331.31 million Baht, 454.42 million Baht, and 596.03 million Baht, or in the ratio to total assets at 9.34%, 12.09% and 14.95%, respectively. Since 2021, an increase in accounts receivable has been partly caused by the Company's relaxation on payment conditions for some domestic customers who have been faced the illiquidity problem during COVID-19 situation, and the Company's credit terms offered to some foreign customers who have placed more orders, the Company has measures to closely monitor and demand. Later, in 2022, the Company still has an increase in the value of accounts receivable, this was caused by the Company's increased revenue from domestic sales, when comparing the conditions of credit terms, domestic customers will receive higher trade terms than export customers, most of domestic customers are hypermarkets such as Home Pro, Lotus, Big C, Mega Home, Do Home, Global House. However, this customer group has not any payment problem.

Considering the debt collection period, it was found that the number of debt collection days was increased in line with the increase in accounts receivables in 2022 with an average collection period of 138.22 days, an increase from 93.86 days in 2021, mainly due to trade conditions of domestic customers. However, in addition to hypermarket customers,

most of them have no payment problem, but some domestic customers are dealers (retailers and wholesalers) with behavior of longer payment period. The Company has realized the ways to reduce the risks of debt collection of dealers, our sales team and accounting team have a plan to closely follow up and collect such debts.

As at 31 December 2022, the Company's transactions of trade receivables - net were 596.03 million Baht, being classified into trade receivables - related companies for 30.52 million Baht derived from sales of furniture and foil paper to be used in manufacturing furniture for 55.52 million Baht for the related companies consisting of Index Interfurn Company Limited and Index Living Mall Public Company Limited, that are the companies whose director is the spouse of Mr. Arak Suksawad who holds the position of shareholder, director, authorized signatory director and executive of the Company; and trade receivables - other companies for 565.51 million Baht. At present, the customers considered by the Company to be granted for credit term are hypermarket or large-scale retail store customers. In the past, there has no problem of debt collection with the said group of customers. For the group of dealer customers that are the group of retail stores and wholesale stores in nationwide, the Company will plan and closely monitor the debt collection and payment. For overseas customers, term of payment determined by the Company for most of them is L/C at sight or Telegraphic Transfer (T/T) prior to shipment date. Therefore, no problem of debt payment has been happened. However, under the COVID-19 situation in the past, some overseas customers that have placed a large number of incoming purchase orders of products and advance purchase orders have requested the Company to consider the longer credit term, and the Company will closely consider the impact from the said policy.

The details of the information of outstanding receivable aging as at 31 December 2021 and as at 31 December 2022 are as follows.

Value of Trade Receivables

Related Companies	As at 31 December 2021		As at 31 December 2022	
Undue	6.79	80.48%	24.00	78.63%
Outstanding				
- Not over 3 months	1.65	19.52%	6.52	21.37%
- Over 12 months	0.00	0.00%	0.00	0.00%
Total Trade Receivables	8.44	100.00%	30.52	100.00%

Other Companies - Net	As at 31 December 2021		As at 31 December 2022	
Undue	263.95	59.18%	271.00	47.92%
Outstanding				
- Not over 3 months	79.37	17.80%	60.10	10.63%
- During 3 - 6 months	17.79	3.99%	50.33	8.90%
- During 6 - 12 months	90.90	20.38%	160.73	28.42%
- Over 12 months	11.31	2.54%	45.15	7.98%
Total Trade Receivables	463.32	103.89%	587.31	103.85%
Less Allowance for impairment from expected credit loss	(17.34)	(3.89%)	(21.80)	(3.85%)
Total Trade Receivables	445.98	100.00%	565.51	100.00%

From the said table, if considering by comparing the information of outstanding receivable aging of other companies - net, it indicated that as at 31 December 2022, the Company's ratio of outstanding receivables in the aging period from not over 3 months to during 6 - 12 months was estimated in the value of 271.16 million Baht, increasing from as at 31 December 2021 with the value of 188.06 million Baht due to the increasing domestic sales volume. credit term granting consideration, relief on term of payment for some customers under the COVID-19 situation. However, the management team of the Company has analyzed that the debtor's age is also a manageable debt collection period, without cause of significant risk to the Company.

However, the Company has established the policy of allowance for doubtful accounts by considering the statistical data related to the past debt collection records from the customers, that is appropriate for the Company's business operation. The policy is established to monitor all payments of trade receivables within the granted credit terms as follows:

Receivables Counted from Due Date of Payment	Reserve Establishment Rate of Doubtful Accounts of Total Net Receivables Balance
From 12 months and more	100% (particularly the receivables with an uncollectible indication and not in the process of respite or making an installment contract with the company)
From 24 months and more	100%

The Company has currently granted the credit term for each type of customers that place the orders of furniture and other products from the Company in case of considering according to the policy and the number of days of which incoming money will be received by the Company as per the following details.

1. Group of Export Customers on the condition of L/C at sight 30 - 45 days
2. Group of Export Customers on the condition of L/C term 60 days
3. Group of Domestic Customers - Large-Scale Retail Stores (Hypermarket) for 90 days
4. Group of Domestic Customers - Wholesale Stores and Retail Stores in Nationwide (Dealer) for 90 - 120 days

From the said outstanding receivable aging, the group of receivables of other companies has mostly been group of domestic customers consisting of the group of large-scale retail stores, including wholesale stores, and retail stores in nationwide (Dealer), with trade receivable aging covering during 3 - 6 months, and during 6 - 12 months.

If considering the maximum granting period of credit term pursuant to the Company's policy for 120 days or 4 months, if the group of outstanding receivable aging is within the scope of over 4 months or over credit scheduled by the Company, and then considering from the outstanding receivable aging table, it is in the group of during 3 - 6 months and during 6 - 12 months. The Company will continuously monitor the collection particularly in the dealer group. The customers in this group are the group of customers with continuous trading with the Company for long time. However, under the COVID-19 situation, the liquidity and financial position of some customers in this group of the Company have been affected, causing the delay of payment. In addition, some customers have negotiated to request for the debt installments with the Company, whereas the Company has foreseen and understood the occurred situation. Moreover, the group of customers in this part has also ordered the products on a continuous basis, resulting in accumulated amount. In this part, the related work unit of the Company will take into account on case-by-case basis. The Company has needed to stop trading with some customers in order to wait for the payment of proper installment amount in the outstanding portion and therefore, the Company will allow the ordering of products in next lots accordingly.

For the transactions of trade receivables with aging over 12 months, most of them have also been trade receivables due to the group of customers in type of Dealer.

The Company has currently been in the process of the written collection and in the process of legal proceedings against some customers. The value of trade receivables over 12 months as at 31 December 2022 was 45.15 million Baht. The Company has already considered the allowance for doubtful accounts based on the accounting principles and in line with the statistical data prepared by an independent expert statistician from outside the company.

In addition, considering the comparison between the established policy and the actual collectibility of debt by examining from average collection period ratio in the period of 2020, 2021, and 2022 at 83.59 days, 93.86 days, and 138.22 days respectively. Although the debt collection period has significantly increased, the Company has analyzed the causes, closely monitored accounts receivables, established stricter demand and follow-up policies to prevent potential bad debt problem, and planned financial liquidity to prevent potential problems in advance.

As at 31 December 2022, the Company discounted, under factoring, its trade receivables of approximately 117.60 million Baht with two domestic financial institutions within total credit facility of 100 million Baht. As at 31 December 2022, the financial institutions that support credit facility are entitled to recourse for approximate amount of 99.50 million Baht (which is the amount waiting for collection from discounted accounts receivable of the Company under factoring with financial institutions). It was presented as liability in the transaction of "Payable from sale of trade receivable claims" in request of factoring-type credit facility support. It is unnecessary for the Company to acquire assets as collateral of this type of credit facility. This will be beneficial for the Company in respect of non-obligation of collateral used as guarantee and strengthening financial liquidity for the Company in another form.

- The value of other installment receivables as of 31 December 2020, 2021, and 2022 consisted of both current portion and remaining portion for 33.33 million Baht, 17.87 million Baht, and this transaction was not appeared in 2022 because the payment was fully made.

The said transaction of other installment receivables due to loans to other parties that transferred the sales of right as other installment receivables. This account has previously been loans to Inter Fareast Energy Corporation Public Company Limited ("IFEC") for 50 million Baht of which interest is charged at the rate of 6.25% per annum, with collateral as ordinary shares of a subsidiary of IFEC and in the form of deposit for feasibility study of the investment in 1 MW capacity

solar power plant project of CR Solar Company Limited (“CRS”), where is located at Thoen District, Lampang Province. CRS is a subsidiary of IFEC. However, IFEC and CRS have signed in the Memorandum of Understanding on 22 December 2017 in order to prescribe the lending conditions and the related interest receivable can be used as deposit to be the part of the payment of takeover and sale of entity price in the future if the feasibility study result of the project is satisfactory, and the Company makes decision on investment. However, the said loans are also charged with interest until all conditions are met according to the said Memorandum of Understanding, whereas the Company and IFEC have mutually negotiated and agreed to extend the due diligence of the entity period to be within 30 November 2019, and extend the entry period of the agreement for takeover and sale of the entity to be within 31 December 2019.

However, due to non-completion of due diligence of CRS entity and failure to estimation of completion schedule, the Board of Directors’ Meeting held on 24 December 2019 resolved the approval that the Company shall dispose the right of claim on the above loan contract including the pledge agreement of collateral, and the related memorandum of understanding to (1) a non-related person who is the shareholder of the subsidiary and the director of the subsidiary of the Company, and (2) the partial major shareholders and directors of the Company in the proportion of 2/3 and 1/3, respectively, of total outstanding loans including interest as at 24 December 2019 (in total of approximately 58.30 million Baht) as the part of (1) total of approximately 38.87 million Baht, and (2) total of approximately 19.43 million Baht, which is the disposal to (1) and (2) and gradually paid for seven installments at six months per one installment starting from December 2019. In part of (1) and (2), the approximate amount of each installment is 5.55 million Baht and 2.78 million Baht, respectively. However, the Company has estimated interest from the said installments for (1) and (2) at the rate of 6% per annum, from 24 December 2019 onwards. The Company has had no right on the outstanding claim and contracts with IFEC, and has not intended to carry out the due diligence of the entity, and takeover and sale of the entity with CRS anymore.

- Inventories - net as at 31 December 2020, 2021 and 2022, were 1,370.21 million Baht, 1,314.47 million Baht, and 1,277.15 million Baht in ratio to total assets at 38.65%, 34.99%, and 32.02% respectively.

The Company’s inventories are raw materials prepared for use in manufacturing, goods in process, and finished goods stored as stock for distribution, and furniture imported from foreign country and ordered within the country for distribution. During a lot of orders placed by many customers with the Company, it affected the stock requirement for goods in preparation for delivery based on the increasing purchase orders accordingly. If considering from the past, it indicated the increase in inventory value based on the continuous increase in sales quantity. According to such increasing sales quantity, it is necessary for the Company to plan for ordering raw materials and storing inventory stocks to be sufficient for the requirement quantity and preventing the shortage problem of raw materials used in manufacturing for distribution to customers.

In manufacture and distribution for made to order overseas customers and domestic modern trade customer group, most of them are manufacture of goods in type of Self-assembled furniture made of particle board/MDF wood under the Company’s’ condition of requirement to manufacture finished goods for storing the stock to be waiting for delivery. Overseas and Hypermarket customers will inform the delivery quantity of finished goods manufactured by the Company and being waiting on a periodic basis. It is necessary for the Company to have the sufficient stock of goods and control the punctual delivery of goods. In last 2022, the Company’s inventory value was mostly been goods in process in the proportion of 46.77% of inventory value - net or value of 597.26 million Baht, decreasing from 31 December 2021 with value of 656.02 million Baht. Normally, the period from the year-end period to Q1 of each year is the period of which the Company has been manufacturing goods for supporting the delivery based on purchase orders of the group of overseas customers and domestic Hypermarket customers. The secondary inventory value was the group of finished goods in the proportion of 44.22% of inventory value - net or value of 564.80 million Baht, decreasing from as at 31 December 2021 with a value of 533.37 million Baht. ECF is trying to make better stock management and continuously reduce its volume.

If considering average inventory period (being calculated by using inventory - group of finished goods excluding goods in process, goods in transit, and raw materials used in manufacturing) during 2020, 2021, and 2022, it indicated that the Company’s average inventory period was 155.65 days, 157.53 days, and 183.81 days respectively. If

considering the overview of average inventory period from the period since 2021 – 2022, the cause was an increase in revenue from domestic sales, especially from hypermarket customers with more orders, resulting in more production to increase stock volume of some products so that the delivery shall be on time as planned.

At present, under the inventory-related policies, the Company has established the policy for the allowance for obsolete goods. The Company has started using the policy for setting the allowance for obsolete and slow-moving goods by considering the goods with life over 3 years and more, goods condition and past experiences. The allowance for obsolete and slow-moving goods value was estimated at 5% of the value of goods to be received. If the goods are remained in stock for longer than four years and more, the allowance for obsolete goods will be set at 50% of the value goods to be received. Moreover, the Company's goods are also classified into finished goods warehouse waiting for consideration or goods waiting for classification or categorization of goods grades by setting allowance for obsolete goods for 20% of value of goods to be received.

Throughout the past period, the Company has focused on execution according to the policy for continuous inspecting and monitoring the movement of inventories. If they are the slow-moving goods or remained portion from delivery, the Company will solve the problem by organizing sales promotion program as the channel of goods release. As at 31 December 2022, the Company has set allowance for devaluation of inventory value for 12.62 million Baht.

The Company's 2023 inventory management plan is as follows:

1. The Company reviews in-process goods that are in stock for a long time or slow moving, and quickly apply it to certain models of domestic products as a channel of goods release. This has been expected to be gradually decreased in 2023;
2. The Company considers finished goods and in-process goods that are in stock for a long time in order to review the policy of setting reserve for obsolete products in which this policy has been in use since the year 2022;
3. The Company reduces the ordering and circulates in-process goods in order to increase liquidity and reduce the value of inventories;
4. The Company drives sales volume through a subsidiary, ECF-Holdings, to enable to sell more products to the dealer group, in which the result has been reflected since the end of the 3rd Quarter of 2022.

Non-Current Assets

As at 31 December 2020, 2021, and 2022, the Company's value of non-current assets was 1,508.95 million Baht, 1,735.57 million Baht, and 1,896.92 million Baht respectively, as per the following detail of each important transactions.

- The net investments in associates recorded by equity method as at 31 December 2020, 2021, and 2022 were 672.12 million Baht, 823.87 million Baht, and 865.88 million Baht or in the proportion of total assets at 18.96%, 21.93%, and 21.71% respectively. The value of investments in associates as at 31 December 2022 for 865.88 million Baht was the transaction of investments in Green Earth Power (Thailand) Company Limited ("GEP") after the Company has disposed the investments in SAFE at the selling price of 233.88 million Baht to the buyer since last 24 December 2020.
- The value of property, plant, and equipment - net as at 31 December 2020, 2021, and 2022 was 521.51 million Baht, 613.96 million Baht, and 703.61 million Baht or in the proportion of total assets by 14.71%, 16.35%, and 17.64% respectively.

In 2022, the Company's significant investment included machinery under installation of 141.13 million Baht in order to improve furniture production line to be efficient, reduce the need for human labor, reduce production costs in the long run, and support additional incoming orders in the future.

- The deposits for investment project feasibility as of 31 December 2020, 2021 and 2022 were 100 million Baht, 100 million Baht, and 100 million Baht or in the proportion to total assets by 2.82%, 2.66%, and 2.51%, respectively, because the Company is studying the feasibility of an investment project involving a biomass power plant in Saga Prefecture, Japan, provided that the refundable deposit amounting 100 million Baht must be paid to the project owner. It is considered as part of process for feasibility study, whereas the Company or the Company Group will recall the said deposit if the final decision is no investment in the project. In 2018 and 2019, the Company paid such deposits for 75 million Baht and 25 million Baht, respectively (100 million Baht in total). However, under the COVID-19 situation proceeded since the period of 2020, it has been the partial reason causing the significant delay to enter for feasibility study, and limitation of overseas travel, etc.

- The advance payment for the purchase of investments as at 31 December 2020, 2021, and 2022 was 70 million Baht, 58 million Baht, and 44.50 million Baht or in the proportion to total assets by 1.97%, 1.54%, and 1.12% respectively, in order to purchase the investments in capital stocks of a domestic company that operates the wind power generation business. The Company has purchased the said investments from a shareholder of that company that is not related to the Company. However, the purchase of above investments was approved by the Board of Directors' Meeting on 10 September 2019. Nevertheless, the Company is currently and gradually selling it back, which could be seen from a decreasing amount since 2019.

Total Assets

As at 31 December 2020, 2021, and 2022, the Company's total assets were 3,544.72 million Baht, 3,756.20 million Baht, and 3,988.10 million Baht respectively.

The main reason causing an increase in transactions of total assets from 31 December 2021 by 231.90 million Baht or 6.17 % was due to an increase in trade receivables from 31 December 2021 with the value of 454.42 million Baht to be 596.03 million Baht as at 31 December 2022, and the transactions of investments in associates, and the increased value of investment in machineries from 31 December 2021 for 42.01 million Baht, and 89.65 million Baht, respectively.

LIABILITIES

Current Liabilities

As at 31 December 2020, 2021, and 2022, the Company's current liabilities were 1,673.05 million Baht, 1,693.65 million Baht, and 1,842.06 million Baht respectively. Over the past period, the value of current liabilities has not significantly increased. However, in 2022, the part that has increased due to the debentures due within 1 year has increased in value. The details of each important transactions are as follows:

- The value of overdraft and short-term borrowings from financial institutions as at 31 December 2020, 2021 and 2022 was 601.84 million Baht, 704.97 million Baht, and 773.20 million Baht or in the proportion to liabilities and shareholders' equity by 16.98%, 18.77%, and 19.39% respectively. The overdraft and short-term borrowings from financial institutions were mainly used as a working capital for business operations of the Company

- The trade payables as at 31 December 2020, 2021 and 2022 were 215.15 million Baht, 216.72 million Baht, and 154.20 million Baht respectively, or in the proportion to liabilities and shareholders' equity by 6.07%, 5.77%, and 3.87% respectively. The Company's payables value was due to ordering of raw materials for preparing to use in production process to support the purchase orders in part of furniture business, and ordering of finished furniture from the manufacturers both in the country and foreign countries. All the time, the Company's repayment periods for liabilities in 2020, 2021, and 2022 were 61.53 days, 62.84 days, and 62.08 days respectively. The repayment for liabilities is in accordance with the policy of collection from the Company's trade payables.
- The short-term loans from other parties and other businesses as at 31 December 2020, 2021, and 2022 were 210.08 million Baht, 257.81 million Baht, and 143.92 million Baht respectively, or in the proportion to liabilities and shareholders' equity by 5.93%, 6.86%, and 3.61% respectively. Such transactions occurred as an alternative source of loans for using as working capital limit within the entity.
- The value of debentures due within one year as at 31 December 2020, 2021, and 2022 was 379.03 million Baht, 287.42 million Baht, and 535.03 million Baht or in the proportion to liabilities and shareholders' equity by 10.69%, 7.65%, and 13.42% respectively. As at 31 December 2022, the Company has had total debenture obligation for 1,173.73 million Baht.

As of 31 December 2022, the Company has debt obligations under repayment amounting 340 million Baht, with redemption due date on 8 December 2023 and 850 million Baht which is divided into 3 portions: 200 million Baht, 409.50 million Baht, and 240.50 million Baht, with redemption due date on 9 June 2023, 9 June 2024, and 9 June 2025, respectively.

- The value of current portion of long-term loans as at 31 December 2020, 2021, and 2022 was 40.37 million Baht, 77.01 million Baht, and 41.41 million Baht respectively, or in the proportion to liabilities and shareholders' equity by 1.14%, 2.05%, and 1.04% respectively. As at 31 December 2022, the Company has had long-term loan obligation under repayment for 155.03 million Baht, significantly decreasingly from 31 December 2021 with value of 235.51 million Baht, due to the management of the Company's loan sources.

Non-Current Liabilities

As at 31 December 2020, 2021, and 2022, the Company's value of non-current liabilities were 631.89 million Baht, 735.94 million Baht, and 779.43 million Baht respectively, as per the detail in the following important transactions.

- The value of debentures-net as at 31 December 2020, 2021 and 2022 was 571.16 million Baht, 555.27 million Baht, and 638.70 million Baht respectively, or in the proportion to liabilities and shareholders' equity by 16.11%, 14.78%, and 16.02% respectively.
- The value of long-term loans - net as at 31 December 2020, 2021 and 2022 were 45.60 million Baht, 158.50 million Baht, and 113.62 million Baht respectively, or in the proportion to liabilities and shareholders' equity by 1.29%, 4.22%, and 2.85% respectively.

Total Liabilities

As at 31 December 2020, 2021, and 2022, the Company's value of total liabilities was 2,304.94 million Baht, 2,429.59 million Baht, and 2,621.49 million Baht respectively.

The Company's total liabilities as at 31 December 2022 were 2,621.49 million Baht or in the increased changing value by 191.90 million Baht when compared to 31 December 2021, with value of 2,429.59 million Baht. However, the said increase in total liabilities was due to a main increase in the transactions of outstanding value arising from the issuance and offering of debentures.

However, the Company's debt to equity ratio decreased to be 1.92 times as at 31 December 2022 previously from 1.83 times as at 31 December 2021.

Shareholders' Equity

As at 31 December 2020, 2021, and 2022, the value of the Company's shareholders' equities was 1,239.78 million Baht, 1,326.61 million Baht, and 1,366.61 million Baht respectively.

The detail of shareholders' equities in important transactions is as follows.

- The issued and called authorized capital as at 31 December 2020, 2021, and 2022 was 239.87 million Baht (from authorized capital of 299.16 million Baht), 239.87 million Baht (from authorized capital of 287.85 million Baht), and 239.87 million Baht (from authorized capital of 287.85 million Baht) respectively. As at 31 December 2022, the Company's issued and called

authorized capital was 239.87 million Baht, being classified into 959,487,590 ordinary shares at a par value of 0.25 Baht per share in accordance with consolidated financial statements of the Company or in the proportion to 6.01% to liabilities and shareholders' equity. The remaining authorized capital has been mostly available to support the exercise of the right to transform to be the Company's ordinary shares for Warrants ECT-W4 issued and offered for sale to the existing shareholders, which will be expired on 2 June 2024.

- The Company's premium on shares as at 31 December 2020, 2021, and 2022 was 768.34 million Baht, 768.34 million Baht, equal every year. Caused by from the period of 2021, there was no change in premium on shares, as a result from premium on ordinary shares due to the exercise of right to transform of Warrants issued and offered for sales in the past period at all.
- Retained earnings - unappropriated as at 31 December 2020, 2021, and 2022 were 430.84 million Baht, 468.33 million Baht, and 490.73 million Baht respectively. As at 31 December 2022, the Company's retained earnings - unappropriated was estimated in the proportion to 12.30% to liabilities and shareholders' equity. An increasing part of retained earnings - unappropriated as at 31 December 2022 was due to the profit from operations during the year.

Cash Flow for the Year Ended 31 December 2022

Net Cash Flow Received (Used) in Operating Activities

The Company's net cash flow received in operating activities in the year of 2022 was 77.73 million Baht previously from 128.22 million Baht when compared with the same period of the previous year. The important part was resulted from the increase in trade receivables and in the process of collection. In addition, the Company has formulated a measure for closely controlling the increase in trade receivables under the COVID-19 situation which is ongoing over the past few years. However, the Company has measures to closely control the increase in such trade receivables, and during 2022, the Company had an increase in domestic sales revenue, where domestic customers have higher credit terms than foreign customers. These are major reasons why cash flow from operating activities has been decreased when comparing to previous year.

Net Cash Flow Received (Used) in Investing Activities

The Company's net cash used in investing activities was 150.85 million Baht due to the use of cash in the important activities in 2022, that are the investment in machinery to be used for improving and enhancing furniture production line amounting 188.94 million Baht, and cash spent as short-term loan to related businesses was increased by 68.50 million Baht.

Net Cash Flow Received (Used) in Financing Activities

The Company's net cash from financing activities was 65.02 million Baht. The important transaction was mainly occurred from the redemption of debentures in the past period of 2022 for 850 million Baht. At the same time, the Company redeemed debentures during the year in an amount of 515.55 million Baht and the short-term loans from other persons were also repaid in the amount of 116 million Baht in 2022.

For the information relating to the Company's cash cycle management, it was found that in 2022, the Company has an average sales period of 183.81 days for finished goods, an average collection period of 138.22 days, and an average repayment period of 62.08 days, resulting in the Company's Cash Cycle of 259.95 days, it is increased when comparing to Cash Cycle in 2021 at 188.55 days. The Cash Cycle comes from average selling period plus average collection period then minus the average repayment period. Such increase in the number of days of the Cash Cycle is because the Company has an increase in average collection period compared to 2021 with an average collection period of 93.86 days to 138.22 days in 2022, partly due to the increase in orders from domestic customers which normally obtain longer repayment term than foreign customers because some of our domestic customers are hypermarket, most of them have no payment problems, and during COVID-19 situation in the past few years, some dealers have negotiated to adjust the payment period due to financial liquidity problems. The Company considers that the situation is still controllable and the Company have measures to closely monitor and demand including the volume of next order is also appropriately determined or the selling may be temporarily suspended to control the risks, under case-by-case consideration.

Interest-Bearing Debt

As of 31 December 2020, 2021, and 2022, the Company's interest-bearing debts were 1,905.86 million Baht, 2,049.11 million Baht, and 2,259.94 million Baht, respectively. The interest-bearing debts have been increased as needs of money to be used as the working capital for the business and to be used for the investment in many projects, especially

the investment in renewable energy power plant projects. However, at present, the Company has no obligations to pay any additional investment in such projects because all shareholders' equity has been fully paid for the investment in the projects.

LIQUIDITY ANALYSIS AND MONETARY POLICY

Efficiency Ratio

ECF's returns on assets as of 31 December 2020, 2021 and 2022 were 0.92%, 1.39% and 0.96% respectively and the returns on fixed assets were 15.09%, 16.79% and 12.93% respectively, in line with the profitability in respective periods when the Company faced the situation of decreased exports under the situation of the Russian-Ukrainian war, where every country in the world has been facing problems including inflation, higher cost of living, these cause the public taking into cautious consideration the spending.

Liquidity

The Company's liquidity ratio as at 31 December 2020, 2021, and 2022 was 1.22 times, 1.19 times, and 1.14 times respectively. Liquidity ratio is derived from the transactions of current assets to current liabilities. If considering the liquidity ratio of the Company, it was found that during 2022, it was slightly decreased due to the increase in the value of current liabilities from the debentures to be due within one year.

Capital Structure

If considering from interest-bearing debts as at 31 December 2022, the Company's ratio of loans from financial institutions, issuance of debt instruments, and other liabilities was 41.96%, 52.27% and 41.96%, respectively.

Debt to Equity Ratio pursuant to the Financial Policy

The Company prescribes the conditions according to the requirements of rights on the rights and duties of the debenture issuers and debenture holders. "Interest Bearing Debt" to "Equity Ratio" shall be maintained at the ratio of not more than 4:1 (four to one) as at the ending date of the quarterly accounting period or the ending date of accounting year. **Interest Bearing Debt** means net financial liabilities consisting of interest-bearing debt, cash reduction or cash equivalent.

ECF's total interest-bearing debt to equity ratio as of 31 December 2020, 2021 and 2022 were 1.39 times, 1.53 times, and 1.64 times, respectively, increasing compared to 31 December 2021 because the Company's interest bearing debt to equity ratio was increased from 2,026.70 million Baht as of 31 December 2021, to 2,245.63 million Baht as of 31 December 2022.

Interest Coverage Ratio (EBITDA basis)

The Company's interest coverage ratios as of 31 December 2020, 2021 and 2022 were 1.67 times, 1.48 times and 1.37 times, respectively, with earnings before interest, taxes, depreciation and amortization (EBITDA) in 2020, 2021 and 2022 of 222.41 million Baht, 199.52 million Baht and 216.58 million Baht, respectively where the EBITDA value in 2022 was improved when comparing to 2021, due to the allowance for impairment of trade receivables decreased from 2021; however, the Company's financial cost was increased in 2022 due to the issuance and offering of debentures.

Debt Service Coverage Ratio (DSCR) (EBITDA basis)

The Company's debt service coverage ratios as of 31 December 2020, 2021, and 2022 were 0.17 times, 0.15 times, and 0.14 times, respectively, a slight decrease compared to 2021 because the Company's interest-bearing debt to be due within one year is increased. As of 31 December 2020, 2021 and 2022, the said interest-bearing debt was 1,287.81 million Baht, 1,330.06 million Baht and 1,500.03 million Baht, respectively, the increase is because the debenture to be due within one year was increased from 287.42 million Baht as of 31 December 2021 to 535.03 million Baht in 2022.

Interest bearing debt ratio after deducting total cash and/or total cash equivalents to earnings before interest, taxes, depreciation and amortization (IBD/EBITDA)

The Company's IBD/EBITDA ratios as of 31 December 2020, 2021 and 2022 were 7.73 times, 10.16 times and 10.37 times, respectively, which were increased when comparing to the values of total interest-bearing debt as of 31 December 2020, 2021 and 2022 of 1,718.72 million Baht, 2,026.70 million Baht and 2,245.63 million Baht, respectively, while the Company's proportions of earnings before interest, taxes, depreciation and amortization (EBITDA) in 2020, 2021 and 2022 were 222.41 million Baht, 199.52 million Baht and 216.58 million Baht, respectively.

Total debt to equity ratio

The Company's total debt to equity ratios as of 31 December 2020, 2021 and 2022 were 1.86 times, 1.83 times and 1.92 times, respectively, increasing when comparing to 31 December 2021 because the Company's total debt was greater than the increase of shareholders' equity. The value of total debt was increased from 2,429.59 million Baht at the end of 2021 to 2,621.49 million Baht at the end of 2022.

Total interest-bearing debt ratio after deducting cash and/or cash equivalents to equity

The Company's total interest bearing debt ratios after deducting cash and/or cash equivalents to equity as of 31 December 2020, 2021, and 2022 were 1.39 times, 1.53 times and 1.64 times, respectively, increasing, due to an increase of interest bearing debt after deducting cash and/or cash equivalents.

Ratio of total interest-bearing debt maturing within 1 year to interest-bearing debt after deducting cash and/or cash equivalents

The Company's ratios of total interest-bearing debts maturing within 1 year to interest-bearing debts after deducting cash and/or cash equivalents as of 31 December 2020, 2021 and 2022 were 74.93%, 65.63% and 66.80% respectively.

Ratio of loans from financial institutions to interest bearing debts after deducting cash and/or cash equivalents

The Company's ratios of loans from financial institutions to interest bearing debts after deducting cash and/or cash equivalents as of 31 December 2020, 2021 and 2022 were 0.40 times, 0.47 times and 0.42 times respectively. The Company's total loans from financial institutions were 691.41 million Baht, 948.60 million Baht and 942.30 million Baht respectively.

Observation from the Auditor for the financial statements ended 31 December 2022

- None of which is material -

4.2 FACTORS OR EVENTS POSSIBLY SIGNIFICANTLY AFFECTING FUTURE FINANCIAL POSITION OR OPERATION (FORWARD LOOKING)

The Company is mainly engaged in the manufacture and distribution of Self-assembled particle board, MDF furniture, and rubber wood furniture. Although in the period of 2021 in continuity to 2022, the Company was significantly affected from the COVID-19 pandemic situation, obviously resulting in the decrease of revenue from sales during the period of Q1/2020, and affected again in the past period of Q3/2021. However, the situation about the orders of furniture have been showing signs of recovery and growth since 2020; therefore, affecting the overall picture of the Company Group's revenues to continues to grow as target set until 2021.

In 2022, the problems like war, higher fuel cost and cost of living, have affected the Company to have lower export revenue although the financial position or operating results have not been significantly affected, the Company has also sought for the opportunity to diversify its business risks into new types of businesses in order to mitigate the risk of sole dependence on furniture business. However, in part of furniture business, the Company has still been strong and able to create the competitiveness over its competitors because we can manufacture the products at lower cost prices when compared to the manufacturers from neighboring countries, such as Malaysia and Vietnam, which are considered as the significant competitors of Thailand.

Therefore, in forecasting the factors or events that may affect the Company's financial position or business operations, the Company regards that the establishment of a subsidiary, ECF Power Company Limited ("ECF-Power"), which is an investor in the renewable energy business for solar power plant project at Minbu City, Myanmar, in total installed capacity of 220 MW, invested by ECF-Power through the investment in Green Earth Power (Thailand) Co., Ltd. ("GEP") in the proportion of 20%. At present, the Company has started to recognize the share of profit from the COD of Phase 1 with 50 MW. However, the remaining phases consist of Phase 2 that has been under construction, and Phase 3-4 that have been behind in the future. The construction of all four phases has been anticipated to be completed within 2023-2024 accordingly.

However, during the construction of the project, the Company may be responsible for financing in part of operating expenses, and investment expenses incurred

during the period of no commercial revenue generated for the project. This may affect the Company's financial position or performance during the said period until all four phases of the project will generate revenue from commercial operation.

For the Company's business operation trend that may affect environment, society, and guideline of good corporate governance, the Company has sought for the risk management method in order to create the opportunity and mitigate risks that will affect the profitability, competition, image, reputation, and survival of the organization, by emphasizing from determination of the organizational mission and strategies, and analyzing the risks and key sustainability issues in accompany with the risk management in various levels in order to create confidence for all parties of stakeholders as per the following detail.

- Environment

The Company is well aware of the impact from the change in weather atmosphere affecting the procurement of raw materials, for instance, particle board, MDF board, processed and dried rubber wood, by casting about the method for reducing the usage quantity of woods used in manufacturing, and the manufacturing guideline that will contribute to minimize the loss of woods, as well as the concept of recycle in production process, for example, the Company's usage of recycle paper grade in manufacturing leaflet of the Company's product instruction, etc.

In addition, the Company has controlled the matters of dust and particle from wood production process to have the proper control in order to contribute to the reduction of contingent impacts on environment, community, and society in the area of the Company's plants used in manufacturing.

- Society

The Company gives precedence to the principle of human rights respect in supply chain in order to create the sustainability in the business operation. In addition, the Company is well aware of the risk from the potential changing behavior of social people's life in order to keep abreast of the adaption on development of the Company's product styles to be ready for coping with the occurred changes for mitigating the contingent impacts on the overview of the Company's revenues and cost of production by giving precedence to the invention of new innovations in order to support the consumer behavior for creating the sustainable value that can fulfill the organizational goals.

- **Corporate Governance**

The Company gives precedence to disclosure of the significant information in order to mitigate the risks and prevent the issues of the stakeholders' expectation, for instance, the equal opportunity of the minor shareholders or investors in the Company's securities to acquire the key information to be timely for making decision on investment without creation of advantage for any group, etc. Moreover, the Company emphasizes on the compliance with the organizational governance measures through issuance of the governance policy in various areas, such as Charter of the Board of Directors and all sets of the Sub-Committees, corporate governance policy yearly considered and reviewed by the Board of Directors, and business operation ethics, business code of conduct for the directors, executives, and employees, internal information storage and usage policy, anti-corruption policy, etc. These are part of the corporate governance policy in order to enhance the trust on the Company's consideration and emphasis for preventing the contingent corporate governance risk and for minimizing the Company's business operation impacts.

Impacts of COVID-19 pandemic situation

The Company has considered and assessed the impacts from COVID-19 pandemic situation that may affect the Company's business operations; however, in 2022, the outbreak situation has begun to be relieved and has not significantly affected the performance of the Company, by separately considering each topic as follows:

1. Operations

ECF has not been affected in terms of product demand although the orders from overseas customers are reduced, it can be considered that it seems to be caused by the problem of the Russian-Ukrainian war, the rising oil prices, inflation and cost of living problems, which are important factors putting greater impact than the factor of COVID-19. However, ECF has continued to receive more orders from domestic customers since the 3rd Quarter and COVID-19 did not outbreak among employees, the plans or goals were changed and there was none of any limitation in operations. The Company's operation was affected by the supply chain while the transportation management was affected in terms of business partners, etc.

2. Finance

From the past year 2021 continuously to year 2022, the Company was affected by the issuance and offering of debentures during the COVID-19 situation, resulting in a high interest rate in debentures to compensate for the potential risks. As a result, the Company's financial cost was increased. However, the Company has anticipated that such an impact will be occurred in that period of debentures issuance only, and has been continuously looking for the ways to reduce financial costs. Additionally, the financial institutions that usually are the main credit supporters to the Company have been more careful and stricter in providing the additional credit support to the Company during the COVID-19 period.

3. Financial Position and Performance

In 2022, The Company was partly affected by the problem of alien labour recruitment in order to add into the production lines, causing a higher production costs and opportunity cost incurred from a shortage of containers that delay the export of products to the overseas customers. Nevertheless, these situations have been greatly relieved in 2022.

4. Contractual Obligation

-None-

5. Corporate Survival Risk

The Company has assessed that COVID-19 does not affect the survival of its business, considering that the volume of orders from domestic customers has continued to be increased since the 2nd half of 2022 and the amount of its cash flow from operations during 2022 has been still positive, indicating that its operating results are not of any concern to the survival of the business. Please consider the supplementary information in the Analysis of Financial Position and Operating Performance of the Company in the topic of Assets and Cash Flows for the year ended 31 December 2022.

4.3 INFORMATION FROM FINANCIAL STATEMENTS AND KEY FINANCIAL RATIOS

Consolidated statement of financial position : East Coast Furnitech Public Company Limited, and its subsidiaries

Statement of Financial Position	Consolidated Financial Statements		Consolidated Financial Statements		Consolidated Financial Statements	
	Ended 31 December 2020		Ended 31 December 2021		Ended 31 December 2022	
	Million Baht	%	Million Baht	%	Million Baht	%
ASSETS						
Current Asset						
Cash and cash equivalents	187.14	5.28	22.41	0.60	14.31	0.36
Trade receivables						
- Related companies	7.56	0.21	8.44	0.22	30.52	0.77
- Other companies	323.75	9.13	445.98	11.87	565.51	14.18
Current portion of receivable from sales of rights	36.00	1.02	37.00	0.99	-	-
Current portion of other installment receivables						
- Related persons	5.55	0.16	5.95	0.16	-	-
- Other persons	11.10	0.31	11.91	0.32	-	-
Inventories - net	1,370.21	38.65	1,314.47	34.99	1,277.15	32.02
Short-term loans to and interest receivables from related parties	-	-	30.00	0.80	98.50	2.47
Short-term loans to other person	39.00	1.10	99.00	2.64	40.00	1.00
Other current assets						
- Receivables from the sale of fixed assets	-	-	-	-	21.40	0.54
- Interest receivable	-	-	11.05	0.29	8.42	0.21
- Deposits for purchases of raw materials and goods	25.61	0.72	9.99	0.27	5.22	0.13
- Value-added tax receivable	11.08	0.31	7.93	0.21	7.68	0.19
- Prepaid expense	-	-	9.27	0.25	8.36	0.21
- Accrued dividends from associated companies	-	-	-	-	4.07	0.10
- Others (net of allowance for doubtful accounts of 3.997 MB in 2021 and 2020)	18.77	0.53	7.24	0.19	10.05	0.25
Total Current Assets	2,035.77	57.43	2,020.63	53.79	2,091.18	52.44
Non- Current Asset						
Receivable from sales of rights - net	12.00	0.34	-	-	-	-
Other installment receivables - net						
- Related person	5.56	0.16	-	-	-	-
- Other person	11.12	0.31	-	-	-	-
Restricted deposits at banks	51.82	1.46	51.95	1.38	52.08	1.31
Investments in associates recorded with the equity method	672.12	18.96	823.87	21.93	865.88	21.71
Property, plant, and equipment - net	521.51	14.71	613.96	16.35	703.61	17.64
Right-of-use assets - net	5.33	0.15	12.16	0.32	14.54	0.36
Intangible assets - net	1.25	0.04	1.35	0.04	0.95	0.02
Deferred income tax assets	5.84	0.16	8.69	0.23	12.62	0.32

**Consolidated statement of financial position : East Coast Furnitech Public Company Limited, and its subsidiaries
(Continued)**

Statement of Financial Position	Consolidated Financial Statements		Consolidated Financial Statements		Consolidated Financial Statements	
	Ended 31 December 2020		Ended 31 December 2021		Ended 31 December 2022	
	Million Baht	%	Million Baht	%	Million Baht	%
Other non-current assets						
- Deposit for feasibility of investment project	100.00	2.82	100.00	2.66	100.00	2.51
- Advance for purchase of investments	70.00	1.97	58.00	1.54	44.50	1.12
- Deposits and guarantees	52.34	1.48	65.59	1.75	102.75	2.58
- Others-net	0.06	0.00	-	-	-	-
Total Non-Current Assets	1,508.95	42.57	1,735.57	46.21	1,896.92	47.56
TOTAL ASSETS	3,544.72	100.00	3,756.20	100.00	3,988.10	100.00
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current Liabilities						
Overdraft and short-term borrowings from financial institutions	601.84	16.98	704.97	18.77	773.20	19.39
Factoring payables	87.46	2.47	77.62	2.07	99.54	2.50
Trade payables	215.15	6.07	216.72	5.77	154.20	3.87
Short-term loans from and interest payable to the related parties	54.18	1.53	-	-	0.15	-
Short-term loans from other related parties	210.08	5.93	257.81	6.86	143.92	3.61
Current portion of long-term borrowings	40.37	1.14	77.01	2.05	41.41	1.04
Current portion of debentures	379.03	10.69	287.43	7.65	535.03	13.42
Current portion of lease liabilities	2.32	0.07	2.84	0.08	6.47	0.16
Income tax payable	8.03	0.23	2.32	0.06	2.93	0.07
Accrued expenses and other current liabilities	74.60	2.10	66.93	1.78	85.20	2.14
Total Current Liabilities	1,673.05	47.20	1,693.65	45.09	1,842.06	46.19
Non- Current Liabilities						
Long-term loans - net	45.60	1.29	158.50	4.22	113.62	2.85
Debentures - net	571.16	16.11	555.27	14.78	638.70	16.02
Lease liabilities - net	1.29	0.04	5.27	0.14	7.59	0.19
Deferred income tax liabilities	2.22	0.06	2.57	0.07	3.25	0.08
Liability for post-employment benefits	11.61	0.33	14.32	0.38	16.27	0.41
Total Non-Current Liabilities	631.89	17.83	735.94	19.59	779.43	19.54
TOTAL LIABILITIES	2,304.94	65.02	2,429.59	64.68	2,621.49	65.73

Consolidated Statement of Financial Position : East Coast Furnitech Public Company Limited and its Subsidiaries
(Continued)

Statement of Financial Position	Consolidated Financial Statements		Consolidated Financial Statements		Consolidated Financial Statements	
	Ended 31 December 2020		Ended 31 December 2021		Ended 31 December 2022	
	Million Baht	%	Million Baht	%	Million Baht	%
SHAREHOLDERS' EQUITY						
Issued authorized capital	299.16		287.85		287.85	
Paid-up authorized capital	239.87	6.77	239.87	6.39	239.87	6.01
Premium on shares	768.34	21.68	768.34	20.46	768.34	19.27
Retained earnings						
- Appropriated for legal reserve	28.95	0.82	28.95	0.77	28.95	0.73
- Unappropriated	430.84	12.15	468.33	12.47	490.73	12.30
Other components of shareholders' equity	(235.50)	(6.64)	(202.27)	(5.38)	(184.39)	(4.62)
Total Equity Attributable to Owners of the Parent	1,232.50	34.77	1,303.23	34.70	1,343.50	33.69
Non-controlling interests	7.28	0.21	23.38	0.62	23.11	0.58
Total Shareholders' Equity	1,239.78	34.98	1,326.61	35.32	1,366.61	34.27
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,544.72	100.00	3,756.20	100.00	3,988.10	100.00

Statement showing the Performance : East Coast Furnitech Public Company Limited and its Subsidiaries

Statement of Comprehensive Income	Consolidated Financial Statements		Consolidated Financial Statements		Consolidated Financial Statements	
	Year 2020		Year 2021		Year 2022	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales - net	1,384.49	97.84	1,549.41	97.31	1,418.93	96.96
Other income						
- Sales of production scraps and supplies	11.99	0.85	28.64	1.80	14.61	1.00
- Interest income	7.66	0.54	7.56	0.47	13.73	0.94
- Gain on sales of non-current assets held for sales	6.17	0.44	-	-	-	-
- Gain on sales of fixed assets	4.76	0.34	6.58	0.41	16.13	1.10
- Others	1,415.07	100.00	1,592.19	100.00	1,463.40	100.00
Total Revenues	1,384.49	97.84	1,549.41	97.31	1,418.93	96.96
Cost of sales	(1,077.23)	(76.13)	(1,237.05)	(77.69)	(1,075.42)	(73.49)
Cost of distribution	(61.61)	(4.35)	(62.21)	(3.91)	(65.96)	(4.51)
Administrative expenses	(136.64)	(9.66)	(133.97)	(8.41)	(148.17)	(10.12)
(Loss) Gain from exchange rate	0.56	0.04	8.62	0.54	(0.81)	(0.06)
Other expenses	(18.13)	(1.28)	-	-	-	-
Total Expenses	(1,293.05)	(91.38)	(1,424.61)	(89.47)	(1,290.36)	(88.18)
Operating profit	122.02	8.62	167.58	10.53	173.04	11.82
Gain on sales of rights to claim on trade receivables and rights of product brand	18.80	1.33	-	-	-	-
Financial cost	(132.92)	(9.39)	(134.92)	(8.47)	(158.47)	(10.83)
Reversal of gain (loss) from impairment of trade receivable transaction	2.41	0.17	(12.48)	(0.78)	(4.46)	(0.30)
Share of gain (loss) from investments in associates and joint venture	35.14	2.48	32.42	2.04	28.20	1.93
Profit before Income Tax Expense	45.45	3.21	52.59	3.30	38.31	2.62
Income Tax Expense	(13.80)	(0.97)	(1.67)	(0.10)	(1.12)	(0.08)
Profit for the Year	31.65	2.24	50.92	3.20	37.19	2.54
Actuarial loss of liability for post-employment benefits	-	-	(1.37)	(0.09)	-	-
Share of other comprehensive loss from associates	(13.95)	(0.99)	44.33	2.78	17.88	1.22
Other comprehensive profit (loss) for the year	(13.95)	(0.99)	42.96	2.70	17.88	1.22
Total Comprehensive Income for the Year	17.70	1.25	93.88	5.90	55.07	3.76
Profit (Loss) Attributable to:						
Owners of the parent	41.16	2.91	50.85	3.19	37.46	2.56
Non-controlling interests	(9.51)	(0.67)	0.07	0.00	(0.27)	(0.02)
Profit for the Year	31.65	2.24	50.92	3.20	37.19	2.54
Total Comprehensive Profit (Loss) Attributable to:						
Owners of the parent	27.21	1.92	93.81	5.89	55.34	3.78
Non-controlling interests	(9.51)	(0.67)	0.07	0.00	(0.27)	(0.02)
Total Comprehensive Income for the Year	17.70	1.25	93.88	5.90	55.07	3.76
Basic Earnings per Share	0.04		0.05		0.04	
Diluted Earnings per Share	0.04		0.05		0.04	

Table Showing Key Financial Ratios

Key Financial Ratios	Consolidated Financial Statement	Consolidated Financial Statement	Consolidated Financial Statement
	Year 2020	Year 2021	Year 2022
LIQUIDITY RATIO			
Current Ratio (Time)	1.22	1.19	1.14
Quick Ratio (Time)	0.31	0.28	0.33
Cash Ratio (Time)	0.09	0.08	0.04
Trade Receivable Turnover (Time)	4.31	3.84	2.60
Average Collection Period (Day)	83.59	93.86	138.22
Inventory Turnover (Time)	2.31	2.29	1.96
Average Holding Period (Day)	155.65	157.53	183.81
Receivable Turnover (Time)	5.85	5.73	5.80
Payment Period (Time)	61.53	62.84	62.08
CASH CYCLE (Day)	177.71	188.55	259.95
PROFITABILITY RATIO			
Gross Profit Margin (%)	22.19	20.16	24.21
Operating Profit Margin (%)	11.70	10.01	11.88
Cash to Profit Margin (%)	94.79	82.67	46.11
Net Profit Margin (%)	2.24	3.20	2.54
Return on Equity (%)	2.55	3.97	2.76
EFFICIENCY RATIO			
Return on Asset (%)	0.92	1.39	0.96
Fixed Asset Turnover (%)	15.09	16.79	12.93
Asset Turnover (Time)	0.41	0.44	0.38
FINANCIAL POLICY RATIO			
Debt to Equity Ratio (Time)	1.86	1.83	1.92
Interest Bearing Debt (Time)	1.39	1.53	1.64
Net Debt to EBITDA Ratio (Time) ^{1/}	6.68	8.38	8.44
Interest Coverage Ratio (ICR) (Time) ^{2/}	1.67	1.48	1.37
Times Interest Earned (TIE) Ratio (cash basis) ^{3/}	2.26	1.96	1.50
Leverage Ratio (Time) ^{4/}	0.17	0.15	0.14
Debt Service Coverage Ratio (cash basis) ^{5/}	0.14	0.11	0.07
BE Size to Interest Bearing Debt Ratio ^{6/}	0.22	0.26	0.15
Current Portion of Interest Bearing Debt to Total Interest Bearing Debts Ratio ^{7/}	0.75	0.66	0.67
Loans from Financial Institutions to Total Debts Ratio ^{8/}	0.30	0.39	0.35
Dividend Payout (%) ^{9/}	37.89	29.62	28.18

The Company determines the conditions of maintaining debt to equity ratio on the requirement of rights to issue and offer for sales of debentures, and the conditions with the financial institutions that provide the financial supports to the Company at the ratio of not more than 4 times and 3 times, respectively. According to the information as at 31 December 2022, the Company could maintain the said ratio at 1.64 times and 1.92 times, respectively.

Remark:

- ^{1/} Net Debt to EBITDA Ratio = (Current Liabilities - Cash and Cash Equivalents) / Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)
- ^{2/} Interest Coverage (ICR) Ratio = Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) / Interest Expense or Financial Cost
- ^{3/} Times Interest Earned (TIE) Ratio (cash basis) = Operating Cash Flows + Operating Interest Expense + Tax / Operating and Investing Interest Expense
- ^{4/} Leverage Ratio (Time) = Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) / (Interest Bearing Short-Term Debts + Current Portion of Interest Bearing Long-Term Debts)
- ^{5/} Debt Service Coverage Ratio (cash basis) = Operating Cash Flows / (Debt Repayment + Investment Expenditure + Purchase of Assets + Dividend Paid)
- ^{6/} BE Size to Interest Bearing Debt Ratio = Bill of Exchange (BE) and Promissory Note (PN) / Total Interest Bearing Debts
- ^{7/} Current Portion of Interest-Bearing Debt to Total Interest-Bearing Debts Ratio = (Interest Bearing Short-Term Debts + Current Portion of Interest Bearing Debt) / Total Interest Bearing Debts
- ^{8/} Loans from Financial Institutions to Total Debts Ratio = Loans from Financial Institutions / Total Debts
- ^{9/} Dividend Payout = Calculation from Cash Outflow for Dividend in that year / Net Profit Generated in that year⁹





5. GENERAL INFORMATION AND OTHER INFORMATION

5.1 GENERAL INFORMATION

Securities Registrar

Name : Thailand Securities Depository Co., Ltd.
Office Location : The Stock Exchange of Thailand Building
93, Ratchadaphisek Road, Din Daeng Subdistrict, Din Daeng District, Bangkok 10400

Telephone Number : +662-009-9000
Website : www.set.or.th/contactcenter

Bondholder Representative

Name : PI Securities Public Company Limited
Office Location : 132, Sindhorn Tower 1 Floor 2&3 and Sindhorn Tower 3 Floor 17, 18, and 20, Witthayu Road, Lumpini Subdistrict, Pathum Wan District, Bangkok 10330
Telephone Number : +662-205-7000
Website : <https://www.pi.financial/>

Auditor

Name : Mr. Akadet Pliansakul
Office Location : M.R. & ASSOCIATES Co., Ltd.
Chao Phraya Tower Room 706 No.89,
Soi Wat Suan Phlu Charoenkrung Road, Bangrak Subdistrict, Bangrak District, Bangkok 10500
Telephone Number : +662-630-7500 or +662-714-8842-3 or +662-185-0342
E-Mail : akadet@mrassociates.co.th

Legal Consultant

Name : Mr. Thanun Jaroenrit
Office Location : Krittham Law Office, No. 9, Soi Inthamara 7, Suthisarn Winitchai Road, Samsen Nai Subdistrict, Phaya Thai District, Bangkok 10400
Telephone Number : +662-279-3141 or +662-616-6384
E-Mail : jaroenrit9@gmail.com

Company Secretary and Investor Relations Office

Name : Miss Sarisa Thongkittikul
Office Location : East Coast Furnitech Public Company Limited Branch 2
25/28, Moo 12, Bueng Kham Phroi Subdistrict, Lam Lukka District, Pathum Thani Province, 12150
Telephone Number : 02-152-7301-4 Ext. 212
E-Mail : sarisa@eastcoast.co.th or ir@eastcoast.co.th

5.2 OTHER INFORMATION

-None-

5.3 LEGAL DISPUTES

At present, the Company and its subsidiaries have no legal disputes that the Company and its subsidiaries are parties or contestants. Whereas such lawsuits or disputes are not finalized and will have a negative impact on the assets of the Company and its subsidiaries with an amount greater than 5% of the shareholders' equities as of 31 December 2022 in any way.

5.4 SECOND MARKET

The Stock Exchange of Thailand (SET) / Market for Alternative Investment (mai)

5.5 FINANCIAL INSTITUTION CONTACTING REGULARLY AS THE REGISTRAR OF DEBENTURES

Name	: Siam Commercial Bank
Head Office Location	: No. 9, Ratchadaphisek Road, Chatuchak, Chatuchak, Bangkok 10900
Telephone Number	: +662-777-7777
Website	: https://www.scb.co.th/th





Part 2

Corporate Governance



EAST COAST FURNITECH PUBLIC COMPANY LIMITED (ECF)

Annual Report 2022

(From 56-1 One Report)



6. CORPORATE GOVERNANCE POLICY

6.1 OVERVIEW OF POLICIES AND PRACTICES ON CORPORATE GOVERNANCE POLICIES AND PRACTICES

6.1.1 Policies and Practices Relating to the Board of Directors

The meeting of the Board of Directors No. 1/2012 (first time after changed of its status) was held on 26 October and had the Initiative policy, participated in expressing comments on the policy and made a resolution to approve the corporate governance policy in writing, including the amendment of such policy after the meetings. The policy is being specified based on the principles of good corporate governance in accordance with the relevant rules or guidelines proposed by the regulatory agencies to strengthen the transparency of the business operations at all levels, including operational employees, executives, and the Board of Directors, as a tool for potential and competitiveness enhancement, and to foster sustainable growth to bring long-term benefits to all stakeholders for the whole business chain. This policy has been exercised after the approval of corporate governance policy at the first meeting, after that such policy has been reviewed including the amendments on importance details and good governance practice made after that in order to face challenges in the future. Later, the meeting of the Board of Directors Meeting No. 11/2018 was held on 31 October, 2018 considered and approved the new Corporate Governance Code Policy to substitute the cancelled original version, in order to comply with the principles of 2017 Corporate Governance Code for listed companies prescribed by the Securities and Exchange Commission, effective from 2017 onwards unless there is any changes made in the future. This Corporate Governance Policy has set the principles for the Board of Directors who are the leader or the highest responsible person of the organization to use in business supervision as a guideline for the business to build trustfulness for all shareholders and stakeholders for the benefit of creating sustainable

value for the business, meeting the expectations of business sector, investors, as well as the capital market and society as a whole, which will lead to good business performance, ultimately affecting the development and creating the sustainability of the business in the long run.

The Board of Directors has also communicated and monitored the compliance with the corporate governance policy, business ethics, code of conduct for the Company's directors, executives and employees through public relations and notified all directors, executives and employees for their acknowledgement, this policy is publicly disclosed and accessed by all stakeholders on ECF's website www.eastcoast.co.th under the menu section 'Corporate Governance'

The policies and practices related to sub-committees require the Board of Directors to ensure that the process of director nomination and selection is transparent and clear in order to have the Board of Directors with qualification consistent to specified elements, the practice is that in each year, the Nomination Committee shall be responsible for selecting the Company's directors by following the criteria of new director selection before proposing the name list to the Board of Directors' meeting and the Nomination Committee shall provide opinions. The persons proposed in the name list of Directors must be fully qualified according to the Public Company Limited Act B.E. 2535 (1992), the Notifications of the Securities and Exchange Commission and the Capital Market Supervisory Board, and the relevant notifications of the Stock Exchange of Thailand, as well as the database of the Director Pool from the Thai Institute of Directors (IOD) must be used as a supporting information for the selection of new directors. The persons proposed in the name list must be knowledgeable, competent, dedicated and have skills and experience in the management of main business and other businesses invested by the Company. In addition, the process of director selection must be in accordance with the Company's business strategies, for example, the Company has increased its investment in

Energy Business, the Nomination Committee has therefore considered and selected new directors with qualifications, experience, knowledge and expertise in energy to enhance the potential for the overall of the Board of Directors, later, additional directors were considered, selected and nominated because the Company is necessary to finance for further investment in energy business and other future businesses.

The Board of Directors has appointed the Audit Committee consisting of at least 3 independent directors with qualifications and duties in accordance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand, based on the definition of Independent Director who will perform the duties in accordance with the scope of duties, authorities and responsibilities of the Board of Directors as specified, to ensure that the Audit Committee and Independent Directors are independent from the management.

The Board of Directors has recognized the importance of mechanism creation to support directors for their understanding in their roles and responsibilities. All new directors appointed for the first time will participate in directorship orientation presenting company data consisting of: current Board's structure; shareholder's structure, organizational structure, nature of business, past performance results, goals and objectives of business operations specified in the Company's plans, rules and regulations, and relevant regulatory bodies, preparation of stakeholding report, corporate governance policy, insider information policy, so that they will know significant data of the Company. Additionally, directors will attend the training course 'Director Accreditation Program (DAP)' organized by the Thai Institute of Directors, as required by the Office of SEC that the directors of listed companies are required to attend the training.

In determining the remuneration of directors and executives, the Company has established the Remuneration Committee for consider the remuneration criteria and procedures, the Remuneration Committee will propose the remuneration based on the Company's annual business performance in previous year, the performance and responsibility of directors, consideration of the number of subsidiaries, joint ventures that increase according to the business structure, benefits that the Company receives from performing the duties by directors. The remuneration data as primarily defined shall be annually compared with the reference of business size or industry with revenue and net profit nearly similar to those of the Company,

including the classification of business sector — Market for Alternative Investment (mai) according to the report on the remuneration of directors and executives of listed companies, by Research Department, Thai Institution of Directors in order to ensure that the remuneration structure and rates are appropriate to the increased obligations and responsibilities and can motivate directors to lead the organization to achieve the planned targets, both short term and long term, and can be compared to the level practical in the industry. The said remuneration proposal must be considered with the opinion of the Remuneration Committee, and has been approved by the Board of Directors.

The Remuneration Committee will propose details of the remuneration structure and rates for directors, in the forms of monetary and non-monetary, after the approval, to the Board of Directors for consideration and approval. The Board shall consider each form of remuneration for appropriateness before proposing to the shareholders' meeting for consideration and approval of annual remuneration for directors. However, the monetary form of remuneration shall be divided into monthly remuneration, meeting allowance per time, and special remuneration or bonus. At present, non-monetary remuneration has not yet paid to the Board of Directors.

The roles and duties of the Nomination Committee shall also cover the development of Directors including the preparation of director development plan to ensure that all of the Company's directors are knowledgeable, competent and appropriate to effectively perform their duties in accordance with the scope of authorities, duties and responsibilities as determined by the Company, in order to fulfil the policy in encouraging all directors to continuously develop their knowledge.

The Board of Directors has set the guidelines for evaluating the annual performance, the Board of Directors and sub-committees will evaluate their team performance at least once a year to allow the Board of Directors to jointly consider their works and problems in order to improve and make correction. Such performance evaluation will be conducted both in team and individual basis by applying the evaluation form for both team and individual. The overview of evaluation criteria, process and results are provided in the Annual Report Form (56-1 One Report), key areas to be evaluated include the structure and qualifications of the Board of Directors, the Board's meetings, roles, duties and responsibilities of the Board of Directors and other areas such as the relationship

between the Board of Directors and the management, self-development of directors and development of executives, etc.

Since the Company's business structure includes the establishment of subsidiaries and the investment in several associated companies, the Board of Directors has therefore established 3 main parts of policies to govern the operations of subsidiaries and associated companies including: the Management Supervision Policy, Financial Control Policy on subsidiaries and associated companies, and Policy of the Shareholders' Agreement or other forms of agreements with similar essence, to ensure that the Board of Directors has the policy framework and mechanism to supervise the policies and operations of subsidiaries and other businesses significantly invested by the Company, at an appropriate level for each business including the subsidiaries and other businesses invested by the Company, with correct and corresponding understanding. The policy to supervise subsidiaries and associated companies covers the materiality of authority in appointing directors, executives, or other important positions in subsidiaries and associated companies, supervising the internal control system of subsidiaries and associated companies, ensuring that subsidiaries and associated companies have correctly and timely disclosed material information.

6.1.2 Policies and Practices Relating to Shareholders and Stakeholders

The Company's Corporate Governance Policy sets out guidelines for the Board of Directors who are the leader or the highest responsible person of the organization to use in business supervision as a guideline for the business to build trustfulness for all shareholders and stakeholders for the benefit of creating sustainable value for the business, meeting the expectations of business sector, investors, as well as the capital market and society as a whole, ultimately leading to the good performance in the long run. One of important goals in corporate governance is business operations with ethics, respecting human rights, creating equality and fairness, responsibility to all shareholders and stakeholders, providing society with benefits, strengthening the community development, and reducing the impact on environment.

One of significant practices is to consider the business operation with ethics, respecting the rights, and responsibility to all shareholders and stakeholders, the policy has been established through the documentation of business ethics and ethics in business operations, to be used as a good guideline

for business operations, and the policy and goals of sustainability management. ECF believes that business operations with honesty, ethics, respecting the rights of others, and equally and fairly treating all stakeholders are important foundations for sustainable business.

In terms of shareholders, the Company has practical guidelines in recognizing and paying attention to the fundamental rights of shareholders, such as the right to purchase or transfer shares, the right to receive profit sharing of the business, the right to fully, sufficiently and timely receive and access the Company's information, the right to attend meetings to exercise voting rights at the shareholders' meetings to appoint or remove directors, appoint Auditor and matters that may affect the Company, such as the increase or decrease of capital, profit allocation, dividend payment, amendment of the Company's regulations, objectives or memorandum of association, etc., including the promotion and facilitation to attend the Meeting, exercise their rights of shareholders and also analysts, institutional investors who are interested in the Company's information, as well as setting practice for the agenda of the annual general meeting of shareholders in compliance with corporate governance principles and providing shareholders with full opportunity for inquiries on important issues as detailed in each agenda, etc.

ECF has established the policy to prevent conflict of interest and written guidelines in the business ethics document. The policy has prohibited all directors, executives and employees from taking advantage of their positions as directors, executives or employees of the Company to seek for personal gains, the said policy and guidelines are documented as following details:

1. To manage the conflict of interest or connected transactions with prudence, honesty, fairness, and reasonableness, the transparent processes in approving transactions are in place, taking into account the interests of the Company as a priority, any directors with stakeholding are not entitled to vote for approving any matters in which they, both directly and indirectly, have interests or conflicts of interest, and they are required to disclose accurate and complete information in accordance with the rules of the Office of the Securities and Exchange Commission (SEC) and of the Stock Exchange of Thailand.
2. In case that any transaction is necessary for the Company's benefits, the said transaction is made as if the transaction with any third party has a business agreement in the same way that a

reasonable person would do with a normal counterparty with trade bargaining power which has no influence of being a director, executive or related persons which are not involved in the consideration and approval. In addition, they are required to comply with the rules of disclosure in the guidelines set by relevant agencies.

3. Any act that may conflict with the Company's business interests, for example, causing the Company to lose benefits or get lesser benefits than it should be, or it shares the benefits from the Company.
4. To be prohibited from taking any action that is in competition with the Company's business or in any business similar to the Company's.
5. All directors, executives, employees, and workers of the Company including their spouses and children, close relatives, (as definition of the SEC Office) are prohibited to seek for personal benefits from the Company, such as any act to sell products and services to the Company. If there is such act, he/she must submit document to clarify and disclose data to the Company in all cases.
6. All directors and executives are required to annually report their own interests and the interests of those who may have conflicts of interest in accordance with the rules and forms prescribed by the Company. In case of any changes, the Company must be always notified for the update of any data. This rule also covers employees at all levels involved in any work with the risk of conflicts of interest.
7. The Board of Directors will supervise the Company and its subsidiaries to comply with the Securities and Exchange Act, regulations, notifications, orders, or rules of the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, and the Capital Market Supervisory Board. The Company is also required to disclose all related parties transactions based on rules specified by the Stock Exchange of Thailand and of related agencies.
8. All employees should avoid any act that will be in conflict with the Company's interests, whether it comes from contacting with the parties related to the Company's businesses such as business partners, customers, competitors, or from using opportunities or data obtained from being a director or employee for their own benefits and for doing any business that competes with the Company's or for

doing any works other than the works of the Company which affects their jobs & duties in the Company.

9. All employees should refrain from holding shares in the competitors of the Company if it causes employee to act or refrain from any act that should be performed for their duties, or if it affects their duties. In the event that the said shareholding happens before joining the Company or before the Company conducts that business, or is acquired through inheritance, that employee is required to report it to his/her supervisor in hierarchical order.
10. All directors, executives, employees of the Company and of all subsidiaries, are responsible for whistleblowing when witnessing the misconduct of any colleague or supervisor, or executives, or directors. However, in case of witnessing any misconduct but ignoring and not whistleblowing, that person shall be deemed as making disciplinary offense as specified in the Company's rules and regulations.

The details are also required to monitor and supervise the compliance, the ethic in business operations is documented as one of important documents to be signed by all directors, executives and employees for their acknowledgment before becoming the Company's personnel.

The Board of Directors supervises to have a policy to prevent and supervise the use of internal information for directors, executives, employees related to secret transactions and worker of the Company and subsidiaries in keeping confidential information and / or internal information of the Company, non-trading or accepting the transfer of the Company's securities, by taking advantage of confidentiality or insider information that has not been disclosed, prohibition of buying or selling the Company's securities within the specified period such as within 30 days, prior to disclosure and after the disclosure of such information through the system of the Stock Exchange of Thailand for 24 hours, etc. The Company has prepared a circular document within the company and let the Company's directors, the Management, and employees to sign for acknowledging the said policy.

The Company requires all directors, executives, including their spouses and minor children to be responsible in reporting their securities holdings and changes in holding the Company's securities in accordance with the conditions and requirements to the SEC Office, and submitting a copy of such report to the Company Secretary every time

in order to be reported in the Board of Directors' meeting for acknowledgement of the securities trading on a quarterly basis.

ECF has also established the policy that all directors and executives are required to report their own interests and the interests of related persons for the Company's directors and executives based on the rules and forms with the definition in the guideline set by the regulatory agency. The Company Secretary shall take responsibility in keeping records and collecting stakeholding reports on a regular basis for at least once a year, and in case of having any significant changes in the data of any directors and executives, these changes must be reported in the Board of Directors' meeting for acknowledgment.

The Board of Directors has established a policy on entering into transactions that may cause conflicts of interest by related transactions that may occur in the future. Directors must comply with various regulations that have been established and directors must not approve any transactions that they or persons who may have conflicts of interest in any other manner with the Company, and disclose such transactions, the Company must comply with the Securities and Exchange Act and the regulations, notifications, orders or requirements of the Stock Exchange of Thailand, and strictly comply with regulations relating to the disclosure of information on connected transactions and the acquisition or disposal of assets of the Company or subsidiaries and according to the accounting standards. In addition, the Company will not make related transactions with related companies that are not normal business operations of the Company and requires the directors to report their interests at least before considering the agenda of the Board's meeting, which will be recorded in the minutes of the Board's meeting. In the case that such director is unable to provide independent opinions, that director will be asked to refrain from participating in the meeting for considering that agenda.

Responsibility to stakeholders is one of the Company's strategies determined by the Board of Directors that the Company's business must be operated with responsibility to all stakeholders throughout the value chain, society, environment, and corporate governance. The details of responsibility to all stakeholders consisting of employees, shareholders, customers, trading partners and accounts payables, competitors, creditors, communities, society, and environment, are determined to ensure that the Company conducts its businesses with ethics, social and environmental responsibility, without

violating the rights of stakeholders, as a guideline to enable all part of organization to achieve the main objectives and goals for sustainability. In case of negative impact caused by the violation on human rights, the Company recognizes the importance and dedication to appropriately remedy such impact.

The company has anti-corruption policy. It has already been approved from the Board of Directors of the Company. Fraud and corruption mean actions or refraining from actions in line with positions or duties including bribery of any forms by offering, promising, giving, demanding, or accepting money, property, or any other improper benefits which causes the wrong use of power with government officers, government agencies private agencies, or those who have duties whether directly or indirectly in order that such persons will act or refrain from performing duties which is to acquire or maintain business or recommending any business to the Company particularly or in order to obtain or maintain any other benefits that are not appropriate for the Company's business, one's own or related persons.

Moreover, the company has prepared practical guidelines in writing to be in line with the anti-corruption policy. The practical guidelines are separated into each topic in order to make it clear, create understanding and can be implemented correctly. It consists of guidelines in the following areas:

1. Giving or receiving gifts, Hospitality
2. Sponsorship
3. Donation
4. Political Contribution
5. Conflict of Interest
6. Facilitation payment
7. Employment of government employees

ECF has joined the Thai Private Sector Collective Action Against Corruption (CAC) project by declaring its intention to join Collective Action Coalition of Thai private sector, and already submitted documents to enter the certification process. ECF has been announced as one of the companies certified under Collective Action Coalition of Thailand's private sector on 30 December 2022.

The company has published anti-corruption policy via website www.eastcoast.co.th Furthermore, the Company has set measures for persons who are not acting in compliance with the policy and practical guidelines of anti-corruption. The company will take disciplinary action against the directors, executives, and employees who

violate the compliance with this policy including direct supervisors who ignore the offense or acknowledge that an offense has been committed but does not take corrective action, which has disciplinary penalties up to the termination of employment and/or retirement. The nonawareness of this policy and/or applicable laws, cannot be used as an excuse for non-compliance with this policy. In the event that it appears that the representative, business intermediary, distributor of products/services, or any of the Company's contractors acting inconsistent with the guidelines under this policy, the Company may terminate the transaction with such persons as proper.

6.2 BUSINESS ETHICS AND ETHICS IN BUSINESS OPERATIONS

ECF has prepared the business ethics for directors, executives and employees, including ethics in business operations, specifying details of policies and guidelines to demonstrate the responsibilities to stakeholders, link the practices with the vision, objectives, and operational strategies, corporate values, goals, fair business practices, policy on conflict of interest prevention, respect for human rights, rejection of others' intellectual property or copyright infringement, and anti-corruption.

The Company also requires the monitoring to ensure that the Company's Board of Directors, executives and employees shall comply with the Business Ethics in order to create the corporate culture, for example, requiring the documented Business Ethics to be one of important documents that all directors, executives and employees must sign before starting their work as the Company's personnel, requiring all directors, executives and employees to acknowledge, understand and strictly comply with the Business Ethics as a part of their duties and responsibilities, and requiring the review of Business Ethics for every 2 years in order to make it appropriate to the business situation or environment that maybe changed.

ECF has established a whistleblowing policy and procedure as the tools to enable the Company to accept complaints from both employees and third parties on corruption, infringement or non-compliance with laws, rules and regulations of the Company, and business ethics or ethics in business operations of the Company, which may lead to damages to the Company's properties, image, and reputation.

The business ethics and ethics in business operations will be considered, reviewed and revised as appropriate in accordance with the principles or guidelines that will be further amended in the future. See more details in the full version of the Company's business ethics and ethics in business operations in Attachment or on the Company's website www.eastcoast.co.th

6.3 SIGNIFICANT CHANGES AND DEVELOPMENTS ON POLICIES, PRACTICES AND CORPORATE GOVERNANCE SYSTEMS IN PREVIOUS YEAR

6.3.1 Information on significant changes and developments related to the review of policies, practices and corporate governance system, or the Charter of the Board of Directors in previous year.

The Company has continually improved its policies, practices, and corporate governance system to enhance the efficiency of corporate governance and to upgrade the corporate governance standards of the Company in compliance with the Principles of Good Corporate Governance for Listed Companies (CG Code) 2017 at least once a year, and has annually considered, reviewed and approved the vision, objectives, operational strategies, corporate values, and goals. The governance system will be considered in line with the vision, and goals set each year, regularly and continuously monitor and supervise the implementation of strategies through the report on the performance of relevant functions.

Managing Director will be responsible for reporting the performance result as given strategies to be in line with the vision and goals on a quarterly basis. The report will be conducted at the same time as considering and acknowledging the performance result, considering, and approving the Company's financial statements which is quarterly held.

6.3.2 Principles of Good Corporate Governance for Listed Companies (CG Code) 2017 not yet complied by the Company





In 2022, the Company is incomplete to comply with the Corporate Governance Code, below table shows the important topics and reasons:

Topic under the Corporate Governance Code	Reason of still not successful
At least one member of the Audit Committee must graduate in accounting.	At present, the Audit Committee can effectively and appropriately perform the duties in giving opinions to the agenda related to the Company's financial statements. However, the Company will consider the guidelines for recruiting a person who directly graduated in accounting and assigning as a member of the Audit Committee.
The majority of the Remuneration Committee members are independent directors. (More than 50%)	The Company is considering about the restructuring.
The majority of the Nomination Committee members are independent directors. (More than 50%)	The Company is considering about the restructuring.
Do the shareholders or the Board of Directors approve the remuneration of executive directors/ top management level?	Currently, the Remuneration Committee is responsible for approving the Managing Director's remuneration, which has not yet considered and approved the remuneration of the executive committee.
The Board of Directors should clearly state that the term of office of an independent director is a maximum of 9 years, without exception, in the Company's corporate governance.	At present, the Company's policy is stated that in terms of consideration on the tenure of independent director, in case that an existing independent director who will be re-elected for another term of office, his/her term of office must have a term of office continuously from the date of first being appointed as an independent director, not more than 9 years, considering the reasonableness and necessity if appointing that independent director to had the position.
The Board of Directors consists of female directors for at least 30%.	The Company is considering how to restructure.
The Board of Directors comprises more than 66% of non-executive directors.	At present, the Company's Board has the said ratio of 62.5% but the Company will consider how to further restructure.

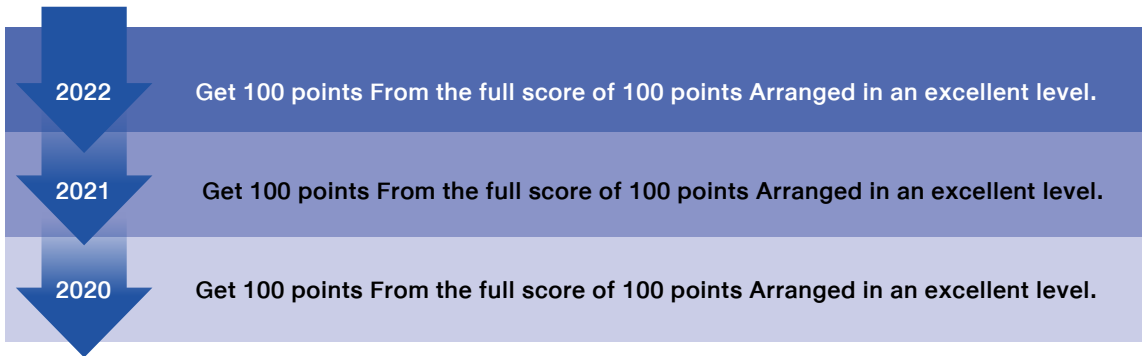
However, the Company will develop a plan and monitor it to implement any topics that has not yet be complied with the principles of good corporate governance.

6.3.3 The Company has practical guidelines for other areas in accordance with the Principles of Corporate Governance to support following assessments:

The Company participates in the Annual Corporate Governance Report (CGR) Project annually organized by the Thai Institute of Directors and has been evaluated on the corporate governance and obtained the "Excellent" level result from the 2022 Corporate Governance Report Project, under the collaboration of the Thai Institute of Directors (IOD) and the Stock Exchange of Thailand. The results of evaluation for the past 4 years are shown below:

Year	Level	Symbol
2022	Excellent	
2021	Excellent	
2020	Excellent	
2019	Excellent	

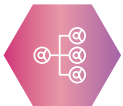
The Company participates in the Annual General Meeting of Shareholders Quality Assessment Program annually organized by the Thai Investors Association, the Company earned full score of 100 points from the 2022 Annual General Meeting of Shareholders (AGM) Quality Assessment Program by the Thai Investors Association.



Participating in the Thai Private Sector Collective Action Against Corruption (CAC) Project and ECF is one of companies certified under Collective Action Coalition of Thailand’s private sector on 30 December 2022.

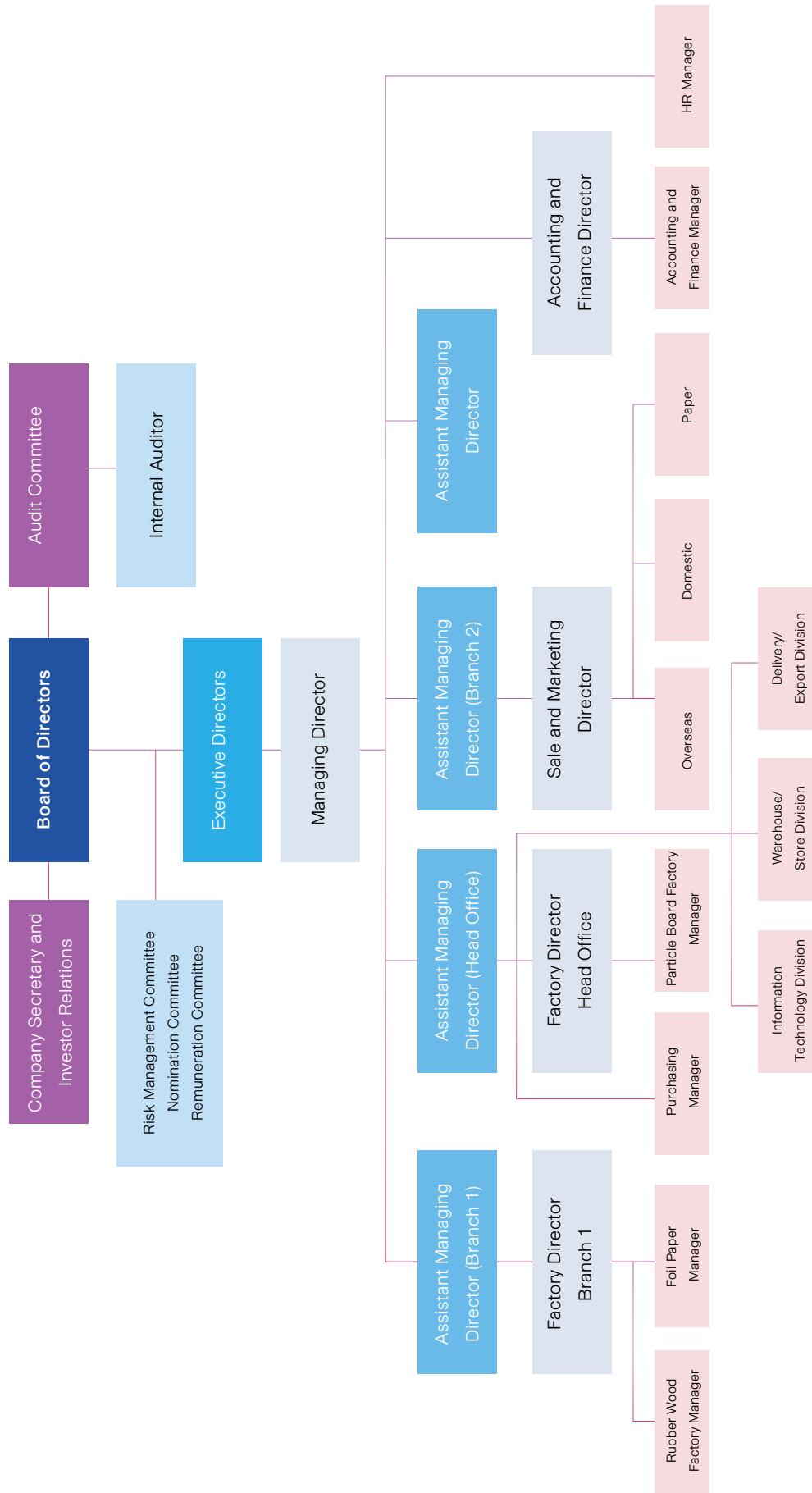
The above assessment results and actions reflect that ECF is committed to conducting business under the principles of good corporate governance, and such achievement requires the cooperations of everyone to always focuses on and adheres to as a guideline.





7 Structure of Corporate Governance and Significant Information Relating to the Board of Directors, Sub-committees, Executives, Employees and Others

7.1 GOVERNANCE STRUCTURE



7.2 INFORMATION ABOUT THE BOARD

The Company has defined the qualifications, competencies, independence, and a variety of skills and expertises, and set the details of roles and responsibilities, and the suitability of the Board of Directors in compliance with the needs and operating business strategies of the Company, considering transparency, audit and balances, and efficiency of corporate governance as follows:

7.2.1 Composition of the Board of Directors

At present, the Company's Board of Directors consists of eight (8) directors including five (5) independent directors and three (3) executive directors and/or shareholders, at least one-third of all directors but not less than 3 directors, must be independent directors and all independent directors must have full qualifications according to the criteria of the SEC Office and the Stock Exchange of Thailand. The independent directors can effectively work with the whole Board of Directors and independently express their opinions. The Company believes that the Board of Directors has been structured to enable clear, balanced and verifiable management, the Company directors and executives of the company shall be able to perform their duties for the benefit of the Company and its shareholders, and the Board of Directors also understand their roles and duties and could perform duties as stipulated in the scope of duties and responsibilities of the Board of Directors.

ECF has a policy to determine the composition of the Board of Directors by considering their industrial knowledge and experience related to the Company's business operations, skills, experience, and knowledge in many areas such as accounting, finance, law, etc., including behavioral abilities such as teamwork, coordination, courage, etc., so that all dimensions are covered to bring benefits and efficiency to the Company's operations.

In addition, the Company's Audit Committee consists of three (3) independent members of the Audit Committee with duties in the same manner as stipulated in the regulations of the Stock Exchange of Thailand, and at least one (1) member of the Audit Committee shall knowledge and experience in reviewing the reliability of financial statement and could perform other duties as a member of the Audit Committee.

The Company has established and documented the scope of authorities to clearly assign and define the authorities between the Board of Directors and the Management.

7.2.2 Information of the board of directors and individual company controllers

Board of Directors

As of 31 December 2022, The Company's Board of Directors consists of 8 Directors as follows.

1. General Terdsak Marom
Chairman of the Board of Directors/ Audit Committee Member/ Independent Director
2. Assoc. Prof. Dr. Montree Socratyanurak
Chairman of the Audit Committee/ Independent Director
3. Assoc. Prof. Songklod Jarusombat
Audit Committee Member/ Independent Director
4. Dr. Ekarin Vasanasong
Independent Director
5. Mr. Paiboon Aroonprasopsuk
Independent Director
6. Mr. Chalee Suksawad
Vice President / Authorized Director
7. Mr. Wanlop Suksawad
Director / Authorized Director
8. Mr. Arak Suksawad
Director / Authorized Director

The names and number of directors authorized to sign on behalf of the Company are Mr. Wanlop Suksawad, Mr. Chalee Suksawad, and Mr. Arak Suksawad, two of these three directors jointly sign with the Company's seal affixed.

In the Board of Directors, the Chairman of the Board of Directors is General Terdsak Marom who is an independent director, and not the same person as the Managing Director which is the position of the highest executive of the organization, and qualified to the position of the Chairman of the Board and not the same person as the Managing Director who is responsible in implementing the policies. The Company believes that the composition and operations of the Board of Directors facilitate independent decision-making.

For the principle to be practiced that most members of the Board of Directors should be non-executive directors who could independently express their opinions on the management's performance, this is because the structure of the Board of Directors currently comprises of 8 members, consisting of 5 independent & non-executive directors and executive directors, and 3 shareholders of the Company. The said structure of the Board of Directors shows that the number of independent directors is more

than the number of executive directors according to the Principle of Corporate Governance. The structure of the Board of Directors consists of 5 non-executive directors, representing 62.50 % of the total number of directors.

There are 5 independent directors, who are not the executives, on the Board of Directors. In the Board of Directors, there is 1 independent director named Assoc. Prof. Songklod Jarusombat who is knowledgeable in forest resources, specializing in forest products and social forestry. Such knowledge and specialty are related to the wood furniture business of the company. Additionally, there is 1 more independent director, who is not the executive, named Dr. Ekarin Vasanasang who is knowledgeable and specializing in electrical and power engineering which is related to the business of renewable energy that the Company is investing to expand its business operation. In addition, Mr. Paiboon Aroonprasopsuk, who is not the executive, is an independent director with knowledge, competencies, skills and experience in the financial and investment business circles, will also strengthen the structure of the Board of Directors.

The directors appointed to be the independent director shall not be under the authority of executives and major shareholders.

Qualification of the Company's Independent Director

(In accordance with the minimum requirements of SEC and SET)

- Holding no more than 1 % of total voting shares of the Company, Parent Company, Subsidiaries, Joint Ventures, major shareholders or the Company's regulators, this includes the shareholding of persons related to the independent directors.
- Not currently be or never been the Company's executive director, worker, employee, salaried consultant, or regulators, unless it has been at least two years after the person has held the position, prior to the submission of permit application to the SEC. Such prohibition excludes the case that the independent director was a government officer or an advisor for government agency who is the Company's major shareholder or controlling party.

- Not being related by blood or legally registered as father, mother, spouse, sibling or children including spouse of the child of executives, major shareholders, regulators, or persons who will be nominated as executives, or regulators of the Company or subsidiaries.
- Not currently having or never had any relations with the company including the parent company, subsidiaries, affiliate, major shareholder(s), or regulators of the company, in the way that such relation may impede the person from having independent views. Also, the person should not currently be or never be a significant shareholder or regulator of the persons having business relations with the Company, Parent Company, Subsidiaries, Joint Ventures, major shareholders, or the Company's regulators, unless it has been at least two years after the person has held the position, prior to the submission of permit application to the SEC.

The business relations under the paragraph one includes the normal commercial transactions to operate the business, the rent or the rent-out of real estate, particulars related to assets or services, or giving or receiving financial assistance by accepting or giving loans, guarantee, giving assets as collateral for liabilities as well as other similar circumstances, which affect the Company or the counterparty to have a debt obligation to pay to another party from 3% of the net tangible assets of the Company or from 20 million baht or more, whichever is lower. The calculation of such liabilities shall be in accordance with the method of calculating the value of connected transactions according to the Announcement of the Capital Market Supervisory Board regarding the Rules on Connected Transactions with mutatis mutandis. However, in considering such liabilities, the liabilities incurred during 1 year before the date of business relationship with the same person will be included.

- Not currently being or never been the auditor of the Company, Parent Company, Subsidiaries, Joint Ventures, major shareholders, or the Company's regulators. Also, the person should not currently be or never be a significant shareholder, regulator, or partners of auditing firm providing current auditor for the Company, Parent Company, Subsidiaries,

Joint Ventures, major shareholders or the Company's regulators, unless it has been at least two years after the person has held the position, prior to the submission of permit application to the SEC.

- Not currently providing or never provided professional services, legal consulting, nor financial consulting services to the Company, Parent Company, Subsidiaries, Joint Ventures, major shareholders, or the Company's regulators with a fee more than THB 2 million per year. Also, the person should not currently be or never be a significant shareholder, regulator, or partners of current service providers, unless it has been at least two years after the person has held the position, prior to the submission of permit application to the SEC.
- Not currently being representative to represent the company's directors, major shareholders, or the shareholder related to major shareholder.
- Not currently operating under similar business nature and significant competitor of the Company or subsidiaries; or not a significant partner of the partnership, executive director, salaried worker, employee, or consultant; or holding more than 1% of voting shares of any other companies operating similar business nature and significant competitor of the Company or subsidiaries.
- Not under any conditions that may impede the person from having independent views towards the company's operations.

7.2.3 Information about the Roles and Responsibilities of the Board of Directors

The Company has prepared the Charter of the Board of Directors to determine the details of the composition, qualifications, and duties and responsibilities, term of office and election of directors, meeting arrangement, and evaluation of the performance of the Board. In addition, the scope of duties and responsibilities of Chairman and Managing Director is also established as follows:

The key points regarding the scope of duties and responsibilities of the Board of Directors can be summarized as follows:

Perform their duties in accordance with the law, the Company's objectives and regulations as well as the resolutions of the shareholders' meeting with honesty and carefulness on the Company's benefits.

1. Regularly be responsible for shareholders, perform duties to protect the benefits of shareholders, completely disclose information to investors based on standard.
2. Determine policies and directions of the Company's operations.
3. Consider and approve the approval diagram.
4. Supervise, control, and oversee the management to effectively perform duty according to the given policy to maximize the economic value of the business.
5. Consider and approve the investment for business expansion and the joint investment with other entrepreneurs.
6. Responsible for the preparation of financial reports, allow the Company's auditor to examine and / or review and propose to the Audit Committee.
7. Appoint the Executive Committee and determine the scope of authorities and responsibilities of the Executive Committee.

The director or other person who has or may have any conflict of interest or any other conflict with the Company is determined to have no right to vote on that matter.

In addition, in the following cases, the approval by the Board of Directors and the shareholders' meeting must be agreed by votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote.

- Sales or transfers the entire or significant part of business of the Company.
- Acquires or receives of other companies's businesses or a private company 's business to the Company
- Makes, modifies or terminates contracts relating to renting all or part of the Company's business, assigning other persons to manage the Company's business or merging the business with other people under the objective of profit and loss sharing.

- Amends of memorandum of association or regulations
- Increases, reductions of capital, debenture issuance, merges or dissolutions.

At every annual general meeting of shareholders, one-third (1/3) of Directors shall retire by rotation. If the number of Directors is not divisible by three, then the number nearest to one-third (1/3) shall retire by rotation. In this regard, directors to retire by rotation in the first and second years after the registration of the Company shall be determined by drawing lots. In subsequent years, directors who have served the longest term of office shall retire by rotation. The Directors retiring by rotation may be reappointed.

Further information is provided in the Charter of the Board of Director annexed.

Additionally, in consideration and approval or giving comments on the meeting agenda, the Board of Directors has established the policy on minimum quorum during the Board of Directors' resolutions that at least two-thirds of the total number of directors are compulsory.

Scope of duties and responsibilities of the Chairman of the Board

1. Call for the meetings of the Board of Directors, act as the chairman of the Board of Directors and shareholders' meetings as well as have a role in jointly determining the meeting agenda with Managing Director and ensure that important matters have been included in the agenda.
2. Play a role in leading and controlling the meeting to be effective according to the Company's regulations including stipulated by laws as well as support and give opportunities to each director to independently express their opinions.
3. Support and encourage the Board of Directors to perform their duties with the best effort according to the scope of authorities, duties and responsibilities as well as promote an ethical corporate culture and good corporate governance.
4. Supervise, monitor and ensure that the Board of Directors and other sub-committees effectively perform their duties by achieving the Company's objectives and main targets and complying with the Charter as prescribed.

5. Supervise the use of policies and strategic operational guidelines of the management as well as provide suggestions and support the operations of the management, without engaging in the Company's routine management.
6. Cast a final vote in the event that the voting result in the meeting of the Board of Directors is tied.
7. Encourage the sufficient time allocation for the management in proposing matters and enough that the directors will carefully and thoroughly discuss important issues, encourage directors to exercise their prudent discretion and independently express opinions.
8. Strengthen and manage a good relations between executive directors and non-executive directors and between the Board of Directors and management.

Scope of duties and responsibilities of the Managing Director

The Board of Directors assigned Managing Director to be the leader in managing and administrating the Company under the scope of authorities and duties as follows:

1. Manage the Company's business in accordance with the objectives, regulations, policies, rules, requirements, orders, and resolutions of the Board of Directors 'meeting and/or resolutions of the shareholders' meeting of the Company.
2. Effectively and efficiently operate or perform according to the policy, plan and budgets approved by the Board of Directors.
3. Prepare and deliver the Company's business policies including plans and budgets to the Board of Directors for approval and report the progress according to the plan and budget approved by the Board of Directors on a regular basis every time that the Board of Directors' meeting is held.
4. Supervise, contact, direct and implement as well as sign in the juristic act, contract, order document, notification or any letters used to contact other agencies or individuals in order to achieve the efficiency and effectiveness of the company's operations.

5. Supervise employees and workers as well as assign, appoint, remove, postpone, reduce, deduct salaries or wages, conduct disciplinary punishment as well as leave the position in accordance with the rules, regulations or orders set by the Board of Directors and / or the Company.
6. Have the power to delegate sub-authority and / or assign others to perform specific tasks instead by assigning the sub-authority and/or such assignment to be under the scope of authority in the power of attorney and / or in accordance with the rules, regulations or orders set by the Board of Directors and / or the Company.
7. Be the leader and behave as a good model according to the company's ethics and business ethics.

However, the use of the power of the Managing Director as mentioned above cannot be done if the Managing Director has a conflict of interest or may have a conflict of interest in any manner with the Company in using such power.

ECF has established a guideline for corporate governance policy that Managing Director should devote his/her time to effectively perform the duties for utmost benefit of the Company; therefore, the Company has established the policy to prohibit Managing Director from holding the position of managing director in other listed companies, except for temporarily holding the position of managing director in any of ECF's subsidiaries or associated companies at the beginning phase of business establishment for maximum 3 years. However, in the event of a longer period of position holding, the Board of Directors' meeting must be notified and explained for further consideration and approval.

The Board of Directors, Board of Executives and Managing Director have been granted approval authority to be exercised in accordance with the scope stipulated and specified in the Company's documentation on approval authority.

Determining the authority to approve important credit limits are as follows;

Subject	Board of Directors	Executive Directors	Managing Director
1. Investment budget concerned with core business such as investment in warehouse construction, real estate, or land purchase, that is related to or for use with the current core business or a business in which the Company has already invested in a subsidiary, associated company ^{1/} ** Additionally consider the details of credit line in this part in accordance with the full version of Operational Guide - Approval Authority again**	exceeding the limit of Baht 50,000,000	Not exceeding the limit of Baht 50,000,000	Not exceeding the limit of Baht 20,000,000
2. The first investment in a new business or cancel the investment during the fiscal year ^{1/}	Approval of the investment amount or cancel the investment by accumulating the entire fiscal year per business/project more than 1.5% compared to the size of the assets of the Company according to the consolidated financial statements	Approval of the investment amount or cancel the investment by accumulating the entire fiscal year per business/project more than 0.5% but not more than 1.5% compared to the size of the assets of the Company according to the consolidated financial statements	Approval of the investment amount or cancel the investment by accumulating the entire fiscal year per business/project not more than 0.5% compared to the size of the assets of the Company according to the consolidated financial statements

Subject	Board of Directors	Executive Directors	Managing Director
3. The Company's credit line for the issuance and offering of debt securities, applying a loan with individuals, applying a loan with financial institutions, both short-term and long-term, per time ** Additionally consider the details of credit line in this part in accordance with the full version of Operational Guide - Approval Authority again**	exceeding the limit of Baht 200,000,000	Not exceeding the limit of Baht 200,000,000	-
4. Sale of assets under real estate category ^{2/}	exceeding the limit of Baht 40,000,000	Not exceeding the limit of Baht 40,000,000	Not exceeding the limit of Baht 10,000,000
5. Approval of the purchase of maintenance parts	exceeding the limit of Baht 30,000,000	Not exceeding the limit of Baht 30,000,000	Not exceeding the limit of Baht 10,000,000
6. Approval of the purchase of office equipment and materials	exceeding the limit of Baht 20,000,000	Not exceeding the limit of Baht 10,000,000	Not exceeding the limit of Baht 5,000,000

Remarks : ^{1/} Please consider the compliance with the asset acquisition transaction criteria according to the relevant rules and/or notifications of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). Moreover, this clause shall apply to the subsidiary in which the company has the power to control the business and consolidated financial statements are also prepared.

^{2/} Please consider the compliance with the asset acquisition/disposal transaction criteria according to the relevant rules and/or notifications of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) importantly.

7.3 INFORMATION OF SUB-COMMITTEES

At present, the Company has five (5) sub-committees including the Audit Committee, Executive Committee, Risk Management Committee, Nomination Committee and Remuneration Committee, the scope of authorities, duties and responsibilities of each sub-committee has been established to reflect the assignments made by the Board of Directors to assist in the Company's corporate governance, screen the information, and express opinions to the Board of Directors with following details:

7.3.1 Information of each sub-committee

1. Audit Committee

Scope of duties and responsibilities of the Audit Committee

1. Review to ensure that the Company and its subsidiaries have accurate financial reporting and disclose adequately.
2. The Audit Committee has the power to consider, select, and propose to appoint an independent person to act as the Company's certified auditor and determine the remuneration of the Company's auditor including attending a meeting with the auditor without the management team at least once a year including the proposal to dismiss the external auditor as well.
3. Review for the Company and its subsidiaries have internal control systems (Internal Control) and internal audit systems (Internal Audit) that are appropriate and effective and consider the independence of the internal audit unit as well as to approve the appointment, transfer, and dismissal of the Head of Internal Audit or any other agency responsible for internal audit.

4. Review the Company's operation to comply with the law on securities and the Stock Exchange of Thailand's requirements and other laws related to the Company's business.
5. Consider connected transactions or transactions that may have conflicts of interest throughout the asset acquisition or disposition of the Company and its subsidiaries to comply with the laws and regulations of the Stock Exchange of Thailand and ensure that such transactions are reasonable and in the best interests of the Company.
6. Prepare the report of the Audit Committee by disclosing in the Company's 56-1 One Report, such report must be signed by the Chairman of the Audit Committee and must contain at least following information:
 - (A) Opinions about the accuracy, completeness and reliability of the Company's financial reports.
 - (B) Opinions on the adequacy of the Company's internal control system.
 - (C) Opinions on the compliance with the Securities and Exchange Act, requirements of the Stock Exchange of Thailand or laws related to the Company's business.
 - (D) Opinions on the suitability of the auditor.
 - (E) Opinions on the transactions that may have conflicts of interest.
 - (F) The number of the Audit Committee meetings and the attendance of each member of the Audit Committee.
 - (G) The overall opinions or observations obtained by the Audit Committee from performing their duties in accordance with the Charter of the Audit Committee.
 - (H) Other particulars that shareholders and general investors should know under the
7. The Audit Committee has the power to appoint the Secretary of the Audit Committee to assist the Audit Committee's operation.
8. The Audit Committee has the authority to seek independent opinions from any other professional advisors when deemed necessary at the expense of the Company. The hiring process is in accordance with the Company's rules and regulations and the Audit Committee has the power to request information from various departments of the Company and its subsidiaries for further consideration in various matters.
9. Perform any other acts as assigned by the Board of Directors and agreed by the Audit Committee.
10. In performing the duties of the Audit Committee, in case of finding or suspecting that there are transactions or actions that may have a material impact on the financial position and operating results of the Company, the Audit Committee has to report to the Board of Directors to make improvements by the Company within the time that the Audit Committee deems appropriate. The types of items or actions that must be reported include the following topics:
 1. The transactions that cause conflicts of interest.
 2. Corruption or something unusual or there is a major defect in the internal control system.
 3. Violation of Securities and Exchange Laws, the Stock Exchange of Thailand's requirements or laws related to the Company's business, If the Audit Committee has reported to the Board of Directors about things that have a significant impact on the financial position performance and had discussions with the Board of Directors and executives about the necessity to make improvement, when until the end of the specified time and the Audit Committee finds that the remedial action has been neglected without any appropriate reason, any member of the Audit Committee is able to report the findings to the Securities and Exchange Commission and/or the Stock Exchange of Thailand.

Scope of duties and responsibilities in terms of corporate governance

1. Prepare corporate governance policy, anti-corruption policy, sustainability policy, and related practices including business ethics and good corporate governance guidelines proposed to the Board of Directors.
2. Review the relevant policies at least once a year to be continual, current, and in line with international guidelines and recommendations of the Corporate Governance Department and its allies, Securities and Exchange Commission, and related government agencies.

3. Supervise the performance of executives and employees to be in accordance with the relevant policies about good corporate governance practices, related practices of the Securities and Exchange Commission including anti-corruption measures.
4. Supervise the appointment of departments or suitable personnel to supervise and monitor the implementation of anti-corruption measures of the Company.
5. Supervise the training of executives and employees to educate about business ethics and related practices, anti-corruption policy, and guidelines about privacy policy (PDPA).
6. Review and evaluate the implementation of the policies with directors and management.
7. In terms of corporate governance, meetings must be held as necessary and appropriate at least once a year and the conclusion of the meeting must be reported to the Board of Directors.
8. Report to the Board of Directors regarding the Company's good corporate governance practices by giving opinions on guidelines and suggestions to improve as appropriate.
9. Report to the Board of Directors when found a practice that does not comply with the business ethics policy and related practices, anti-corruption Policy, and guidelines of personal data protection policy (PDPA) and stipulate penalties to be presented to the Board of Directors.
10. Prepare a report summarizing the performance and corporate governance which will be compiled in the Company's annual report (Form 56-1 One Report).
11. Perform any other duties as assigned by the Board of Directors in relation to corporate governance.

The Audit Committee serves for the term of three (3) years, based on the term of office of the Company's directorship, shall regularly meet at least four (4) times per year, and report to the Board of Directors.

2. Executive Committee

Scope of duties and responsibilities of the Executive Committee

Have the power to direct, plan and determine the Company's policies and operational strategies in

accordance with the economic conditions and competitive conditions to propose to the Board of Directors for approval.

1. Control and supervise the Company's business operation to be in accordance with the policy or business plan including business strategies approved or prescribed by the Board of Directors.
2. Propose the investment plans and/or raise the Company's funds for the consideration and approval by the Board of Directors and / or the shareholders' meeting, as the case may be.
3. Determine the Company's policies, business plans and business strategies under the scope of objectives.
4. Approve the expenditure of investments as specified in the annual expenditure budget approved by the Board of Directors. or according to the resolution of the Board of Directors for its principle.
5. Have the power to purchase, sell, supply, rent, rent purchase, hold, possess, improve, utilize or otherwise manage any property, including investment as the plan approved by the Board of Directors.
6. Have the authority to approve the purchase of assets or payment of any price due to the Company's operations in accordance with the contract and / or agreed with the partner, with details according to the approval authority diagram as prescribed by the Board of Directors.
7. Within the amount authorized by the Board of Directors, the Executive Committee has the authority to approve the purchase, procurement, lease, rent purchase of any property, as well as the investment power and payment of any expenses necessary for the Company's operations, with details according to the approval authority diagram as prescribed by the Board of Directors.
8. Within the amount authorized by the Board of Directors, the Executive Committee has the authority to approve loans, overdraft from the bank, juristic person, or any other financial institution for the Company's benefit in business operations, with details according to the approval authority diagram as prescribed by the Board of Directors.
9. Have the power to consider and determine employee's welfare in accordance with the economic situation and status.

10. Perform other tasks to support the above actions or as assigned by the Board of Directors each time.

The assignment of powers, duties and responsibilities of the Executive Committee as mentioned above will not include the authority and/or assignment of sub-authority for the approval of any items that themselves or the person assigned of sub-authority or the person who may have conflicts (as defined in the Notification of the Capital Market Supervisory Board) has a conflict of interest or other benefits with the Company. The approval of such transactions must be proposed to the meeting of the Board of Directors and / or the shareholders' meeting. (As the case may be) to consider and approve such transactions according to the Company's regulations or related laws.

The approval authorization of the Executive Committee is in accordance with the scope as determined and mentioned in the documented approval authority of the Company.

By setting the authority to approve important credit lines; the details are as shown in Section 7.2.3

3. Risk Management Committee

Scope of duties and responsibilities of the Risk Management Committee

1. Perform in accordance with the risk management policy set by the Board of Directors, conduct risk assessment, guidelines for systematic risk prevention and monitoring in the furniture industry business to reduce the opportunities that the organization will cause damages to an acceptable level, focusing on creating a risk management culture in the organization.
2. Supervise and support the success of risk management by focusing on increasing the importance and taking risks into account in each factor in order to make appropriate decisions.
3. Consider the Company's major risks that are in line with the Company's business such as investment, finance, security, legal, and regulations by giving suggestions on how to prevent and mitigate risks to ensure that the risk is at the acceptable level (Risk Appetite) and the deviation of the acceptable level of risk (Risk Tolerance) along with monitoring and evaluation. Moreover, continually improve operational plans to reduce risks and make them appropriate to the business conditions that occurred at that time.

4. Report on risk assessment supervision results and operations to reduce risks to the Board of Directors to know regularly. If there is an important matter that may affect the Company significantly, it must be reported to the Board of Directors to consider as soon as possible.
5. Setting a working group as deemed proper.
6. Operating any others that the Board of Directors assigns

The Risk Management Committee has a term of office of 3 years or a term of office according to the term of the Company's directorship. And The meeting will hold at least 2 times a year and report to the Audit Committee and the Board of Directors for acknowledgement.

4. Nomination Committee

Scope of duties and responsibilities of the Nomination Committee

1. Select persons who deserve to be nominated as new directors or recruit Managing Director by determining principles or recruitment and selection methods with criteria and transparency and propose to the meeting of the Board of Directors and / or the shareholders' meeting for consideration and approval.
2. Continuously prepare a training development plan related to the duties of directors and knowledge related to the Company's business to the Company's Board of Directors and top executives to increase the potential of the Company's Board of Directors and executives.
3. Prepare the development plan for Managing Director and top executives (Succession Plan) to prepare potential persons to be able to succeed in the event that Managing Director or top executives retires, resigns or is unable to perform their duties.
4. Perform other tasks as assigned by the Board of Directors.

The Audit Committee serves for the term of three (3) years, based on the term of office of the Company's directorship, shall regularly meet at least two (2) times per year, and report to the Board of Directors.

5. Remuneration Committee

Scope of duties and responsibilities of the Remuneration Committee

1. Remuneration Committee will propose a compensation policy, form, and criteria of remuneration payment for directors and Managing Director, to make the form and criteria for remuneration payment appropriate, followings shall be implemented:
 - 1.1 Review the appropriateness of the criteria currently used.
 - 1.2 Consider the information of remuneration payment in other companies that are in the same industry for comparing the suitability.
 - 1.3 Determine the criteria to be appropriate to achieve the expected results to be fair and to reward the people who help the Company's work successfully.
 - 1.4 Review all types of compensation forms by considering the amount and proportion of compensation for each form to be appropriate.
 - 1.5 Consider the remuneration payment according to the criteria set by the authorities or related recommendations.
2. Evaluate the Managing Director's performance and present it to the Board of Directors for consideration and approval.
3. Consider and determine the annual remuneration of directors and Managing Director
4. Perform other tasks as assigned by the Board of Directors

The Remuneration Committee serves for the term of three (3) years, based on the term of office of the Company's directorship, shall regularly meet at least two (2) times per year, and report to the Board of Directors.

Further information is provided in the sub-committee charter as detailed in the attachment.

7.3.2 LIST OF EACH COMMITTEE

1. Audit Committee

As of 31 December 2022, The Company has three Audit Committee members consisting of

1. Assoc. Prof. Dr. Montree Socratyanurak
Chairman of the Audit Committee and Independent Director
2. General Terdsak Marom
Audit Committee Member and Independent Director
3. Assoc. Prof. Songklod Jarusombat
Audit Committee Member and Independent Director

Miss Pimrumpai Boonchana is the secretary of the Audit Committee.

Note: The Audit Committee member who has the knowledge and experience in reviewing the reliability of financial statement is Associate Professor Dr. Montree Socratyanurak, for his experience in financial statement review, he is currently the Chairman of the Audit Committee in other two listed companies and had been the Chairman of the Audit Committee in many companies.

2. Executive Committee

As of 31 December 2022, The Company has 3 Executive Committee members consisting of:

1. Mr. Wanlop Suksawad
Chairman of Executive Committee
2. Mr. Chalee Suksawad
Executive Committee Member
3. Mr. Arak Suksawad
Executive Committee Member

3. Risk Management Committee

As of 31 December 2022, The Company has four Risk Management Committee members consisting of:

1. Assoc. Prof. Dr. Montree Socratyanurak
Chairman of Risk Management Committee and Independent Director
2. Assoc. Prof. Songklod Jarusombat
Risk Management Committee Member and Independent Director
3. Mr. Chalee Suksawad
Risk Management Committee Member
4. Mr. Arak Suksawad
Risk Management Committee Member

4. Nomination Committee

As of 31 December 2022, the company appointed 3 Nomination Committee members as follows:

1. Assoc. Prof. Songklod Jarusombat
Chairman of the Nomination Committee and Independent Director
2. Mr. Chalee Suksawad
Nomination Committee Member
3. Mr. Arak Suksawad
Nomination Committee Member

5. Remuneration Committee

As of 31 December 2022, The company appointed 3 Remuneration Committee members as follows.

1. Assoc.Prof.Dr. Montree Socratyanurak
Chairman of Remuneration Committee and Independent Director
2. Mr. Chalee Suksawad
Remuneration Committee Member
3. Mr. Arak Suksawad
Remuneration Committee Member

7.4 INFORMATION OF THE MANAGEMENT

The Company's Management includes the top management and top four (4) executives after the top management, consisting of people with knowledge, abilities, skills and experience, as the persons implementing the Company's policies in accordance with the goals, objectives and strategies assigned by the Board of Directors.

7.4.1 List and position of management

As of 31 December 2022, there are six directors as the names are shown below:

1. Mr. Arak Suksawad
Managing Director
2. Mr. Racha Pojariya
Assistant Managing Director (Head Office)
3. Ms. Supak Toaphonganan
Assistant Managing Director (Branch 1)
4. Mr. Sittichoke Chinnurat
Assistant Managing Director (Branch 2)
5. Ms. Pachanan Singphu
Assistant Managing Director
6. Mr. Pongpan Suriya-Amporn
Accounting and Financial Director

Please consider the Organization Chart in Section 7.1 for supporting information, further details is provided in Attachment 1: Details of Directors, Executives and Persons with Control Power, Persons assigned to have direct responsibility in overseeing accounting, for learning about the knowledge, competencies, skills and experience of each executive of the Company.

7.4.2 Remuneration Policy and Criteria for Managing Director and Executives

In order that the remuneration structure can be used as an incentive for the Managing Director and top management to perform their duties in compliance with the main objectives and goals of the Company and consistent with the Company's long-term benefits, the Board of Directors has therefore placed the rules and scope of authorities, duties and responsibilities of the Remuneration Committee in terms of consideration on the appropriateness of salary, short-term remuneration scheme such as bonus, as well as the consideration on deeking for the long-term remuneration scheme such as giving shares or warrants of the Company, etc., the consideration on the comparison of the remunerations set by the Company with the level of remunerations to be paid by business group with same size, same type or similar performance, etc., including the consideration on actual duty performance of Managing Director in respective year.

Regarding the policy and forms of remuneration for senior management, the Remuneration Committee shall consider and give opinions on the reasonableness and appropriateness of remuneration to be paid to the management, provided that a policy to determine the remuneration is based on the Company's performance, both short term and long term, individual performance to be considered on the performance indicators including financial indicator, business growth rate, revenue, net profit from operations, workflow development indicator, risk management, personnel development, the scope of responsibilities and the Company's competitiveness.

7.4.3 Total amount of managing director and executive compensation.

Compensation in monetary form

Remuneration for Executives	2020		2021		2022	
	No. of Persons (Persons)	Amount (Baht)	No. of Persons (Persons)	Amount (Baht)	No. of Persons (Persons)	Amount (Baht)
Salary	8	14,927,907	8	14,206,360	8	14,724,360
Bonus	8	540,000	8	1,543,030	8	1,991,515
Provident Fund	8	75,844	8	34,200	8	442,542
Total	8	15,543,747	8	15,783,590	8	17,158,417

Note : Contributions to the provident fund started to increase in 2022 because during the year 2020 - 2021, there was a waiver of deductions to contribute to the provident fund due to the outbreak of COVID-19.

In case that the revisions of additional compensations to the Company's Board of directors and / or executives are not parts of their salaries, wages, benefits, pension, bonus which value more than 1,000,000 Baht for each person/ year, the revision must be brought to a meeting indicating the needs of the additional compensations. The revisions must be reasonable and can be verified as reasonable. For example, by assigning an official vehicle; all expenses involved such as monthly payments and a driver's wages that are worth more than 1,000,000 Baht (for each person / year) must be brought to a meeting for verification and approval by the Audit Committee.

Compensation other than monetary

- None -

7.5 INFORMATION ABOUT EMPLOYEES

No. of Employees (excluding the management team)

The number of the Company and subsidiaries' employees in the past 3 years (during 2020- 2022) as shown below.

Employee Category	As of 31 December 2020	As of 31 December 2021	As of 31 December 2022
	No. of persons	No. of persons	No. of persons
Full time employees	206	202	207
1. Management	13	12	11
2. Marketing	36	42	28
3. Factory/Production	69	63	85
4. Accounting and Finance	18	20	20
5. Purchasing	7	10	10
6. HR/Admin	37	36	33
7. Store/Warehouse	15	7	8
8. Delivery / Export	6	7	7
9. IT	5	5	5
Part time employees (daily)	1,056	954	838
Total	1,262	1,156	1,045

Note : In 2022, 89.70 percent of part-time employees (daily) are factory/production division's employees and 83.76 percent of part-time employees are migrant workers.

In the past year, the number of workers in the company was suitable for business operations, and there was no risk of labor shortage in important departments. Including no meaningful change in the number of employees in the past 3 years. However, the number of employees decreased in the year 2022 due to the improvement of production lines and management to reduce production costs, in part, more machines have been added to the production line than before.

Remuneration for Staff and Employees and type of compensation

Unit : Baht	2020	2021	2022
Salary, Bonus and Provident Fund for full time employees	73,060,312	81,001,327.36	71,911,600
Wage for part time employees	166,274,937	181,114,497	142,694,090
Seminar attendance fee	403,519.35	48,500.00	55,375
Total	239,738,769	262,164,324	214,661,125

Note : The Board of Directors' Meeting No. 4/2555 held on September 25, 2012, approved the establishment of the provident fund, which the Company completed the establishment on 20 November 2012.

Information about provident funds as of 31 December 2022

Company name / Subsidiary	with/without provident fund	Number of employees attending (person)	Proportion of employees attending to total employees (percent)
East Coast Furnitech Public Company Limited	Yes	81	39.13
VV-Décor Company Limited	None	None	None
ECF Holdings Company Limited	None	None	None
ECF Power Company Limited	None	None	None
Planet Board Company Limited	None	None	None
SOMEWA Plaza Company Limited	None	None	None
V V RICH Company Limited	None	None	None

Note : At present, Planet Board Company Limited, SOMEWA Plaza Company Limited and V V RICH Company Limited do not have any commercial income.

In addition, the Company has a policy to consider and select the Provident Fund Manager to reflect the importance of investment management, based on the Investment Governance Code (I Code) because the provident fund is considered as a retirement savings fund for employees; therefore, the Company places the importance on the selection of fund manager who complies with the I Code and responsibly manage the investments, taking into account environmental, social and good governance factors, because it is an investment approach leading to the best benefit in long term for the fund members who are the Company's employees.

The Company has a policy to consider remuneration for employees and workers both in the short term and long term. In case of short-term remuneration, the Company will mainly consider the growth rate of annual performance, and then consider the increasing of remuneration rate to cover the inflation rate in each year and finally consider the increasing rate for individual based on the level of perseverance, intention, dedication, and ability to perform. And the results of work that occur by considering the results of the assessment according to the performance assessment standards that the company set a direction subsequently.

In case of long-term remuneration, the Company will consider the opportunities for employee's career advancement by using the internal evaluation form that is set to be appropriate and complied with the performance indicators of each department as the indicators of employee performance. (individual's Performance) for evaluating the performance and determining the remuneration for executives and employees based on their performance, consisting of 4 areas: Finance, Development & improvement of internal processes to be more efficient, and learning &

development. In terms of remuneration for employees, the Board of Directors will consider corporate success in line with economic conditions and compare it to other companies in the same industry. Every year, the Company will provide long-term service award or remuneration to employees who continuously work with the Company for a long time up to 10 years, 15 years, 20 years and more than 20 years, to create morale for employees who are dedicated to their duties and continuously loyal to the organization.

7.6 OTHER INFORMATION

7.6.1 List of persons who are directly responsible for accounting supervision company secretary Head of Internal Audit or internal auditors hired from outside.

The person who is assigned to be directly responsible for the supervision of accounting.

Mr. Pongpun Suriyamporn is the person assigned directly responsible for the supervision of the Company's accounting.

The qualifications of those who are assigned to take direct responsibility in supervising accounting as appeared in Attachment 1.

Company Secretary

Miss Sarisa Thongkittikul is ECF's Company Secretary according to Section 89/15 of the Public Limited Companies Act B.E. 2535 and the Public Limited Companies Act B.E. 2551 (No. 4) and is a knowledgeable person with a degree in economics, finance, management, as well as attended a financial advisory training course organized by the Investment Banking Club, Association of Thai Securities Companies,

and the Company Secretary Program, Class CSP 110/2020 organized by the Thai Institute of Directors Association (IOD), to perform duties and responsibilities as follows:

1. To basically advise the Board of Directors regarding the related laws, rules and regulations, the Company's Articles of Associations and ensure that the Board of Directors comply with such laws as well as report all significant changes in relevant laws, rules, and regulations to the Board of Directors.
2. To coordinate between the Board of Directors and executive management in the relevant laws, rules, and regulations.
3. To organize the Board of Directors' meeting, the annual general meeting of shareholders, as required by laws.
4. To record the minutes of the said meetings, as well as to monitor the relevant parties to efficiently comply with the said resolutions of those meetings.
5. To disclose to the shareholders and other related parties according to the rules and regulations stipulated by the SEC and SET, and to prepare a policy on good corporate governance of the Company.
6. To be "Contact Person" with all relevant regulatory authorities; SEC, SET and TSD.
7. To take care and keep in custody of important documents, such as
 - Register of Directors
 - Notice and minutes of the Board of Directors' Meeting
 - Notice and minutes of the Shareholders' Meeting
 - The Register of major Shareholders, Register of Directors and Executives
 - Reports of conflicts of interest filed by directors and the management
 - Annual Registration Statement (Form 56-1) / Annual Report
8. To perform other tasks as assigned by the Board of Directors and the Capital Market Supervisory Board including other relevant regulatory agencies announced.

In addition, should the Company Secretary be unable to perform her duty, the Board of Directors shall appoint a new Company Secretary within 90 days after the position is vacant. The Board of Directors is authorized to appoint a director to resume the work during that period.

The qualifications of the Company Secretary are provided in Attachment 1.

Head of Internal Audit or internal auditors hired from outside.

For implementation of the internal control system of the Company, the Company set up the Audit Committee to review in order to ensure the appropriate, adequate and efficient internal control and internal audit system of the Company. The Audit Committee shall coordinate with the auditor, internal auditor, and executives of the Company to review adequacy of internal control system and work system of the associated company for duty performance of the Company in accordance with Securities and Exchange Law, Requirements of the Stock Exchange of Thailand, and laws relating to the Company's business operation.

The Company has established the Internal Audit Unit to perform duties in the Company and report the results of internal audits in the meeting with the Audit Committee, members of the Internal Audit Unit include Miss Pimrumpai Boonchana together with the external party which is ACC-PLUS Consultants Co., Ltd., that is hired by the Company, and Miss Wanna Maluangnon (Managing Director, ACC-PLUS Consultants Co., Ltd.) acts as the Chief of Internal Audit Unit. to perform the duties of auditing and preparing internal control audit system of the Company to enhance check and balance of every department's duty performance. The Company has commenced the hire of ACC-PLUS Consultant Co., Ltd. since Q3 of 2011.

In addition, the Audit Committee also gave an opinion that the Audit Committee has supervised the person holding the position of Internal Audit Supervisor to have the appropriate educational background, experience and training that are sufficient for the performance of such function.

The qualifications of the Internal Audit Head or Internal Auditors to be hired from outside are provided in Attachment 3.

7.6.2 Investor Relations

Miss Sarisa Thongkittikul

contact information.

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7.6.3 Auditor's Remuneration Auditing Office and affiliated.

The Company has the remuneration for the auditor, auditing office and affiliated of the Company and subsidiaries as following details:

1. Audit Fee

In 2022, the Company hired Mr. Akkadej Pliansakul, certified public accountant registration No. 5389 from M.R. & ASSOCIATES Co., Ltd. to be the auditor of the Company and its subsidiaries for 2022. The annual auditor fee is 2,970,000 Baht (Two Million Nine Hundred Seventy Thousand Baht only).

In 2022, the Auditor of the Company, Mr. Akadet Pliensakul, certified public accountant registration No. 5389 from M.R. & ASSOCIATES Co., Ltd., has been approved by Securities and Exchange Commission (SEC) has independence and no relationship or gains and loss between the auditor/the Company/its Subsidiaries / the major shareholders / the executives as well as people concerned with such individuals.

2. Non-Audit Service

-None-

The total amount of auditor's remuneration Auditing Office and and affiliated was 2,970,000 Baht (Two Million Nine Hundred Seventy Thousand Baht only).

7.6.4 The Company's Compliance Unit

At present, Miss Pimrumpai Boonchana, Compliance Unit, is taking on supervising ECF's operations with following responsibilities:

1. Develop the Audit Plan in compliance with the law, rules and regulations of government agencies or regulators related to business operations or the Company's operation, including Code of Conduct and the annual anti-corruption measures.
2. Oversee and review to ensure that the Company has correctly complied with laws, requirements of the Stock Exchange of Thailand or the regulations of government agencies.
3. Give legal opinions to the Board of Directors and the management to ensure that the Company's business operations comply with the law, requirements of SET or regulations of government agencies, and follow up with the management to suspend any transaction or any act that may violate such laws, requirements, or regulations.
4. Review the evidence in case of suspicion that there are any transactions or acts that may violate the laws or the requirements of the Stock Exchange of Thailand or regulations of government agencies which significantly affect or may significantly affect the Company's financial position and performance.
5. Coordinate with the Internal Audit Head and the Internal Audit Committee to review or jointly seek guidelines to enable the Company to have the proper and effective internal control and internal audit systems.
6. Participate in determining and advising on the suitability of the Company's operating procedures to ensure that the policies, guidelines, rules, or codes of conduct required by law are properly complied with.
7. Be a center for collecting and disseminating information, as well as providing knowledge and advice to internal functions on how to perform tasks in compliance with the laws, regulations and rules that must be performed.
8. Assess the risks arising from changes in laws and regulations that may impact on the Company's operating guidelines and seek ways to avoid the impacts.



8. REPORT OF KEY PERFORMANCE ON CORPORATE GOVERNANCE

8.1 SUMMARY ON THE PERFORMANCE OF THE BOARD OF DIRECTORS IN PREVIOUS YEAR

In the year 2022, the Board of Directors' Meeting No.1/2022 held on 24 February 2022, had a resolution to consider and review the Company's Vision, Mission, Objective and Long-term target according to the details of Corporate Governance Policy of East Coast Furnitech Public Company Limited for the year 2022. The committee had the Initiative policy, participated in expressing comments on the policy and made a resolution to approve the corporate governance policy in writing. The policy is being specified based on the principles of good corporate governance in accordance with the relevant rules or guidelines proposed by the regulatory agencies to strengthen the transparency of the business operations at all levels, including operational employees, executives, and the Board of Directors, as a tool for potential and competitiveness enhancement, and to foster sustainable growth to bring long-term benefits to all stakeholders for the whole business chain. The Board of Directors will consider and review the Company's corporate governance policy to consistently meet the standards and guidelines of good corporate governance.

In addition, in previous year, the Board of Directors played a role in considering the investments, restructuring and operations of the Company Group. Restructuring the operations of the Company Group will be in line with the vision of business operation that aims to mitigate risk, including the effects that may occur, and create opportunities to create growth and sustainability for the organization.

In 2022, the Company has reviewed the risk management policy and plan for the Company's executives and employees to be used in responding and operating their duties under critical situations or events that may prevent the organization from continuous operations, or may affect the overall operational result and the Company's performance, to enable the Company to continuously and effectively operate, systematize, minimize the impact of damage or loss that may occur for efficient and systematic performance. In addition, the Risk Management Committee shall report to the Board of Directors about the consideration of risk factors that may occur to the Company's business operations, including the proposal of continuous risk prevention guidelines. The Board has also considered and reviewed the sustainability management policies and goals, taking into account the alignment with business directions and strategies under the objective *"Leading to the Company's sustainable development and growth with social and environmental responsibility and good corporate governance"* to reflect the intention and commitment to drive the business by taking into account the issues of corporate governance, as well as environmental and social issues including giving the importance on the respect for human rights as a guideline for operations and creation of understanding among all stakeholders.

The Company has placed importance on the internal control system, both at the executive and operational levels, to achieve the efficiency and effectiveness in all levels of operation. At the Board of Directors Meeting No. 1/2022 dated 24 February 2022, all members of the Audit Committee attended the meeting and assessed the adequacy of the Company's internal control system based on the Form "Adequacy Assessment of the Internal Control System, consisting of 5 areas including: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities. The Audit Committee's opinion is the Company has the appropriate and adequate internal control system regarding transactions with major shareholders, directors, executives or those related to such persons for the Company's business operations.

The objectives of internal control system audit are to promote the management system, internal control, reports of results and good corporate governance, to increase transparency and build the confidence of all shareholders and all stakeholders, with the extend covering testing and evaluation to ensure as appropriate about the adequacy and efficiency of the internal control system existing in the Company, and evaluate the quality of performance in each working system, taking into account the business risks that may arise upon current business environment¹

The Audit Committee expressed the opinion that the Company has an appropriate and adequate internal control system, including transactions with major shareholders, directors, executives, or persons related to them as regularly and continuously considered and agreed according to the accounting period. The meetings of the Audit Committee presented by the management are appropriate and sufficient for the Company's business operations.

8.1.1 Nomination, Development and Evaluation of the Board of Directors' Performance

Nomination and Appointment of Directors and Top Management

In each year, the Nomination Committee comprising 3 members including 1 Chairman of the Nomination Committee who is an independent director and 2 directors, shall be responsible for selecting the Company's directors by following the criteria of new director selection before proposing the name list to the Board of Directors' meeting and the Nomination Committee shall provide opinions. The persons proposed in the name list of Directors must be fully qualified according to the Public Company Limited Act B.E. 2535 (1992), the Notifications of the Securities and Exchange Commission and the Capital Market Supervisory Board, and the relevant notifications of the Stock Exchange of Thailand, as well as the database of the Director Pool from the Thai Institute of Directors (IOD) must be used as a supporting information for the selection of new directors. The persons proposed in the name list must be knowledgeable, competent, dedicated and have skills and experience in the management of main business and other businesses invested by the Company. In addition, the process of director selection must be in accordance with the Company's business strategies, for example, the Company has increased its investment in Energy Business, the Nomination Committee has therefore considered and selected new directors with qualifications, experience, knowledge and expertise in energy to enhance the potential for the overall of the Board of Directors, or nominated directors with knowledge, ability and experience in accounting and finance and additional investments to support the projects of the Board of Directors, etc.

1) Independent Directors/the Audit Committee

The Company's Independent Directors / Members of the Audit Committee must be the Company's directors who are appointed by the Board of Directors and approved by the Company's shareholders and have qualifications as required by the Securities and Exchange Act, the Notifications, regulations and / or regulations of the Stock Exchange of Thailand, requiring at least 3 members. At least 1 member of the Audit Committee must be knowledgeable in accounting and finance and be an independent director according to the definition of the Company's independent directors.

The independent directors according to the above qualifications may be assigned by the Board of Directors to decide on the operation of the Company, the parent company, subsidiaries, joint ventures, subsidiaries in the same level, major shareholders or regulator, the decision is made in the form of a Collective Decision.

Qualifications of the members of the Audit Committee

- Appointed by the Company's Board of Directors or the shareholders' meeting to be a member of the Audit Committee
- Qualified as an independent director in accordance with the rules prescribed by the SEC Office and rules deemed appropriate by the Company.
- Not being a director assigned by the Board of Directors to decide on the operations of the Company, the parent company, subsidiaries, joint ventures, subsidiaries in the same level, major shareholders or regulator
- Not being a director of the listed parent company, listed subsidiaries, listed joint ventures, listed subsidiaries in the same level.

- Consider the term of office of independent directors, in case of re-appointment, the term of office counted from the date of first appointment as an independent director should not be over 9 years in total, considering reasonableness and necessity.
- Have sufficient knowledge and experience to be able to act as a Member of the Audit Committee, at least one member of the Audit Committee must have sufficient knowledge and experience to be able to review the reliability of the financial statements.
- Have duties in the same manner as specified in the Notification of the Stock Exchange of Thailand regarding the qualifications and scope of work of the Audit Committee.

2) Directors and top executives

Directors

In considering and selecting directors, the Nomination Committee will consider and nominate as following criteria:

1. Consider and nominate in accordance with the qualification as stipulated in Section 68 of the Public Company Limited Act, B.E. 2535 (1992) and relevant notifications issued by SEC and SET.
2. In case of a former director to be reelected to hold the position of director, his/her performance during his/her office shall be evaluated and the number of listed companies in which he/she holds a position of director shall be considered, there should not be more than 5 listed companies so as to prevent problem of work efficiency.
3. After completing the selection, a name list of selected persons shall be submitted in the meeting of the Board of Directors for consideration and proposal in the shareholders' meeting for approval and appointment.
4. At every Annual General Meeting of Shareholders, one-third of the directors shall retire by rotation. If the number of directors is indivisible by three, the one nearest to one-third shall apply. Directors due to retire by rotation in the first and second anniversary of Company registration shall be determined by drawing lots. For subsequent years, those directors being in office the longest shall vacate his office. However, the directors who retire by rotation may be re-elected to resume their directorship.
5. In the shareholders' meeting, the vote for appointing a director shall follow the criteria and method below:
 - 5.1 Shareholders have voting power equivalent to their shares.
 - 5.2 Shareholders shall use their voting power as mentioned in 5.1 to elect only one or several candidates, but have no right to unequally allocate their voting power to selected candidates.
 - 5.3 The candidates having highest votes shall be appointed respectively according to number of directors required. In the case where the candidates have equal votes and the equal ranks exceed the number of directors required, the Chairman of the meeting shall cast a final vote.
6. If the position of director becomes vacant due to the reason other than the termination of regular terms, the Board of Director with the resolution agreed by at least three-fourth shareholders' votes shall nominate an individual whose qualification is in accordance with the law with be as a director in the next meeting. If the remaining term is less than two months, the directors who take the vacant position shall be in the position only within the remaining term.

Top management

The Board of Directors has assigned the Nomination Committee to be responsible for considering criteria and procedures for nominating qualified persons to hold the position of Managing Director based on knowledge, skills, experience related to the core business of the Company, management experience, working dedication, characteristics, image and management vision necessary to drive the organization towards the target, good relationships with individuals or organizations, good morals and ethics, understanding in the principles of Sustainability Development. In addition, he/she must be qualified in accordance with the regulations of the regulatory authorities and relevant laws as an important part for consideration criteria and method.

The performance related to the nomination and appointment of directors and top management in previous year

Performance of nomination and appointment of directors

The Company applies a nomination method of directors and top executive through the Nomination Committee. For the performance of director nomination and appointment in previous year, the Nomination Committee Meeting No. 1/2022 was held to consider and approve the proposed name list of directors to replace the directors who shall retire by rotation for the year 2022 and then proposed it to the Board of Directors' meeting for approval and shall propose it to the 2022 Annual General Meeting of Shareholders.

According to Public Limited Company Act B.E.1992 (2535) and Clause 17 and 18 of Articles of Association of the Company, the main point could be summarized that in every Annual General Meeting of Shareholders, the directors vacate the offices for one-third of number of directors at that time. If number of directors cannot be divided identical to 3 portions, they shall vacate with the number nearest to one-third. The director who retires may be re-selected to return to assume the office again. The director who must vacate the office in the first year and the second year after the Company's registration shall draw lots. For the following years, the director who is in the office for the longest period is the one who vacates the office.

However, the Company made an announcement to invite the minor shareholders to propose the names of qualified candidates for the positions of the directors via the Stock Exchange of Thailand's media channel and also on the Company's web site (www.eastcoast.co.th) from October 29, 2021 - December 31, 2021 but there are no any minor shareholders proposing the names of qualified candidates to this Annual General Meeting of Shareholders.

Currently, the Board of Directors consists of 8 directors. Therefore, at the 2022 Annual General Meeting of Shareholders, one-third of the directors must vacate their office by rotation. There were 3 members of the Board of Directors who were due to retire by rotation. The resolution was proposed by the Nomination Committee as below:

1. Asso.Prof.Songklod Jarusombati
2. Dr. Ekarin Vasanasong
3. Mr. Paiboon Aroonprasobsuk

Opinions of the Nomination Committee, with the exception of the director who has conflicts of interest, considered that three directors include Asso.Prof.Songklod Jarusombati, Dr.Ekarin Vasanasong, Mr.Paiboon Aroonprasobsuk are qualified persons who meet all the requirements of the law including the rules and regulations as specified by the supervisory authorities. As well as being knowledgeable, competent, dedicated and well experienced in general administration, accounting and finance, and academic aspects concerning in furniture business which results in the benefit of the Company's business. The three retiring directors should be re-elected as Directors and also same positions for another term.

The Board of Director's Opinion: The nominated directors have been passed the thoughtfully and carefully scrutinizing process from the Board of Directors with the exception of the director who has conflicts of interest in this agenda and considered that with the approval from Nomination Committee has carefully scrutinized that the directors who retire by rotation have all the qualifications according to the Public Limited Companies Act, Securities and Exchange Act, the announcement of the Securities and Exchange Commission. Capital Market Supervisory Board and relevant notifications of the Stock Exchange of Thailand including being the competent persons with experience and expertise that would be beneficial for operation of the Company, having suitable qualifications for the Company's business operation and there are no directors having the executive positions in other businesses that may cause conflicts of interest or compete to the Company's business.

Moreover, all the time of being directors of the Company, they jointly supervised the enterprise strongly, devoted their time to attend the meeting, and participated to extremely express their beneficial opinions to the Company and shareholders. Furthermore, after considering the number of companies which the nominated directors have currently their positions, it is found that there is no nominated director having his position in other listed companies exceeding 5 companies, and in the part of proposing for appointment as an independent director, they will be able to express their opinion independently and in accordance with the relevant rules and regulations.

In addition, Asso.Prof.Songklod Jarusombati will serve as an independent director for over 9 years if re-elected this time. (Holding the position of Independent Director of the Company since October 26, 2012) but the Board of Directors considered that he has performed his duties in accordance with the duties and responsibilities of Directors and Executives of the Securities and Exchange Act and possessed the qualifications of independent directors since taking the position as the Company's Director, has never had conflicts of interest and made decisions on various agendas for the best interest of the Company and shareholders. Therefore, the retention of competent independent directors with the Company, the more benefits the Company would gain.

The method to allow shareholders to appoint each director is applied for the consideration and approval of the 2022 Annual General Meeting of Shareholders in case of the rights of retail investors in appointing directors, that director must be voted for more than half of total number of votes from shareholders attending the meeting and having the voting right for the election of directors, the shareholders shall vote for the election of individual directors, whereby the shareholders cast all their votes to select nominated persons one by one.

The name list of independent directors and directors approved by the said shareholders' meeting consists of following names and positions:

- | | | |
|----|--------------------------------|--|
| 1) | Asso.Prof.Songklod Jarusombati | For the positions of the Audit Committee /
Independent Director / President of
Remuneration Committee and Risk management
Committee |
| 2) | Dr. Ekarin Vasanasong | For the position of Independent Director |
| 1) | Mr. Paiboon Aroonprasobsuk | For the positios of Independent Director e |

In previous accounting period, there is no case that the Company's independent directors have a business relationship or professional service, or a person appointed as an independent director has or had a business relationship or professional service in a value exceeding the criteria prescribed in the Notification of the Capital Market Supervisory Board. In addition, minimum 3 independent directors are required while the Company currently has totally 5 independent directors, exceeding the requirement of the SEC Office and the Stock Exchange of Thailand.

The Company has a policy to determine the composition of the Board of Directors by using tools, the Board Competency Matrix, which is divided into 3 main topics used for consideration: Knowledge about the industry and experience related to the Company's business operations, Skills, experience and knowledge in various areas such as accounting, finance, law, etc., and Behavioral abilities such as teamwork, coordination, courage, etc. Based on above table, considering the overview of the Board of Directors, the composition of each director covers all topics by setting goals and indicators with a variety of skills, experiences, knowledge, and capabilities covering many areas in the structure of the Board of Directors.

In 2022, the Nomination Committee considered and had an opinion that the composition of the Board is appropriate and completely and sufficiently covers knowledge, experience, competence, and skills which are in line with the Company's business strategy, leading to the benefits and operational efficiency for the Board of Directors.

None of any director of the Company holds the directorship in more than 5 listed companies as stipulated by the corporate governance policy.

Performance of the nomination and appointment of top management

The Nomination Committee considered and appointed Mr. Arak Suksawad to be the Company's top executive or Managing Director due to his qualification in accordance with the rules set by the Company.

Development and Performance Evaluation of the Board of Directors

Development of Directors and Executives

Every Director of the Company meets the regulations of the Stock Exchange of Thailand. All 8 directors are knowledgeable, competent and pass the Director Accreditation Program (DAP) provided by Thai Institute of Directors: IOD). The training program is important for the roles and responsibilities of directors. We have set the policy for the Company Secretary to send the development training information to the members of the Board of Directors to enhance the work efficiency of directors. The director shall consider and choose to attend the trainings in which they are interested to enhance their knowledge.

Performance Evaluation of the Board of Directors and Managing Director

The Board of Directors has set the guidelines for evaluating the annual performance, the Board of Directors and sub-committees will evaluate their team performance at least once a year to allow the Board of Directors to jointly consider their works and problems in order to improve and make correction. Such performance evaluation will be conducted both in team and individual basis by applying the evaluation form for both team and individual, prepared by the Company Secretary. This form shall evaluate the Board of Directors and all sub-committees with the criteria for evaluation applied for both team and individual director as following main topics:

1. Evaluation on the structure and qualifications of the Board of Directors
2. Meetings of the Board of Directors
3. Roles, duties and responsibilities of the Board of Directors

Below details show the performance evaluation process in terms of team and individual:

- 1) The performance evaluation of the Board of Directors in terms of team and individual will be conducted at least once a year.
- 2) The Company Secretary will summarize and present the performance evaluation of the Board of Directors to the Nomination Committee for consideration on the evaluation results and guidelines for development and improvement of operational efficiency.
- 3) The Nomination Committee will propose the results and guidelines for improving the performance of the Board of Directors to the Board of Directors.

The Company has a policy to determine the composition of the Board of Directors by using tools, knowledge composition table, Board Competency Matrix, which divides the main topics used for consideration into 3 main topics: Industry knowledge and experience related to the Company's business operations, Skills, experience and knowledge in various fields such as accounting, finance, law, etc., and Behavioral competency such as teamwork, coordination, confidence, etc. In considering the said table and the overview of the Board of Directors, the compositions of each director shall be gathered and cover every topic, the Nomination Committee considers that the compositions of the Board of Directors are appropriate and completely and adequately cover the knowledge, experience, competencies, and skills, leading the benefits and efficiency to the performance of the Board of Directors.

The Board of Directors determines the performance targets of Managing Director and annually evaluates his/her performance by setting targets and criteria for evaluation that are connected to the strategic plan and annual plan to consider and determine the appropriate remuneration and incentive measures for Managing Director

In addition, the Company has arranged to evaluate the performance of Managing Director by assigning the directors who have no conflict of interest with Managing Director to annually evaluate the performance of Managing Director at least once a year, in each year, those directors will evaluate the performance of Managing Director in previous year in the terms of his/her performance progress that can achieve the targets and objectives as specified by the Company.

The Board of Directors has assigned the Remuneration Committee to set the remuneration policy for Managing Director according to the performance of Managing Director based on the performance evaluation summary of Managing Director prepared by all independent directors as a data for decision. The framework of remuneration policy for Managing

Director will be at the same rate as the remuneration in the same industry group and the Committee will also compare the percentage of the Company's net profit in each year as another criteria for consideration. For the policy on the increase in each year will be considered significantly from operating results; the policy on the remuneration for Managing Director in the long term is currently in the process of considering and finding for further suitable guideline.

However, in the case of the remuneration for executive directors, at present, the structure and policy to determine the remuneration for executive directors to be appropriate and consistent with the type of business are studying and not yet finalized. Therefore, after being concluded, the Remuneration Committee will set the policy on the remuneration for executive directors and then propose to the Board of Directors' meeting for further consideration and approval.

Succession Plan

The Nomination Committee has considered and placed the policy about succession plan in order to be well prepared for the vacancy in any position, succession plan is arranged for the continuity of business efficiently. The succession plan is placed for many positions by setting persons with knowledge, competency and experience to continue to perform any vacant position or be promoted to higher position with following details:

1. Arrange the junior executive to co-work with the senior executive in his field and attend policy meeting from top executives.
2. Identify those with the potential to assume greater responsibility in the organization to prepare them in higher position.
3. Determine the appointment of potential secondary level executives to be successors.
4. Provide opportunities to junior executives to be trained of the concept relating to the leadership, awareness of responsibilities and loyalty to the organization including the guideline of human resource management in the function he/she is in charge.
5. Develop the junior executives to present his plan and performance to top executives.

Managing Director will present to the meeting of the Nomination Committee to consider and acknowledge the guidelines and regularly report the result of succession plan to the Nomination Committee at least once a year. In the meeting of the Nomination Committee, a succession planning process has been put in place for consideration in this agenda as following details:

1. Determine criteria or qualifications of a successor of Managing Director.
 - a. Consider the challenges the Company must encounter in 5 - 10 years.
 - b. Identify the qualifications and skills required to meet those challenges.
 - c. Develop a candidate evaluation process based on established criteria.
2. Identify candidates who may qualify for succession.
 - a. The Board of Directors and Managing Director consider those who may be qualified for joint succession by condiering internal and external persons.
 - b. Assessment processes can be conducted in many methods:
 - i. Assess internal persons, such as assigning jobs of key positions, assigning to do special projects.
 - ii. Assess external persons, such as showing the organization's future vision and strategies.
3. Assess the abilities and potential of those who may qualify for the succession.
 - a. The Board and Managing Director assess the qualifications of each candidate or potential successor.
 - b. Jointly rate each candidate or potential successor.
 - c. Joint committee reviews the assessment and shares opinions.
 - i. Jointly summarize opinions on each candidate or potential successor.
 - ii. Consider the perspectives on different candidates or potential successors.
 - iii. Identify requiried qualifications of each candidate or potential successor for further consideration.

4. Prepare development plan
 - a. for self-preparation of potential successors.
 - b. for further assessment on succession readiness.
5. Review progress
 - a. Further evaluate and summarize the possibility of succession.
 - i. Identify developed candidate or successor data.
 - ii. Identify further improvements needed.
 - b. Actively enter into evaluation process to select the right person.

Performance related to the evaluation of directors and all sub-committees, and the development in previous year

The self-evaluation results of the Board of Directors and all sub-committees, in both team and individual basis for 2022 with average evaluation results based on full score of 100 percent as follows:

Unit: Percentage

Category		Team Evaluation Result	Individual Evaluation Result
1.	The Board of Directors	100.00	94.38
2.	Audit Committee	75.00	91.67
3.	Risk Management Committee	76.39	93.75
4.	Nomination Committee	100.00	100.00
5.	Remuneration Committee	98.33	91.67

The Nomination Committee presented the results and guidelines for improving the performance of the Board of Directors to the Board of Directors, such as proposing guidelines to assign the secretariat of each sub-committee to present the efficiency development courses or training courses that are considered consistent, appropriate to develop skills, knowledge, abilities and relevant experiences for the Board of Directors and sub-committees.

The Result of Board Competency Matrix

No.**	Age	Gender	Experience in Directorship (Year)	skill, expertise and work experience													Type			sub-committees			
				Furniture	Experience-General Administration	Accounting	financial	capital market	Merger & Acquisition	risk management	international business	Strategy development	Technology	Marketing	Law	corporate governance : CG	independent director	Non-Executive Director	Executive Director	Audit Committee	Risk Committee	Nomination Committee	Remuneration Committee
1	86	M	35		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			
2	64	M	15		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
3	58	M	10	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
4	50	M	8		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
5	48	M	15		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
6	80	M	22	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>				
7	54	M	22	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
8	51	M	22	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Note: No.**

- | | |
|--------------------------------------|-----------------------------|
| 1.General Terdsak Marom | 5.Mr.Paiboon Aroonprasobsuk |
| 2.Assoc.Prof.Dr.Montree Socratyanuak | 6.Mr.Wanlop Suksawad |
| 3.Assoc.Prof.Songklod Jarusombat | 7.Mr.Chalee Suksawad |
| 4.Dr.Ekarin Vasanasong | 8.Mr.Arak Suksawad |

In 2022, Managing Director's performance was evaluated by using the same performance appraisal form as used in 2021, the said appraisal form will be sent to all 5 independent directors of the Company to assess, the topics for assessment consist of 3 categories:

Category 1 : Progress of plan by specifying goals and status of each goal achievement.

Category 2 : Performance measurement consists of

1. Leadership
2. Strategy Establishment
3. Compliance with Strategy
4. Planning and Financial Performance
5. Relationship with the Board of Directors
6. Relationship with External Parties
7. Management and Relationship with Personnel
8. Succession
9. Product and Service Knowledge
10. Personal Characteristics

Category 3 : Development of Managing Director i.e. what are important strengths to be maintained by Managing Director? and What are the issues that Managing Director should be developed more in following year?

Data from the said assessment can be concluded as follows:

No.	Topic	Total Score	Average Score (Point)	Average Score (Percentage)
1	Leadership	24	20.40	85.00
2	Strategy Determination	24	20.40	85.00
3	Compliance with Strategy	24	20.40	85.00
4	Planning and Financial Performance	24	20.40	85.00
5	Relationship with the Board of Directors	24	20.40	85.00
6	Relationship with External Parties	20	17.00	85.00
7	Management and Relationship with Personnel	24	20.40	85.00
8	Succession	12	10.20	85.00
9	Product and Service Knowledge	16	13.60	85.00
10	Personal Characteristics	24	20.40	85.00
Total Score		216	183.60	85.00

The Remuneration Committee's meeting acknowledged the results of such assessment and gave opinion that the results were satisfactory, and notified Managing Director of issues that will help promote, develop, improve capabilities and strengths that should be maintained, and weaknesses that should be further improved for acknowledgment.

In addition, the Board of Directors has established guidelines to supervise the management and development of personnel. At present, the Company's directors represent 100% of the total number of directors or a total of 8 persons have completely passed training courses organized for directors, including Director Accreditation Program (DAP) organized by the Thai Institute of Directors.

During 2022, the Company's directors and executives who attended the trainings and study visits in various courses to increase knowledge and make use of it for the Company's business operations were as follows:

- Asso. Prof. Songklod Jarusombati, Chairman of the Nomination Committee, Member of the Audit Committee, Independent Director and Member of the Risk Management Committee** attended training course and study visit as follows:
 - Workshop "Effective Utilization of Wood from Precious Wood Community" at the "Inventor's Day" event for the years 2021 - 2022 on 2 February 2022, the National Research Council of Thailand.
- Mr. Paiboon Aroonprasobsuk, Independent Director**, attended training course and study visit as follows:
 - Course 'CSI Investment Strategy', Class 21/2022, organized by CSI Society Company Limited (Head Office) from September - November 2022.
- Mr. Pongpan Suriya-amporn, Accounting and Finance Director** attended training courses as follows:
 - Course 'Income under Financial Standard No. 15 and NPAEs No. 18' organized by Dharmniti Training and Seminar Co., Ltd.
 - Course 'Accounting Review Techniques to Efficiently Prepare Financial Statements, organized by Dharmniti Training and Seminar Co., Ltd.
 - Course 'Financial Fraud': Financial Fraud is Closer than You Think, Class 1/2022, organized by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King
 - Course 'Cyber Security Fundamentals', Class 2/2022, organized by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King.
 - Course 'Essence of Thai Financial Reporting Standards (TFRS) to be changed and effective in 2023, organized by the Stock Exchange of Thailand.
 - Course 'Digital Asset and Business Growth Opportunities (New S-Curve), organized by the Stock Exchange of Thailand.

There are totally 2 directors out of 8 directors and the aforementioned top executives participating in training courses or seminars to increase operational knowledge.

8.1.2 Meeting attendance and remuneration of individual committee

In 2022, the Company has set the schedule for the Board's meeting for the whole year of 2021 in advance, below table is subject to change, specifically, the meeting to certify financial statements according to the accounting period, as follows:

No.	Audit Committee Meeting	Board Meeting
1	24 February 2022	24 February 2022
2	13 May 2022	13 May 2022
3	11 August 2022	11 August 2022
4	10 November 2022	10 November 2022

At least 4 meetings must be held, in 2022, 7 meetings were held due to the duties and responsibilities of the Board of Directors in accordance with the goals and policies of the business growth, and to ensure thorough monitoring and supervision of operations, covering functions within the organization for appropriate responsibility to the shareholders. In each meeting, the Chairman of the Board will allow the directors, including the management at the meeting, to have the opportunity to propose or give opinions on issues that are beneficial to the Company at the meeting. In addition, Managing Director is also encouraged to consider and select high-level executives to attend the Board of Directors' meetings for presenting information and details of operations and for providing opportunities to high-level executives to continuously develop themselves as the future successors.

The Company Secretary Department will notify and send the agenda of the Board of Directors' meeting along with meeting documents at least 7 days in advance of the meeting date, to enable the directors to manage time for meeting attendance, and data preparation to consider or inquire in each agenda in advance.

The Board of Directors has a policy of holding meetings for non-executive directors so that they have opportunities to meet among themselves as necessary, discuss issues without the attendance of the management, suggest and notify Managing Director of the meeting results, in 2022, the Company held 1 meeting on 16 December 2022. The management acknowledged the conclusion of that meeting with important topics as follows: many non-executive directors has praised the management of executive team for their determination to adapt themselves to keep up with the situations and negative factors that may recently affect the operations such as war, higher oil prices, cost of living, higher inflation affecting cost and expenses of production and administration though the sales revenue did not significantly grow due to aforementioned situations. However, all relevant executive team and management could support situations well and continue to satisfactorily maintain sales volume.

In addition, the Board of Directors has also participated in holding the 2022 Annual General Meeting of Shareholders which is pre-scheduled on 21 April 2022; however, in 2022, none of Extraordinary General Meeting of Shareholders was held.

The information regarding the number of the Board's meetings, the number of attendance of each director for the Board of Directors' meetings during 2020 - 2022 and the annual general meeting of shareholders, is as follows:

Board of Directors

Name of Directors	2020		2021		2022		Percentage of attendance
	Number of meeting	Number of attendance	Number of meeting	Number of attendance	Number of meeting	Number of attendance	
1. General Terdsak Marom	13	13	8	8	9	9	100.00
2. Assoc.Prof.Dr. Montree Socratyanurak	13	13	8	8	9	9	100.00
3. Assoc. Prof. Songklod Jarusombat	13	12	8	8	9	9	100.00
4. Dr. Ekarin Vasanassong	13	12	8	8	9	9	100.00
5. Mr. Chalee Suksawad	13	13	8	8	8	8	100.00
6. Mr. Wanlop Suksawad	13	11	8	8	8	7	87.50

Name of Directors	2020		2021		2022		Percentage of attendance
	Number of meeting	Number of attendance	Number of meeting	Number of attendance	Number of meeting	Number of attendance	
7. Mr. Arak Suksawad	13	12	8	8	8	8	100.00
8. Ms. Tippawan Suksawad	8	8	-	-	-	-	-
9. Mr.Paiboon Aroonprasobsuk	5	5	8	8	9	9	100.00

Note : • Miss Tippawan Suksawad was appointed as a director according to the resolution of the 2019 Annual General Meeting of Shareholders on 22 April 2019 and resigned from this position on 13 July 2020.

- Mr. Paiboon Arunprasobsuk was appointed as a director and independent director according to the resolution of the Board of Directors Meeting No. 8/2020 on 14 July 2020 to replace the resigned director.
- In 2022, independent directors had more meeting attendance than executive directors 1 time due to the meeting of independent directors without the attendance of executive directors or management. The executive directors are Mr. Wanlop Suksawat, Mr. Chali Suksawat and Mr. Arak Suksawat.

Below shows the details of remuneration for the Company's directors and each sub-committee in 2020 - 2022, paid by the Company, but without the remuneration of the directors paid by the subsidiaries; however, the Company's independent directors shall not receive any remuneration from the Company, subsidiaries or subsidiaries in the same level.

1) Compensation in monetary form

In the 2022 Annual General Meeting of Shareholders held on 21 April, 2022, the meeting approved and determined the 2022 remuneration for directors as follow:

1. Monthly Compensation:

- Chairman of the Board 39,000 Baht per month
- Directors 29,000 Baht per month
- Chairman of the Audit Committee 34,000 Baht per month
- Audit Committee Members 29,000 Baht per month

Still the same rate as 2021

2. Meeting Allowance for Board of Directors and all sub committees: THB 12,000 / person / time (increasing 3,000 Baht per person per time) consisting of all committees as follows;

1. Board of Directors
2. Audit Committee
3. Risk Management Committee
4. Nomination Committee
5. Remuneration Committee

3. Bonus or Incentive: Consider from overall operational performance

4. Other types of remuneration are travel allowance, annual health check-up, health insurance, membership fee for golf club, sport club, or member club and warrant of Employee Stock Options (ESOP): - none-

The company approved and determined the remuneration for the directors amounted to not more than THB 9,000,000 increased which is the same remuneration rate as the year 2018 to 2022.

Note: As Corporate Governance Policy, the Company has set out and control the director and senior executive remuneration except salary and meeting allowance as above detail or as approved at the board's meeting. In the case of other remunerations over 1,000,000 Baht/person/year, it must be proposed to the Audit Committee's meeting for approval and declared the reason for such remuneration payment.

In 2021 and 2022, the Company paid remuneration to the Company's directors, and each sub-committee amounting to 4.92 million baht and 5.78 million baht, respectively, as a percentage when compared to the company's sales revenue equal to 0.32% and 0.41%, respectively, an increase of 0.09% compared to the Company's sales revenue.

Board's Remuneration and all sub-committees for the year 2020 - 2022 as shown below.

Board of Directors

Name	2020			2021			2022		
	Salary and Bonus	Meeting Allowance	Total	Salary and Bonus	Meeting Allowance	Total	Salary and Bonus	Meeting Allowance	Total
1. General Terdsak Marom	558,000	110,000	668,000	648,000	72,000	720,000	648,000	105,000	753,000
2. Assoc.Prof.Dr. Montree Socratyanurak	438,000	110,000	548,000	528,000	72,000	600,000	528,000	105,000	633,000
3. Assoc. Prof. Songklod Jarusombat	363,000	101,000	464,000	438,000	72,000	510,000	438,000	105,000	543,000
4. Dr. Ekarin V asanasong	363,000	103,000	466,000	438,000	72,000	510,000	438,000	105,000	543,000
5. Mr.Chalee Suksawad	288,000	110,000	398,000	348,000	72,000	420,000	348,000	93,000	441,000
6. Mr. Wanlop Suksawad	288,000	96,000	377,000	348,000	72,000	420,000	348,000	81,000	429,000
7. Mr.Arak Suksawad	288,000	103,000	391,000	348,000	72,000	420,000	348,000	93,000	441,000
8. Ms. Tippawan Suksawad	168,000	49,000	217,000	-	-	-	-	-	-
9. Mr.Paiboon Aroonprasobsuk	195,000	52,000	247,000	438,000	72,000	510,000	438,000	105,000	543,000
Total	2,949,000	827,000	3,776,000	3,534,000	576,000	4,110,000	3,534,000	792,000	4,326,000

Note : - Miss Tippawan Suksawat was appointed as a director according to the resolution of the 2019 Annual General Meeting of Shareholders on 22 April 2019 and resigned from this position on 13 July 2020.

- Mr. Paiboon Arunprasobsuk was appointed as a director and independent director according to the resolution of the Board of Directors Meeting No. 8/2020 on 14 July 2020 to replace the resigned director.

Audit Committee

Name	2020				2021				2022			
	Salary	Meeting Allowance	Bonus	Total	Salary	Meeting Allowance	Bonus	Total	Salary	Meeting Allowance	Bonus	Total
1. Assoc.Prof.Dr. Montree Socratyanurak	348,000	32,000	-	380,000	408,000	36,000	-	444,000	408,000	45,000	-	453,000
2. General Terdsak Marom	288,000	32,000	-	320,000	348,000	36,000	-	384,000	348,000	45,000	-	393,000
3. Assoc. Prof. Songklod Jarusombat	288,000	32,000	-	320,000	348,000	36,000	-	384,000	348,000	45,000	-	393,000
Total	924,000	96,000	-	1,020,000	1,104,000	108,000	-	1,212,000	1,104,000	135,000	-	1,239,000

Risk Management Committee

Name		2020	2021	2022
		Meeting Allowance	Meeting Allowance	Meeting Allowance
1. Assoc.Prof.Dr. Montree	Socatiyanurak	16,000	18,000	24,000
2. Assoc. Prof. Songklod	Jarusombat	16,000	18,000	24,000
3. Mr.Chalee	Suksawad	16,000	18,000	24,000
4. Mr.Arak	Suksawad	16,000	18,000	24,000
Total		64,000	72,000	96,000

Nomination Committee

Name		2020	2021	2022
		Meeting Allowance	Meeting Allowance	Meeting Allowance
1. Assoc. Prof. Songklod	Jarusombat	25,000	18,000	21,000
2. Mr.Chalee	Suksawad	25,000	18,000	21,000
3. Mr.Arak	Suksawad	25,000	18,000	21,000
Total		75,000	54,000	63,000

Remuneration Committee

Name		2020	2021	2022
		Meeting Allowance	Meeting Allowance	Meeting Allowance
1.Assoc.Prof. Dr. Montree	Socatiyanurak	16,000	18,000	18,000
2. Mr. Chalee	Suksawad	16,000	18,000	18,000
3. Mr. Arak	Suksawad	16,000	18,000	18,000
Total		48,000	54,000	54,000

8.1.3 Oversight of Subsidiaries and Associated Companies

The Board of Directors has applied a supervisory mechanism to enable them to control, supervise, manage and be responsible for the operations of the subsidiaries, and associated companies. At present, there are 6 subsidiaries and associated companies as follows:

Subsidiaries

1. VV Decor Company Limited in which the Company holds 99.95% of total shares
2. ECF Holdings Company Limited in which the Company holds 94.44% of total shares
3. ECF Power Company Limited in which the Company holds 99.99% of total shares
4. Planet Board Company Limited in which the Company holds 57.00% of total shares
5. SOMEWA Plaza Company Limited in which the Company holds 75.00% of total shares
6. V V RICH Company Limited in which the Company holds 99.97% of total shares

Associated Company

1. Green Earth Power (Thailand) Co., Ltd. (GEP) in which the Company holds 20% of total shares

For maintaining the benefits of the Company's investment, the Company assigned persons to be the Company's representatives to serve as the director and Managing Director in the subsidiaries, and the director in the associated company. The scope of authorities and duties of directors and managing director in the subsidiaries shall be same as the scope of authorities and duties of directors and managing director of the Company, the Company representatives

acting as directors in the subsidiaries and associated company shall take part in the formulation of policies that are important to the business operations, such as management, investment, etc.

The Company has assigned 3 directors to be the directors in subsidiaries No. 1 to 6 and 1 director to be the director in the associated company. In previous year, there was none of connected transaction with the size requiring the consideration and approval from the Audit Committee and the Board of Directors.

The Board of Directors has established the policies to supervise the operations of subsidiaries and associated companies, which can be divided into 3 main areas including: Management supervision policy, and financial control policy for the subsidiaries, associated company and the providing policy of shareholder agreement, as details stated in Section 1. Corporate Governance Policy, Practical Principle 3.6 and Practical Guideline 3.6, as follows:

The Board of Directors has set up a policy to supervise the operations of subsidiaries and joint ventures, which is divided into 3 (Three) main parts as follows:

1. Policy on management

- In terms of nominating persons to be directors in subsidiaries and joint ventures, the Company will send the person approved by the Board of Directors to be directors and executives in the subsidiaries and associate companies with minimum proportion according to the Company's shareholding in that subsidiaries and associated company. The director and executive to be nominated are required to have qualifications, roles, duties and responsibilities according to relevant laws and regulations.
- The directors and executives appointed according to the approval of the Board of Directors's meeting hold positions in the subsidiaries and associates have scope of main duties and responsibilities as determined by the Board of Directors and / or the shareholders' meeting of the subsidiaries or associated company. However, the appointed directors and executives must have a duty to oversee and maintain the Company's benefits and supervise to be consistent with the policy of the parent company.
- The Company's directors must ensure that the subsidiaries and joint ventures have adequate and appropriate internal control systems to prevent any fraud that may occur to the subsidiaries, joint ventures, as well as to control the subsidiaries, joint ventures to have a clear system to show that the system is adequate to continuously and reliably disclose important transaction information in accordance with the prescribed criteria. The Company's directors and executives are provided of channel to receive information for using in monitoring, supervising the performance and financial status, transactions between subsidiaries, joint ventures and directors including the management of subsidiaries, joint ventures and significant transactions with efficiency. In addition, the internal system audit team will be appointed or an external audit will be hired to audit the internal control system and the internal control system audit will be advised to report the result to the Board of Directors of subsidiaries and associated companies.
- Directors and executives of the subsidiaries that operate the core business must disclose and submit the information of their own interests and related persons to the Board of Directors to know the relationship and transactions with the Company in a manner that may cause conflicts of interest and must avoid the transactions that may cause conflicts of interest with the Company or subsidiaries. The Board of Directors of the subsidiaries has a duty to notify such matters to the Company's Board of Directors within the time specified by the Company in order to provide information for consideration or approval of any matter. The consideration will mainly take into account the common benefits of the Company and subsidiaries, including the compliance with laws, rules and regulations as stipulated by relevant regulators. However, the directors of the subsidiaries must not participate in approving any agenda in which they have gain and loss, or may have direct and indirect conflict of interest as well.
- The transactions between subsidiaries and directors, management or persons who may have conflicts of interest, must be considered and applied of rules for making connected transactions as required by the regulators.
- Directors, executives or persons who may have conflicts of interest will make the transactions with subsidiaries only when such loss transactions have been approved by the Company's Board of Directors without the attendance of directors who have gain and loss or the Company's shareholders' meeting based on the size

of transactions to be calculated. (as the case may be). The calculation of the transactions will be applied of criteria specified in the Notification of the Capital Market Supervisory Board and the Notification of the Board of the Stock Exchange of Thailand under the Notification of Connected Transaction Rules and / or any additional amendments currently enforced, unless it is a transaction of trade agreement in the same manner that a reasonable person should do with a general contract party in the same situation, with the bargaining power of trade that has no influence of being a director, executives or persons who may be related, as the case may be, and is a trade agreement approved by the Board of Directors or according to the principles approved by the Company's Board of Directors.

- The directors, executives, employees, employees or assignees of subsidiaries and joint ventures including their spouse or those who are living together as husband, wife, and underage children of such persons are prohibited to use the inside information of the Company and subsidiaries or associated company, either derived from the act of their duties or in any other way, that have or may have a significant impact on the Company, subsidiaries or associated company or the price of the Company's securities, for their own interest and other interests, whether directly or indirectly and whether or not they receive a return.
- The Board of Directors of subsidiaries, joint ventures must supervise the disclosure of other important information, such as capital increase, capital reduction, dissolution of the subsidiaries, etc. in order to inform the Board of Directors' meeting.

2. Policy to control the finance of subsidiaries and joint ventures

- The subsidiaries and joint ventures have a duty to deliver monthly, quarterly and annually operating results, financial statements (reviewed version and audited version) as well as information used in the preparation of such financial statements of subsidiaries and joint ventures to the Company, and the Company is allowed to use such information for the purpose of preparing consolidated financial statements or recognizing in accordance with the equity method, as the case may be.
- The subsidiaries and joint ventures are responsible for preparing budgets, spending, investments and operating results and a comparative summary between the expected numbers of budgets, spending, investments and operating results with the actual numbers and presenting the Board of Directors' meeting of the Company, subsidiaries and joint ventures to acknowledge and monitor the performance to be in accordance with the plan in order to report to the Company.
- The subsidiaries and joint ventures have a duty to report significant financial issues to the Company when they are detected or requested by the Company to conduct audits and reports.

3. The policy on contracting between shareholders (Shareholders' Agreement) or other forms of contracts that are substantially similar, the Board of Directors will ensure that such agreements are executed. In case of significant investment in other businesses with a shareholding proportion of 20% of voting rights but not over 50% to specify a clear agreement on management power and participation in important decisions, performance monitoring to be used as information in preparing the Company's financial statements in accordance with the standards and timely manner.

The Company has invested in the associated company namely Green Earth Power (Thailand) Co., Ltd. (GEP), through one of subsidiaries namely ECF Power Co., Ltd. which holds 20% of total shares of GEP. There is an agreement between shareholders with following key conditions:

1. GEP and GEP-Myanmar have a dividend payment policy of 90% of net profit after Mandatory Prepayment (MPP) in the ratio of 50% and the annual expense adjustments in that year.
2. After GEP is preparing itself to become a listed company in the Stock Exchange of Thailand, and an independent director has been appointed to the Board's structure of GEP, ECF-Power shall be entitled to nominate 1 director to hold the office until completing one year after the Commercial Operation Date (COD) of Phase No. 1 - 4 is completed, or when ECF-Power sells all its shares to other persons (whichever happens first)
3. In the event that the seller wishes to sell shares in GEP to another investor, ECF-Power has the right to order the seller to simultaneously sell ECF-Power shares to the said investor under the same agreement (Tag Along Right).

4. If any shareholder in GEP wishes to sell shares to outsiders, the Right of First Refusal shall be applied to grant rights of share purchase to all other shareholders first. Each shareholder can transfer shares to affiliated companies without the consent of other shareholders.
5. Until completing one year after the Commercial Operation Date (COD) of Phase No. 1 - 4 is completed, the Company shall maintain its control over the company by: 1) the total shareholding ratio of Mr. Chalee Suksawad, Mr. Arak Suksawad, and Miss Tippawan Suksawad, shall not be less than 25% of total shares, and their status of Single Largest Shareholder must be maintained; and 2. The Company shall have the control power over ECF-Power, either directly or indirectly.
6. ECF-Power is entitled to object (Veto) for reserved matters with details as specified in the Shareholder Agreement.
7. ECF-Power is required to follow the condition of Non-Competition in Myanmar, stipulating that ECF-Power hereby certifies that the Company Group shall not fully or partially invest with other parties, including on their own behalf or appoint any representative for the management or investment in any solar power plant business in Myanmar, unless obtaining written consent from other shareholders upon conditions specified in the agreement among shareholders first.

8.1.4 Monitoring to ensure the compliance with corporate governance policies and practices

The Company has placed the importance on the good corporate governance, determining the relevant policies and practices in the Company's corporate governance policy and business ethics, as well as promoting the actual practice to make all groups of stakeholders confident.

In 2022, the Company monitored to ensure the compliance with good corporate governance covering anti-corruption, ECF has joined the Thai Private Sector Collective Action Against Corruption (CAC) project by declaring its intention to join Collective Action Coalition of Thai private sector, and already submitted the application to the Thai Institute of Directors (IOD) which is the secretary general of the project committee in 2021. Later, in 2022, the Board of Directors has supervised and followed up on the submission of documents for certification to be completed within the specified time, the Company completely prepared the anti-corruption policy and the corruption risk management manual, and also prepared a self-assessment form to create the anti-corruption system, submitted documents to IOD to enter the certification process. ECF has been announced as one of the companies certified under Collective Action Coalition of Thailand's private sector on 30 December 2022.

The Company has prepared the risk management policy and plan for the Company's executives and employees to be used in responding and operating their duties under critical situations or events that may prevent the organization from continuous operations, or may affect the overall operational result and the Company's performance, to enable the Company to continuously and effectively operate, minimize the impact of damage or loss that may occur for efficient and systematic performance. The Risk Management Committee has added the new topic on the information technology risk management to supervise the management in the preparation and awareness of concrete risk prevention guidelines.

The Company also surveyed on human rights by providing customers and employees with questionnaire in order to find and assess the practical guideline that shall not violate the human rights of the Company's customers and employees. If any defect is found, the Company shall continue to find practical guideline for prevention and improvement to ensure the completeness in all issues.

In addition, the Company reviewed and improved the sustainability management policy, taking into account its alignment with business directions and strategies under the objective "Leading to the Company's sustainable development and growth with social and environmental responsibility and good corporate governance", as further details disclosed in Section 1, Topic 3, Driving Business for Sustainability.

For other important issues, the Company has monitored to ensure the compliance with the good corporate governance with following 4 issues:

1. Prevention from Conflict of Interest

The Board of Directors has established the policy to prohibit directors, executives and employees to not take the opportunity of being the Company's directors, executives or employees to seek for personal benefits. The policies and practical guideline are set out in the Company's Code of Conduct and details of monitoring to ensure the compliance with the said code.

For related transactions that may cause conflicts of interest by related transactions that may occur in the future. Directors must comply with various regulations that have been established and directors must not approve any transactions that they or persons who may have conflicts of interest in any other manner with the Company, and disclose such transactions, the Company must comply with the Securities and Exchange Act and the regulations, notifications, orders or requirements of the Stock Exchange of Thailand, and strictly comply with regulations relating to the disclosure of information on connected transactions and the acquisition or disposal of assets of the Company or subsidiaries and according to the accounting standards. In addition, the Company will not make related transactions with related companies that are not normal business operations of the Company and requires the directors to report their interests at least before considering the agenda of the Board's meeting, which will be recorded in the minutes of the Board's meeting. In the case that such director is unable to provide independent opinions, that director will be asked to refrain from participating in the meeting for considering that agenda.

In 2022, ECF reviewed the Report on Interest Form and data of persons who may have conflicts of interest for directors, executives, and controlling persons, and considered that now, the contents of this Report on Interest Form completely include all relevant data. The Company's directors and executives are required to annually report their own interests and those who may have conflicts of interest with the Company.

Regarding the connected transactions between the Company and persons who may have conflicts of interest in 2022, the Audit Committee reported their opinions to the Board of Directors that the connected transactions were reasonable, fair and at arm's length and the actual transactions are for the benefits of the Company, further information is provided in Topic 9 Internal Control and Related Transactions.

2. Use of Inside Information for Exploitation

The Company has taken care of the use of inside information in accordance with the law and the corporate governance policy prepared by the Company, the Insider Trading policy has been established and issued to protect the confidential information and information affecting the securities price, covering that the directors, executives, and employees related to confidential transactions, and employees of the Company and subsidiaries shall maintain the confidential information and/or inside information of the Company, not make a trading or accept the transfer of the Company's securities by exploiting the secret or inside information that has not yet been disclosed, be prohibited to buy or sell the Company's securities within the specified period, such as within 30 days before the disclosure and after the disclosure of such information through the system of the Stock Exchange of Thailand for not less than 24 hours, etc. The said policy shall be communicated across the organization for consistent understanding, to achieve the compliance. The said policy shall be announced and every employee has already signed the document to acknowledge and agree to comply with the policy.

In order to create a good practice, the Company shall require the supporting functions including: Company Secretary is responsible in always sending emails to remind directors, executives or persons with control power, staff or employees of the Company and its subsidiaries who are assumed to be a person who knows or possesses inside information and has to keep confidential and/or inside information of the Company and its subsidiaries, about the said guideline for at least 30 days prior to the date of the Board of Directors' meeting for approving the Company's financial statements.

In previous year, the Company's directors and executives had not purchased, sold, and transferred the Company's securities during the specified period of securities purchase, sale or transfer prohibition. In addition, if there is any transaction of purchase, sale, or transfer of securities of directors, executives, spouses, and minor children, the Company Secretary will collect and report to the Board of Directors' meeting on a quarterly basis when such transactions occur.

3. Anti-Corruption

The Company has placed importance on the improvement of internal management process to ensure the transparency in operations and verifiability, we always believe that doing business with honesty, integrity and accountability shall benefit the Company in gaining the trustfulness from customers, shareholders, and all groups of stakeholders. The Company has revised the anti-corruption policy in compliance with the Company's operational situation and has published the said policy through its website (www.eastcoast.co.th) and promoted to the Company's employees for acknowledgement. In addition, in previous year, the Company has participated in the Thai Private Sector Collective Action Against Corruption (CAC) Program and has been certified on 30 December 2022. The Company is communicating and publicizing the concept of anti-corruption to the Company's stakeholders by issuing letters to its business partners and customers to refrain from giving/receiving any compensation in forms of cash, things or gifts, as well as prohibit them to not receive/pay any bribes for the Company's business interests, and notify them the process allowing business partners and customers who are unfairly treated to complain and be resolved. In addition, all employees are continuously provided with meeting, training and communicated to acknowledge this anti-corruption policy and practices. In 2022, such training has been completely organized for all employees in Head Office, Klaeng District, Rayong Province, all permanent employees and Executives has been completely communicated and signed to acknowledge this anti-corruption policy and guidelines.

As for the actions to create a clear guideline, the Company has prepared a corruption risk management manual which has been considered and approved by the resolutions of the Risk Management Committee and the Board of Directors. The policy gives the details of duties and responsibilities, measures to determine the control environment, corruption risk assessment, mechanism for reporting incidents or whistleblowing punishment and remedy, review and revision of risk management manual, etc.

The Company has established the guideline for accepting complaints as well as whistleblowing about any offense or act appeared to be a misconduct and corruption of the Company's personnel against related persons and the Company that will cause any damage to the Company.

The Company's directors, executives and employees at all levels shall not neglect or ignore any act that are considered the corruption related to the Company, and shall notify the supervisor or the person in charge, as well as cooperate in the inspection and investigation of facts. In addition, the Company has also provided channels for receiving complaints from third parties.

The Company shall provide the employees who reject corruption or report the corruption with fairness and protection, they shall not be demoted, punished or provided of negative effects, and the Company shall keep the confidentiality of those involved in the investigation of any corruption act.

In 2022, the Company assessed the corruption risk and found that no corruption risk classified as a material risk to the business was found. The Company has established the guidelines for internal control systems for information system and documentation system with check and balance audit, including working processes to achieve supervision and control for prevention. In addition, previous corruption risks are monitored, or potential corruption risks are analyzed and assessed, then it was found that the internal control is adequate. In 2022, none of any complaint about corruption behaviors, illegal behaviors, corruption, unethical conduct of the Board of Directors, executives and employees which significantly affect in the Company were received.

4. Whistle Blowing

ECF has established the whistle blowing policy and procedure ("Policy") as a tool to enable ECF to receive complaints from both internal employees and external parties about corruption, infringement or non-compliance with laws, the Company's rules and regulations, and business ethics which may lead to damages to the Company's properties, image and reputation. This policy will be beneficial and may be further adjusted to be consistent and appropriate to the circumstances, such policy has stipulated the policy to protect and provide fairness to stakeholders and employees who report the information or are whistleblowers of corruption, infringement or non-compliance with laws, the Company's rules and regulations, and business ethics.

In 2022, ECF did not received any complaints of corruption, infringement or non-compliance with laws, the Company's rules and regulations, and business ethics, or there was no case of negative reputation of the Company due to the management of the Company's Board of Directors and executives, and there was no case where any director, including executive directors, non-executive directors, top executives resigned due to lack of good corporate governance policy or sufficient and appropriate internal control system. ECF has also none of any legal disputes regarding labor and related to business operations with all stakeholders.

8.2 REPORT ON THE PERFORMANCE OF THE AUDIT COMMITTEE IN PREVIOUS YEAR

8.2.1 Number of meetings and attendance of each member of the Audit Committee

Name of Members		2020		2021		2022	
		Number of meeting	Number of attendance	Number of meeting	Number of attendance	Number of meeting	Number of attendance
1. General Terdsak	Marom	4	4	4	4	4	4
2. Assoc.Prof.Dr. Montree	Socatiyanurak	4	4	4	4	4	4
3. Assoc. Prof. Songklod	Jarusombat	4	4	4	4	4	4

8.2.2 Performance of the Audit Committee

The Company's Audit Committee consists of 3 independent directors who are knowledgeable, competent, and experience in specific fields, with full qualifications according to the regulations of the Stock Exchange of Thailand. They are independent in performing their duties in accordance with the Audit Committee Charter, as following namelist:

- | | | |
|-----------------------------|---------------|---|
| 1. Assoc. Prof. Dr. Montree | Socatiyanurak | Chairman of the Audit Committee/ Independent Director |
| 2. General Terdsak | Marom | Audit Committee/ Independent Director |
| 3. Assoc. Prof. Songklod | Jarusombat | Audit Committee/ Independent Director |

In 2022, the Audit Committee held totally 4 meetings with the number of Audit Committee members attending as required to make a quorum. Other participants including the Certified Public Accountant, and internal control system auditors also attended every meeting with the Audit Committee, in order explain the facts, accounting audit results with evidence and information supporting the presentation in each quarter. Additionally, the Audit Committee invited the Company's executives to attend the meeting to share in clarification on some related issues which are important.

The Audit Committee strictly held the meetings in compliance with with the Audit Committee Charter approved by the Board of Directors, the results of each meeting have been reported in summary for their performance with the recommendations deemed useful for the management to the Board of Directors for acknowledgment, as following summary:

- Quarterly review the quarterly financial statements and annual financial statement for the year 2022 before proposing to the Board of Directors to ensure that the financial reports, accounting entries of the Company and its subsidiaries have been accurately and appropriately prepared according to the accounting standards and legal requirements, the information is adequately disclosed in the notes to the financial statements, as well as to consider quarterly analysis of financial statements on significant issues to ensure that the process of preparing financial statements and disclosing important information is accurate, reliable and in accordance with accounting standards based on generally accepted accounting principles. The Audit Committee is of the opinion that the Company's financial reports have been prepared in accordance with generally accepted accounting principles, are accurate as it should be reliable, and the use of accounting policy is reasonable.

- Review the adequacy of internal control system and internal audit system, the Audit Committee is of the opinion that both systems are effective and appropriate without significant faults, and the internal audit unit is independent, and simultaneously consider and approve the internal audit plan for the year 2022, which will be an audit and follow up on the amendments as previously suggested. For some additional improvements on some non-significant issues, the Audit Committee has set a time frame for the Company to complete the correction as soon as possible. In 2022, the key issues highly prioritized by the Audit Committee under the situation of COVID-19 outbreak, war, inflation and current economic situation are the follow-ups on payments and management of trade receivables which are required to find ways to make the debt collection period lesser than before, and corruption prevention.
- In 2022, the Board of Directors considered and approved the Charter of the Audit Committee regarding the scope, authority and responsibilities, by adding Item 2. as follows: "The Audit Committee is authorized to consider, select and nominate an independent person to be the Company's Auditor, to determine the remuneration of the Company's Auditor, to attend at least 1 meeting per year with the Auditor without the attendance of the management, and to propose the termination of external Auditor."
- Review the compliance with rules, regulations and policies in accordance with the Securities and Exchange Act, regulations of the Stock Exchange of Thailand, and laws related to the Company's business. The Audit Committee is of the opinion that the Company has properly complied with the laws.
- Review the connected transactions or transactions that may have conflicts of interest, the Audit Committee is of the opinion that the connected transactions are reasonable, fair and at arm's length, and for the benefit of the Company and comply with the rules and regulations of the SEC Office, the Stock Exchange of Thailand, and such transactions have been fully disclosed in the notes to the financial statements.
- Review the risk management, audit reports and assessment of the risk control system, as well as exchange opinions with senior management. The Company will hold at least 2 meetings per year to consider the risks that may occur in business operations. In 2022, the Risk Management Committee held 2 meetings. In order to control and prevent potential risk factors, impacts, and recommend the measures to prevent or mitigate the significant risks, in 2022, the Company focused on 9 areas of risk management as follows:
 1. Operational Risk
 2. Risk of Finance and Exchange Rate
 3. Production Risk
 4. Risk of New Customers and Reliance on Existing Customers
 5. Risk of Fire Inside the Factory and Application for Insurance
 6. Compliance Risk
 7. Risk of Investment and Business Operations of Subsidiaries and Associated Companies
 8. Risks from anti-corruption
 9. Information Technology Risk

In previous year, the Audit Committee considered that the Company's risk management system is adequate and no risk in any aspect that may has a significant impact on the Company's performance was appeared.

- The selection of accounting auditor has considered the performance of the auditors in previous year, taking into account independence, reputation, credibility, ability of review, audit and certification for financial statements, in which the auditor could consistently achieve in a timely manner. The Audit Committee agreed to propose to the Board of Directors for approval to propose in the shareholders' meeting. Mr. Akadet Pliensakul Certified Public Accountant Registration No. 5389 from M.R. & Associates Company Limited has been appointed as an independent auditor and approved by the Office of the Securities and Exchange Commission for the accounting year 2021, with the total remuneration not exceeding the amount requested for approval, in this year, the auditor will have a period of working as the Company's Auditor for 6 years in total.
- In 2022, all member of the Audit Committee had an opinion that the Audit Committee has sufficiently and completely performed its duties in accordance with the Audit Committee Charter.

For the Scope of Authority, Duties and Responsibilities in Corporate Governance

In 2022, the Audit Committee performed the duties in corporate governance with the attendance statistics and the number of meetings in line with the meetings of the Audit Committee.

The Audit Committee performs the duties in accordance with the Charter specified in accordance with the scope of authorities, duties and responsibilities in corporate governance by supervising the preparation and review of corporate governance policy, anti-corruption policy, sustainability policy, and related practices, including business ethics, ethics in conducting businesses and guidelines for good corporate governance to be proposed to the Board of Directors. The Audit Committee has also planned to review related policies at least once a year to ensure the continuity and up-to-date as required by the relevant regulatory authorities, supervised the communication, actually implemented the policies inside the organization, and supervised the appointment of appropriate functions or personnel to take care and monitor the actual implementation of policies and measures.

In 2022, ECF notified all directors, executives and employees and asked them signing on the policy document and manuals provided by the Company for acknowledgement.

Additionally, ECF has progressed in anti-corruption by obtaining the approval from the Thai Private Sector Collective Action Against Corruption (CAC), on 30 December 2022 and communicated, acknowledged, attended the training, and had evidence of signatures of all policies related to the Company for their acknowledgement based on the checklist of the self-assessment form to establish the anti-corruption system under the CAC program.

8.3 SUMMARY OF PERFORMANCE OF OTHER SUB-COMMITTEES

8.3.1 Number of meetings and attendances of each sub-committee member

Risk Management Committee

Name of Members		2020		2021		2022	
		Number of meeting	Number of attendance	Number of meeting	Number of attendance	Number of meeting	Number of attendance
1. Asso.Prof.Dr. Montree	Socatiyanurak	2	2	2	2	2	2
2. Asso. Prof. Songklod	Jarusombat	2	2	2	2	2	2
3. Mr.Chalee	Suksawad	2	2	2	2	2	2
4. Mr.Arak	Suksawad	2	2	2	2	2	2

Nomination Committee

Name of Members		2020		2021		2022	
		Number of meeting	Number of attendance	Number of meeting	Number of attendance	Number of meeting	Number of attendance
1. Assoc. Prof. Songklod	Jarusombat	3	3	2	2	2	2
2. Mr.Chalee	Suksawad	3	3	2	2	2	2
3. Mr.Arak	Suksawad	3	3	2	2	2	2

Remuneration Committee

Name of Members	2020		2021		2022	
	Number of meeting	Number of attendance	Number of meeting	Number of attendance	Number of meeting	Number of attendance
1. Assoc.Prof.Dr. Montree Socatayanurak	2	2	2	2	2	2
2. Mr.Chalee Suksawad	2	2	2	2	2	2
3. Mr.Arak Suksawad	2	2	2	2	2	2

8.3.2 The performance results of the said sub-committees assigned by the Board of Directors

Risk Management Committee

The Risk Management Committee of the Company consists of 4 members, performing duties in accordance with the Risk Management Committee Charter, namely:

- | | |
|---|---|
| 1. Assoc. Prof. Dr. Montree Socatayanurak | Chairman of Risk Management Committee/ Independent Director |
| 2. Assoc. Prof. Songklod Jarusombat | Risk Management Committee / Independent Director |
| 3. Mr. Chalee Suksawad | Risk Management Committee |
| 4. Mr. Arak Suksawad | Risk Management Committee |

In 2022, the Risk Management Committee held totally 2 meetings with the number of Risk Management Committee members attending as required to make a quorum. Other participants including the Assistant Managing Director and Accounting and Finance Director who are the management level, also attended the meeting with the Risk Management Committee, in order explain the facts, risk management results with evidences and information showing the operation progress to support the presentation in each meeting.

The Risk Management Committee strictly held the meetings in compliance with with the Risk Management Committee Charter approved by the Board of Directors, the results of each meeting have been reported in summary for their performance with the recommendations deemed useful for the management to the Board of Directors for acknowledgment, as following summary:

- Review the risk management, report the result of risk management and the evaluation of risk control system.
- In 2021, the Company focused on the risk management as following summary:
- Operational Risk: At present, ECF could sufficiently and appropriately manage the risk that may arise from the operations and also prevent and address various risks commented in 2022.
 - Risk of Finance and Exchange Rate: In 2022, ECF has continued to focus on debt management issue as usual, and requested the responsible functions to speed up the follow-ups, demand debt to continuously reduce debt collection period and reduce the amount of long overdue debts as soon as possible. In terms of exchange rate, the Company has considered and prepared the contract for hedging foreign exchange risk to accommodate the possible fluctuations in the currency values, and also considered to find ways for continuously reducing financial costs and stocks.
 - Production Risk: ECF has the policy to continuously reduce the production costs and expenses, in 2022, the results were seen through the operating figures reflecting a better direction than before.
 - Risk of New Customers and Reliance on Existing Customers: At present, ECF's Marketing Department has been assigned the policy on the expansion of customer base to other countries in order to reduce the dependence on customers in Japan which currently accounts for the largest proportion of foreign customers, the Company also has a direction to expand the domestic customer base.
 - Risk of Fire Inside the Factory and Application for Insurance: the plan is followed.

6. Compliance Risk: the plan is followed.
 7. Risk of Investment and Business Operations of Subsidiaries and Associated Companies: the plan is followed, the directors, executives and teams assigned by the Company attended the meetings of the Board, the working groups of subsidiaries and associated companies in order to continuously acknowledge business movement and progress. However, in terms of investment in solar power plant projects, despite the delay due to the unrest situation in Myanmar and the outbreak of COVID-19, at present, the project has resumed its construction as planned again, and is under the process of accelerating the construction for Phases 2 - 4 to be completed as soon as possible.
 8. The Company has considered the importance of providing guidelines for preventing IT risks that may occur inside the organization. In 2021, the Company has established the policy for this risk and communicated to relevant agencies for acknowledgement and actual implementation.
 9. In terms of risks and treatments to society and environment: At present, no risks that may significantly affect business operations were found, but the Company's business operations will focus on guidelines to be in line with the sustainability management policy and goals as the Board of Directors gives direction.
 10. Emerging Risks: At present, none of risks that may significantly affect the business operations were found. However, ECF has continuously monitored the forecast of new risk factors that may occur and affect the Company's business operations.
- For 2022, all members of the Risk Management Committee have an opinion that the Risk Management Committee has sufficiently and completely performed its duties in accordance with the Risk Management Committee Charter.

Nomination Committee

The Nomination Committee of the Company consists of 3 directors, having Assoc. Songkrod Jarusombuti who is an independent director acting as the Chairman of the Nomination Committee. The Nomination Committee has performed its duties in accordance with the Nomination Committee Charter, including as assigned by the Board of Directors with prudence, transparency and fairness; and improved the operating guidelines to cover in line with the Company's business policies and strategies as well as to realize the best interests of shareholders and stakeholders. In 2022, the Nomination Committee held a total of 2 meetings, considering following important matters:

- Consider the appointment of directors to replace those who shall retire with information supporting the consideration; select a person who is fully qualified and suitable according to the laws, Articles of Association, the Public Limited Companies Act B.E. 2535 (1992), Notifications of the Securities and Exchange Commission and of the Capital Market Supervisory Board and related notifications of the Stock Exchange of Thailand, the Company's principles of Corporate Governance, as well as appropriate knowledge, skills, experience to be able to respond to the Company's operational strategies.
- Consider and review the composition of the Board (Board Skill Matrix) to know the composition of the current Board of Directors, and to be used as criteria for the selection of new directors, taking into account the components of skills, knowledge, expertise. and experience of the Board of Directors to be diverse, modern and suitable for the Company's business with the realization of driving the organization towards the goals as set.
- Consider and acknowledge the results of the performance evaluation of all sub-committees.
- Consider and propose the evaluation results and guidelines for developing and improving the operational efficiency to the Board of Directors.
- Consider and acknowledge the guidelines from the Managing Director for reporting on the results of the succession plan.

In addition, in 2022, the Board of Directors has provided the minority shareholders with the opportunity to nominate persons deemed appropriate to be selected as directors. It was appeared that no shareholders nominated persons to participate in the selection process at the 2022 Annual General Meeting of Shareholders.

Remuneration Committee

The Company's Remuneration Committee consists of 3 members, performing duties in accordance with the Remuneration Committee Charter, namely:

- | | | |
|-----------------------------|---------------|------------------------------------|
| 1. Assoc. Prof. Dr. Montree | Socatiyanurak | Chairman of Remuneration Committee |
| 2. Mr. Chalee | Suksawad | Remuneration Committee |
| 3. Mr. Arak | Suksawad | Remuneration Committee |

In 2022, the Remuneration Committee held a total of 2 meetings, with the number of Remuneration Committee members attending as required to make a quorum.

The Remuneration Committee strictly held the meetings in compliance with with the Remuneration Committee Charter approved by the Board of Directors, as following summary:

1. Consider and review the remuneration payment for the year 2021 for the Board of Directors, and all sub-committee for remuneration consideration and proposal based on the Company's operating results in the past year, the performance and responsibilities of directors, the number of subsidiaries and associated companies according to the business structure, the benefits provided to the Company by the performance of directors. The remuneration information as preliminarily determined shall be compared and referred to the summary result of survey with directors and executives of listed companies in terms of directors' remuneration, classified by business group, income and securities prices based on market price, the said survey was conducted by the Research and Policy Department, Thai Institute of Directors, for the year 2020, and the report was issued in December 2020. The said report shall be prepared by relevant agencies every 2 years.
2. Consider and determine the policy on the evaluation criteria for the performance evaluation of Managing Director, acknowledge the evaluation result and determine the Managing Director's remuneration for the year 2021. The evaluation will take into account various factors such as the success of organization, factors in terms of management ability and leadership, together with the consideration of the Managing Director's evaluation made by all independent directors as supporting information for the consideration of the Remuneration Committee. In 2022, the performance appraisal form was slightly revised to be more detailed in the appraisal.

8.4 DETAILS OF THE IMPLEMENTATION OF THE COMPANY'S SHAREHOLDERS' MEETING IN 2022

In addition to the basic rights provided to shareholders by the Company. In 2022, the Company has promoted the exercise of shareholders' rights, the Board of Directors has scheduled the annual general meeting of shareholders within 4 months from the end of the Company's accounting period or no later than 30 April every year. In 2022, the Company held the 2022 Annual General Meeting of Shareholders on Thursday, 21 April 2022 at 10:00 hrs. by means of electronic meeting (E-AGM) based on the rules prescribed by law regarding electronic meeting (E-AGM) to consider the agenda in the Annual General Meeting of Shareholders according to relevant laws. The said meeting has taken into account the guidelines prescribed by the Board of Directors, to be implemented on the shareholders' meeting date and adhered every year

ECF announced an invitation to minority shareholders to propose any issues for the consideration of the Board of Directors to include in the meeting agenda, nominate qualified persons to be elected as directors, and propose questions in advance for the 2022 Annual General Meeting of Shareholders, the invitation letter was disseminated to all shareholders together with relevant details on the Company's website at www.eastcoast.co.th under the menu titled "Investor Relations", all shareholders can propose issues in agenda, nominate persons to be elected as directors from 29 October 2021 - 31 December 2021; and could propose the questions in advance from 29 October 2022 - 31 March 2022 however, none of any shareholders proposed issues in agenda, nominated persons to be elected as directors and sent any questions in advance.

In addition, in terms of meeting style, the Company has taken into account the convenience of all shareholders to equally attend the meeting, is aware of the health and safety of shareholders under the epidemic situation of COVID-19 and has used the meeting management service of Quid Lab Co., Ltd., which is a system that complies with the Notification of Ministry of Digital Economy and Society RE: Standards for Maintaining Security of Meetings via Electronic Means B.E. 2563 (2020), and is also certified of the meeting control system by the Electronic Transactions Development Agency (ETDA).

8.5 DETAILS OF MEASURES TO PREVENT THE USE OF INSIDER INFORMATION

The Board of Directors oversees the use of insider information in accordance with the laws and principles of good corporate governance, the policy to prevent and supervise the use of insider information has been established in writing to prevent the use of this information for the trading of the Company's securities or seeking unlawful benefits. The materiality of the policy is summarized as follows:

1. The Company's directors, executives or persons with controlling power, staff or employees and its subsidiaries are assumed as persons who know or possess insider information, must keep it confidential and/or internal information of the Company and its subsidiaries.
2. If any director, executive or person with controlling power, staff or employees of the Company and of its subsidiaries behaves as follows
 - Buying or selling securities or entering into futures contracts related to securities either for themselves or others; or
 - Disclosing insider information to others, either directly or indirectly, and by any means with or without knowing that the recipient may use such information for the purpose of buying or selling securities or entering into futures contracts related to securities, either for themselves or others. He/She shall be liable to imprisonment for not exceeding 2 years or a fine from THB 500,000 to 2 millions or both (or imprisonment for not exceeding 5 years or a fine from THB 1 million to 5 millions or both) unless it is the act in a manner that does not take advantage of other persons or in a manner announced and specified by the Securities and Exchange Commission.
3. This policy is also effective to spouse and minor child(ren) of directors, executives or persons with controlling power, staff or employees of the Company and of its subsidiaries, the directors, executives or persons with controlling power (including their spouses and minor children) of the Company and of its subsidiaries, who know the insider information, are prohibited to purchase or sell the Company's securities within 30 days prior to disclosure and after 24 hours of disclosure of quarterly financial statements, annual financial statements, and any transactions that are waiting to be presented to the next Board of Directors' meeting, which may affect the price of the Company's shares or securities. In addition, they are also prohibited to disclose such information to others, either directly or indirectly, with or without intention.
4. The directors and executives have a duty to prepare and submit reports on the holding of the Company's securities by themselves, by their spouses or those living together as husband and wife, minor children and juristic persons which have a duty to report spouses or those living together as husband and wife or minor children on their holding shares in total for more than 30% of the total number of voting rights and having the highest shareholding in that juristic person, to the Office of the Securities and Exchange Commission (SEC Office) under Section 59. Any director and newly appointed executive must report within 7 business days from the date of change in securities holding and within T+3 business days from the date of purchase, sale, transfer or acceptance of transfer of the Company's securities.

5. The Company Secretary must quarterly report in the Board of Directors' meeting on the purchase-sale of shares or the holding of the Company's securities of the directors in case of any changes, for acknowledgement.

In 2022, the Company Secretary Department sent e-mail to related persons to notify about the blackout period in advance and none of any director, executive or related employee was found to trade securities during the period the Company required to suspend the trading of any securities. In addition, totally 2 days when the Company's directors traded the Company's securities, which are 12 January 2022 and 31 March 2022. However, the inspection found that the Company's policy is accurately and completely complied.

ECF educated the directors, executives and employees and asked them to sign for acknowledgment and agreeing to comply with such policy. Presently, 100% of the Company's directors and executives signed for acknowledgment and 100% of full-time employees out of the total number of employees classified as being able to obtain the Company's insider information also signed for acknowledgment.

The Company has no case of fines, accusations, or civil actions by regulatory authorities such as the Securities and Exchange Commission (SEC) or the Stock Exchange of Thailand in involving in securities trading or relating to any fraud that the Company's directors or executives use insider information.

8.6 DETAILS OF MEASURES TO PREVENT THE CONFLICTS OF INTEREST / ETHICS OF BUSINESS OPERATIONS / BUSINESS ETHICS FOR THE COMPANY'S DIRECTORS, EXECUTIVES AND EMPLOYEES

The Company requires the details of monitoring to ensure the compliance with the policy to prevent the conflicts of interest, this is one of the policies specified in the written ethics of business operations, and business ethics for the Company's directors, executives and employees. The Company also requires such documents as one of important documents to be signed by all directors, executives and employees for acknowledgment before starting working as the Company's personnel, all employees already signed for acknowledgment.

In 2022, none of any offense as specified in the conflict of interest prevention policy, ethics of business of operations and business ethics for the Company's directors, executives and employees was found, and there was none of connected transactions that are subject to the disclosure or approval of the shareholders' meeting in accordance with the regulations of the Office of the Securities and Exchange Commission. Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand before entering into the transaction.

Besides, there was none of any violation or incompliance with the rules relating to the related party transactions and asset trading which resulted in a fine, accusation, or civil action by regulatory authorities such as the SEC or the Stock Exchange of Thailand,

REPORT ON THE RESPONSIBILITIES OF THE BOARD OF DIRECTORS ON FINANCIAL REPORTS

Dear All Shareholders,

The Board of Directors of East Coast Furnitech Public Company Limited ("the Company") has prioritized the duties and responsibilities in supervising the Company's businesses in accordance with the policy of good corporate governance. Both financial statements and financial information appearing in the Annual Data Form / Annual Report (Form 56-1 One Report) are prepared in accordance with the generally accepted accounting principles, which is accurate, complete, and adequately disclosed in the notes to the financial statements, the accounting policies are appropriately used, consistently practiced, with careful discretion to be beneficial and transparent to shareholders and general investors.

The Board of Directors has established the risk management system, provided and maintained an appropriate and efficient internal control system to create reasonable assurance on the credibility of the financial statements. The property custody has a good protection system without any fraudulent transactions or unusual operations while the related parties' transactions did not cause any conflicts, the trade conditions are normal business practices, reasonable, with utmost interest of the Company, and relevant rules and laws are also complied. The Board of Directors appointed the Audit Committee to review accounting policies, the quality of financial reports and internal control system, internal audit, risk management system, and report the performance to the Board of Directors, the opinions on this issue are also recorded in the reports of the Audit Committee and the Risk Management Committee which appear in this Form 56-1 One Report.

The Board of Directors expressed an opinion that in overall, the Company's internal control system is at a satisfactory level, sufficient and appropriate, provides reasonable confidence in the reliability of the consolidated and separate financial statements of the Company as of 31 December 2022, in which the Company's Auditor audited in accordance with the generally accepted accounting standards and expressed an opinion that the financial statements show the accurate financial position and performance as deemed material Based on the financial reporting standard.



(General Terdsak Marome)
Chairman of the Board



(Mr. Arak Suksawad)
Managing Director



9. INTERNAL CONTROL AND RELATED PARTY TRANSACTIONS

9.1 INTERNAL CONTROL

The Company gives precedence to the internal control system both of executive and operation levels for the efficient and effective operation of all levels. At the Board of Directors Meeting of the Company No. 1/ 2022 on 24 February 2022, all audit committee members attended the meeting. The Board of Directors assessed the adequacy of the Company's internal control system in five areas in accordance with Internal Control System Adequacy Assessment Form, including Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities.

9.1.1 Adequacy and Appropriateness of the Company's Internal Control System

The Audit Committee was of the opinion that the Company has the appropriate and adequate internal control system regarding the transactions with major shareholders, directors, executives or persons related to such persons for the Company's business operation. The consideration of such transactions mainly focused on fairness, reasonability and the best interests of the Company, and the said transactions were regarded as if the transactions with a third party. However, the approval of such transactions was performed by the non-stakeholders in such transactions only furthermore.

For implementation of the internal control system of the Company, the Company set up the Audit Committee to review in order to ensure the appropriate, adequate and efficient internal control system and operating system of the Company. The Audit Committee shall review the adequacy of internal control system and operating system of the Company and its subsidiaries in total of 5 areas, consisting of internal control, risk assessment, operating control, information system and data communication, and monitoring system, in collaboration with the Company's operation in accordance with the Securities and Exchange Law, the requirements of Stock Exchange, and the laws related to the Company's business operation. In the opinion of the review to the Board of Directors, the Board of Directors deemed that the internal control system of the Company and its subsidiaries is adequate and appropriate.

The Company has established the Internal Audit Unit to perform the duties in the Company and attended the meeting with the Audit Committee in order to report the arisen internal audit results. The members of the Internal Audit Unit include Miss Pimrumpai Boonchana together with the third party, ACCPLUS Consultants Co., Ltd., which has been hired by the Company, and Miss Wanna Maluangnon (Managing Director, ACCPLUS Consultants Co., Ltd.) acts as Chief of Internal Audit. to perform the duties of auditing and preparing internal control audit system of the Company in order to enhance check and balance of every department's operation. The Company has commenced the hire of ACCPLUS Consultant Co., Ltd. since Q3/2011. The Company has provided the adequate personnel for the efficient systematic execution, and established the internal control system regarding monitoring, controlling, and supervising the operation of the subsidiaries and associates in order to ensure the ability to protect the properties of the Company, its subsidiaries, and associates, from the misuse or authorized usage of the directors or executives.

9.1.2 Faults of Internal Control System

In 2022, the significant findings greatly focused on by the Board of Directors are not changed, they are the receipt of payment and account receivables management which are necessary to find ways to make the debt collection period shorter than ever and strictly follow up. The customer groups which always have this problem are retail stores and wholesale stores nationwide due to war, inflation, the rising cost of living, these may be important factors affecting the financial position or liquidity of some customers.

In addition, the Board of Directors has approved many important policies to support the application for certification as the member of the Private Sector Collective Action Coalition Against Corruption. ECF prepared a self-assessment form with 71 items, consisting of important and relevant policies, such as anti-corruption policy, business ethics review, ethics in business operations and related practices, internal control form supporting such policies. All policies and supporting documents are essential to the enhancement of the Company's internal control system to be concise, effective and help prevent

potential corruption problems. At present, ECF has been approved of such certification.

9.1.3 Opinions of the Audit Committee in Case of Different Opinions from the Opinions of the Board of Directors or the Auditor with Observations on Internal Control

The Audit Committee has had indifferent opinions from the opinions of the Board of Directors or the auditor at all. Please consider the additional detail in Attachment of the Report of the Audit Committee.

In addition, the Company's auditor, namely Mr. Akaradej Pliensaku, as the auditor of quarterly financial statements and for the year 2022, notified to the Audit Committee No significant deficiencies in the Company's internal control system were found from the audit of the financial statements for the year 2022.

9.1.4 Opinions of the Audit Committee on the Office Holder of Chief of Internal Audit

In the opinion of the Audit Committee, the officer holder of Chief of Internal Audit has been governed to have the appropriate and adequate educational background, experiences, and trainings for the said duty performance.

At the Audit Committee's Meeting held on 14 August 2021 No. 3/2021, Miss Pimrumpai Boonchana, has been appointed to act for The Chief of Internal Audit, who is the internal personnel of the Company since 15 August 2021 because she is experienced in operation in internal audit, and well acknowledge the internal control system of the Company, and understand the Company's activities and operations. Therefore, it was deemed that she is suitable to enable to appropriately and adequately perform the said duty, and perform the work of Chief of Compliance

Department in order to govern the work performance in accordance with the set of regulations of the official agency that governs the Company's business operation.

In addition, the Company has also concurrently hired the third party, ACCPLUS Consultants Co., Ltd., whereas Miss Wanna Maluangnon (Managing Director, ACCPLUS Consultants Co., Ltd.) acts as Chief of Internal Audit of the Company.

The Audit Committee has considered the qualifications of ACCPLUS Consultants Co., Ltd., and Miss Wanna Maluangnon, and deemed to be adequately appropriate for the said duty performance as she is independent and experienced in operating the internal audit in various types of businesses and industries for over 20 years period. In addition, she has been trained in the programs related to work performance of internal audit, for instance, Risk Management Program for Corporate Leader (RCL5/2016) by Thai Institute of Directors (IOD), Internal Audit Training Program on Fraud Audit, organized by the Federation of Accounting Professions, etc. The Company has also appointed Chief of Internal Audit who is the Company's personnel to perform the duty to coordinate with the outsourcing auditor.

9.1.5 Appointment, Removal, and Transfer of the Office Holder of Chief of Internal Audit

The appointment, removal, and transfer of the office holder of the the Chief of Internal Audit shall be approved by the Audit Committee.

9.2 RELATED PARTY TRANSACTIONS

The details of the related party transactions of the company and the persons who may have conflict of interest occurring in 2020, 2021 and 2022 is as follows.

Person who may have conflict of interest	Nature of Relationship	Nature of Transaction	Value of Related Party Transaction (Million Bant)			Necessity and Reasonableness
			Year 2020	Year 2021	Year 2022	
1. Index Living Mall Public Company Limited (ILM)	Director of Index Living Mall is spouse of Mr. Arak Suksawad who is in the position of shareholder, director, authorized signatory director, and executive of Company	Sales of Products: The Company sells particle board furniture to Index Living Mall since September 2012.	9.02	12.91	42.27	- The Company sells particle board furniture to Index Living Mall since September 2012. The pricing based on the criteria for considering the pricing of the Company is fair and at arm's length basis.
		Trade Receivables: Index Living Mall has the accrued balance of product payment whereas total of the said debt has not yet been due for payment.	2.69	4.30	26.14	
		Advertising expenses to participate in product promotion	None	None	0.26	- Due to the Company's production of some models of furniture products for Index Living Mall, therefore, it has been necessary for purchasing PVC paper foil and edge to be used as raw materials in manufacturing furniture for the Group of Index Living Mall. Meanwhile, the Company sells paper foil to ILF for using in manufacturing furniture. However, pricing based on the criteria for considering pricing of the Company is fair and at an arm's length basis.
2. Index Interturn Co., Ltd. (ILF)	Director of ILF is spouse of Mr. Arak Suksawad who is in the position of shareholder, director, authorized signatory director, and executive of the INDEX Group Company.	Sales of Products: The Company sells paper foil product to ILF since 2010.	12.67	14.44	13.25	- For advertising to participate in publicizing the product has been in line with the mutually agreed price and is a normal trade condition.
		Trade Receivables: ILF has had the outstanding payment of paper foils with the Company, and the receivable aging is within the period of not over 3 months which is the normal product payment of ILF.	3.83	4.14	4.38	

Person who may have conflict of interest	Nature of Relationship	Nature of Transaction	Value of Related Party Transaction (Million Baht)			Necessity and Reasonableness																											
			Year 2020	Year 2021	Year 2022																												
3. Mr. Arak Suksawad	Mr. Arak Suksawad who is in the position of shareholder, director, authorized signatory director, and executive of the Company.	<p>The Company disposed the right of claim under the Loan Agreement in the credit limit of 19.43 Million Baht together with the accrued interest of the said principal. The payment is divided into 7 installments, 6 months for each installment, starting from December 2019, with 2.78 Million Baht per installment and with interest charged from the said installments at a rate of 6% per annum, with following details:</p> <table><tr><th>Installment No.</th><th>Payment Date</th><th>Amount (Baht)</th></tr><tr><td>1</td><td>This contract date</td><td>2,775,000.00</td></tr><tr><td>2</td><td>30 June 2020</td><td>2,775,000.00</td></tr><tr><td>3</td><td>31 December 2020</td><td>2,775,000.00</td></tr><tr><td>4</td><td>30 June 2021</td><td>2,775,000.00</td></tr><tr><td>5</td><td>31 December 2021</td><td>2,775,000.00</td></tr><tr><td>6</td><td>30 June 2022</td><td>2,775,000.00</td></tr><tr><td>7</td><td>31 December 2022</td><td>2,784,749.25</td></tr><tr><td colspan="2">Total</td><td>19,434,749.25</td></tr></table> <p>When calculating the interest at the rate of 6% per annum until completing the repayment, the interest amount is 1,685,420.74 Baht, therefore, total payment amount is 21,120,169.99 Baht.</p> <p>In the event that Mr. Arak Suksawad fails to collect the loan from IFEC, or can collect partial repayment, or fails to acquire the solar power plant project from CR Solar Company Limited, the Company has no duty to be responsible for such case with Mr. Arak Suksawad, and Mr. Arak Suksawad shall pay the fee for selling the right of claim to the Company until completion.</p>	Installment No.	Payment Date	Amount (Baht)	1	This contract date	2,775,000.00	2	30 June 2020	2,775,000.00	3	31 December 2020	2,775,000.00	4	30 June 2021	2,775,000.00	5	31 December 2021	2,775,000.00	6	30 June 2022	2,775,000.00	7	31 December 2022	2,784,749.25	Total		19,434,749.25	11.11 and accrued interest receivable of 0.91 million Baht	5.96 and accrued interest receivable of 1.07 million Baht	Paid the principal in full but still has accrued interest of 1.69 million baht	As the Company has lent 50,000,000 Baht to Inter Far East Energy Corporation Public Company Limited ("IFEC") in accordance with the Loan Agreement dated 26 December 2016("Loan Agreement"), on 24 December 2019, the Company is a creditor of IFEC under the Loan Agreement in total amount of 58,304,246.58 Baht, consisting of principal in the amount of 50,000,000 Baht and accrued interest in the amount of 8,304,246.58 Baht. The Company agreed to dispose the right of claim under the Loan Agreement to 2 buyers, namely Mr. Komwit Boonthamrongkit at the selling price of 38,869,497.33 Baht and Mr. Arak Suksawad at the selling price 19,434,749.25 Baht. The selling prices and conditions are determined in accordance with the Company's pricing criteria are fair and reasonable for the Company's benefits.
			Installment No.	Payment Date	Amount (Baht)																												
			1	This contract date	2,775,000.00																												
			2	30 June 2020	2,775,000.00																												
			3	31 December 2020	2,775,000.00																												
			4	30 June 2021	2,775,000.00																												
			5	31 December 2021	2,775,000.00																												
			6	30 June 2022	2,775,000.00																												
			7	31 December 2022	2,784,749.25																												
			Total		19,434,749.25																												

Person who may have conflict of interest	Nature of Relationship	Nature of Transaction	Value of Related Party Transaction (Million Baht)			Necessity and Reasonableness
			Year 2020	Year 2021	Year 2022	
4. Mr. Wanlop Suksawad	Mr. Wanlop Suksawad who is in the position of shareholder, authorized signatory director, and executive of the Company.	The company borrowed money from him which had an interest rate of 5.25% per annum and was due upon call.	None	The company had a short-term loan from these two people equal to 153.5 million baht, which had no outstanding balance as of December 31, 2021, and had a total interest expense of 0.87 million baht.	The Company had short-term loans from directors, spouses, and close relatives of directors (5 people) during the year equal to 174 million baht, which had no outstanding balance as of December 31, 2022, and had total interest expenses of 2.07 million baht.	According to mutually agreed conditions and for the benefit of the Company, because there was a lower interest rate compared to obtaining a loan from a financial institution, which was fair, reasonable, and beneficial to the Company
5. Mrs. Waraporn Suksawad	Wife of Mr. Wanlop Suksawad	The company borrowed money from her which had an interest rate of 5.25% per annum and was due upon call.	None			
6. Mr. Arak Suksawad	Mr. Arak Suksawad who is in the position of shareholder, director, authorized signatory director, and executive of the Company.	The company borrowed money from him which had an interest rate of 5.25% per annum and was due upon call.	None	None		
7. Miss. Tippawan Suksawad	Daughter of Mr. Wanlop Suksawad and younger sister of Mr. Arak Suksawad	The company borrowed money from her which had an interest rate of 5.25% per annum and was due upon call.	None	None		
8. Miss Kridchanok Pattamasattayasonthi	Spouse of Mr. Arak Suksawad	The company borrowed money from her which had an interest rate of 5.25% per annum and was due upon call.	None	None		

AUDIT COMMITTEE'S OPINIONS

The Audit Committee considered the related party transactions of the Company and the persons who may have conflict of interest, interests, or potential conflict of interest in the future in accordance with the Notification of Securities and Exchange Commission (SEC) at the Audit Committee Meeting No.1/2022, held on 24 February 2022, and the Committee agreed that such related party transactions in accordance with the reasonable and fair conditions and at arm's length basis.

1. Policies or Trends for Entering the Related Party Transactions Including Acquisition or Disposal of the Company's Properties in the Future

Measures and Procedures for the Approval of Related Party Transactions

In case of having the related party transactions of the Company or its subsidiaries with the related persons and the persons who may have conflict of interest, interests, or potential conflict of interest in the future as trade agreement in the same nature into which a person of ordinary prudence should perform with the general contractual party under the same situation by exercising trade negotiation power without any influence as the director, executive, or any related person, as well as having normal trade condition or market price under the reasonable, accountable, and non-benefit transfer, the Management of the Company can perform such implementation normally under the principles approved by the Company's Board and must prepare the summary report to the Audit Committee at every quarter.

In the case that the related party transactions are not normal transactions, the Company will have comments by the Audit Committee on the necessity and appropriation of such transactions. In the case that the Audit Committee is not expert in considering on the potential related party transactions, the Company will consider having an independent price valuer, independent specialist, or account auditor to comment on the said related party transactions to the Audit Committee ;so that the Audit Committee shall use to support the decisions and give opinions to the Board of Directors or the shareholders as the case may be for approving the said transactions prior to entry into the transactions. However, the Company shall disclose the related party transactions in notes to financial statements audited by the Company's auditor, and disclose the said related party transactions in Form 56-1 One Report in accordance with the rules and laws on Securities and Exchange, and the regulations, notifications, and orders, or

requirements of the Stock Exchange of Thailand. The person who may have conflict of interest or interest in the related party transaction shall not have the voting rights to resolve in entering the said related party transactions.

Policies or Trends for Entering the Related Party Transactions in the Future

In the future, if the Company needs to enter the related party transactions with a person who may have conflict of interest with the Company, the Company shall establish the conditions based on normal trade characteristics and as market prices, which can be comparatively referred to conditions or prices arisen with the similar type of business that the Company performs with the third party. However, the Company shall assign the Audit Committee to provide the opinions regarding price, rate of return, as well as necessity and appropriation of such related party transactions. In the case where the Audit Committee is not expert in considering on the potential related party transactions, the Company shall consider assigning an independent price valuator, independent specialist, or account auditor to provide the comments on such related party transactions for the Audit Committee to use in supporting the decision making and providing the opinions to the Board of Directors or shareholders as the case may be. However, the Company shall disclose such related party transactions in notes to financial statements audited by the Company's auditor, and disclose the said related party transactions in Form 56-1 One Report pursuant to the rules and law on securities and exchange, and regulations, notifications, orders or requirements of the Stock Exchange of Thailand.

For the said potential related party transactions in the future, the directors shall comply with the determined rules, and the directors shall not approve any transactions of which they or any person may have conflict of interest in any other nature with the Company, and shall disclose the said transactions. The Company shall strictly comply with the securities and exchange law, and regulations, notifications, orders or requirements of the Stock Exchange of Thailand, and comply with the requirements relation to the disclosure of the information of entry into the connected transactions and acquisition or disposal of the properties of the Company or its subsidiaries, and pursuant to the established accounting. In addition, the Company shall not enter into the related party transactions with the related companies for the Company's non-normal business operations.

2. Approval of Principles relating to Trade Agreement with General Commercial Conditions for Entering the Related Party Transactions between the Company and its Subsidiaries with the Directors, Executives and Related Persons

The Company and its subsidiaries have currently entered the related party transactions with the related persons. In the future, the Company and its subsidiaries may additionally enter the related party transactions with the directors, executives or related persons. If the trade agreement of the said transactions is in the same nature as a person of ordinary prudence should perform with the general contractual party under the same situation by exercising the trade negotiation power without any influence as the director, executive, or any related person. However, the Board of Directors' Meeting No. 1 /2012 (after transformation) held on 26 October 2012 resolved to approve the principle relating to the trade agreement with the general trade conditions in entering the transactions between the Company and the connected persons to be used as the operation road map in the future.

3. Investor Protection Policy

To protect the investor in the future in the case where the Company has entered the related party transactions with the persons who may have conflict of interest, interest or potential conflict of interest in the future, the Company shall propose the said transactions through the Board of Directors' Meeting where the Audit Committee attends the Meeting. However, to supervise in order to ensure the fair related party transactions, and the appropriate pricing policy, the Board of Directors shall perform its duties in accordance with the securities and exchange law, and regulations, notifications, and requirements of the Stock Exchange of Thailand, as well as the compliance with the requirements relating to the disclosure of information of entry into the connected transactions, and acquisition or disposal of the properties of the Company and its subsidiaries.



Part 3

Financial Statements

EAST COAST FURNITECH PUBLIC COMPANY LIMITED (ECF)

Annual Report 2022

(From 56-1 One Report)



REPORT OF CERTIFIED PUBLIC ACCOUNTANT

To the Shareholders and the Board of Directors of East Coast Furnitech Public Company Limited

Opinion

I have audited the consolidated financial statements of East Coast Furnitech Public Company Limited and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders’ equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, I have also audited the separate financial statements of East Coast Furnitech Public Company Limited, which comprise the separate statement of financial position as at December 31, 2022, and the separate statement of comprehensive income, the separate statement of changes in shareholders’ equity and the separate statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of East Coast Furnitech Public Company Limited and its subsidiaries as at December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended, and the accompanying separate financial statements present fairly, in all material respects, the financial position of East Coast Furnitech Public Company Limited as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and the Separate Financial Statements” section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (“the Code of Ethics for Professional Accountants”) that are relevant to my audit of the consolidated financial statements and the separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated financial statements and the separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements and the separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Accuracy, Completeness and Proper Cutoff of the Company's Revenue from Sales of Goods

Risk description

Revenue from sales of goods is the increase in economic benefits in form of inflows or enhancements of assets triggered by the Company's performance obligation on transfers of goods to the customers that is attributable to the Company's core business activities. Revenue from sales is directly significant to financial performance of the Company and its amount is material to the financial statements. In addition, the Company's sales of goods in each year comprise voluminous number of entries through various sales channels. Accordingly, the assurance is required to ensure that the Company's sales were accounted for with accuracy, completeness and proper cutoff.

Significant accounting policies and other information relating to revenue from sales of goods were disclosed in Notes 3 and 28 to the financial statements.

Responses to the risk

I have performed the following key audit procedures as responses to the identified and assessed significant risk in order that such risk shall be managed to the appropriate and acceptable level and enable financial statements to be free from material misstatement:

- Read, inquire and gather understanding in the Company's revenue streams and revenue recognition policies on the Company's sales of goods.
- Test and assess efficiency, effectiveness and reliability of the design and operations of internal controls relating to revenue streams.
- Perform analytical reviews of information relating to sales of goods.
- Perform substantive test on sales of goods e.g. vouching of supporting documents for sales of goods, cutoff test both before and after yearend on sales of goods whether they were recorded in the proper period.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Registration Statement and the Annual Report, but does not include the consolidated financial statements and the separate financial statements as well as my auditor's report thereon. The aforesaid other information is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated financial statements and the separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated financial statements and the separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements and the separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the aforesaid other information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order that they shall acknowledge and arrange the correction on such misstatement as appropriate.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements and the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements and the separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements and the separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the separate financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, the matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements and the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and separate financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the Group's internal control.
- Evaluate appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements and the separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the separate financial statements, including the disclosures, and whether the consolidated financial statements and the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements and the separate financial statements of the current period and are, therefore, the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Mr. Akadet Pliensakul)
Certified Public Accountant
Registration No. 5389

M.R. & ASSOCIATES CO., LTD.
Bangkok
February 28, 2023



STATEMENTS OF FINANCIAL POSITION

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2022 AND 2021

ASSETS

		In Baht			
		Consolidated		Separate Financial Statements	
	Note	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
CURRENT ASSETS					
Cash and cash equivalents		14,310,446	22,409,668	8,470,500	11,930,436
Trade receivables					
- Related parties	4, 5	30,523,025	8,441,010	77,718,513	52,354,704
- Other parties - net	5	565,506,816	445,983,778	546,609,934	430,131,702
Other receivable - subsidiary	4	-	-	1,849,495	-
Current portion of receivable from sales of rights	5	-	37,000,000	-	37,000,000
Current portion of other installment receivables					
- Related person	4, 7	-	5,954,749	-	5,954,749
- Other person	7	-	11,909,479	-	11,909,479
Inventories - net	6	1,277,149,018	1,314,471,404	1,276,065,521	1,312,877,570
Short-term loans to and interest receivables from related parties	4	98,500,000	30,000,000	4,914,467	13,715,364
Short-term loans to other persons	32	40,000,000	99,000,000	-	35,000,000
Other current assets					
- Receivables from sales of fixed assets	9	21,400,000	-	-	-
- Interest receivables	4	8,423,664	11,046,814	5,515,856	8,399,910
- Prepaid expenses		8,354,831	9,265,932	8,337,604	9,130,438
- Value-added tax receivable		7,675,403	7,924,717	5,344,968	5,578,672
- Deposits for purchases of raw materials and inventories		5,218,049	9,988,294	5,218,049	9,988,294
- Dividends receivable from associate	4, 10	4,065,984	-	-	-
- Others (net of allowance for credit losses of Baht 3,997,141)		10,051,332	7,238,465	9,907,061	7,139,390
Total Current Assets		2,091,178,568	2,020,634,310	1,949,951,968	1,951,110,708
NON-CURRENT ASSETS					
Restricted deposits at banks	8	52,078,174	51,950,061	52,078,174	51,950,061
Investment in subsidiaries accounted for using the cost method	9	-	-	962,406,630	961,406,930
Investment in associate accounted for using the equity method	4, 10	865,881,051	823,866,135	-	-
Property, plant and equipment - net	11, 14, 19	703,610,128	613,960,316	695,581,982	591,739,278
Right-of-use assets - net	12	14,539,522	12,158,600	14,539,522	12,158,600
Intangible assets - net	13	949,821	1,349,779	918,246	1,286,275
Deferred tax assets	24	12,618,884	8,694,960	11,069,480	8,694,960
Other non-current assets					
- Deposit for investment project	33	100,000,000	100,000,000	100,000,000	100,000,000
- Advance for purchase of investment	33	44,500,000	58,000,000	44,500,000	58,000,000
- Deposits and guarantees	4, 10, 19	102,746,903	65,588,845	79,304,303	36,126,645
Total Non-Current Assets		1,896,924,483	1,735,568,696	1,960,398,337	1,821,362,749
TOTAL ASSETS		3,988,103,051	3,756,203,006	3,910,350,305	3,772,473,457

The accompanying notes are an integral part of these financial statements.



STATEMENTS OF FINANCIAL POSITION

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2022 AND 2021

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Baht			
		Consolidated		Separate Financial Statements	
	Note	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
CURRENT LIABILITIES					
Bank overdrafts and short-term borrowings from financial institutions	8, 11, 14	773,201,776	704,970,398	773,201,776	704,970,398
Factoring payables	5	99,539,242	77,620,305	99,539,242	77,620,305
Trade payables		154,203,723	216,717,930	149,080,302	216,457,373
Other payables - related party	4	150,065	-	549,544	-
Short-term loans from and interest payable to related parties	4	-	-	102,256,968	130,332,392
Short-term loans from other parties	15	143,915,993	257,814,881	99,915,993	227,814,881
Current portion of long-term borrowings	11, 19	41,410,371	77,009,939	41,410,371	77,009,939
Current portion of debentures	17	535,030,156	287,424,847	535,030,156	287,424,847
Current portion of lease liabilities	20	6,473,353	2,844,728	6,473,353	2,844,728
Income tax payable		2,933,827	2,323,644	1,678,267	852,117
Accrued expenses and other current liabilities	4, 16	85,198,631	66,926,620	79,038,724	62,854,265
Total Current Liabilities		1,842,057,137	1,693,653,292	1,888,174,696	1,788,181,245
NON-CURRENT LIABILITIES					
Long-term borrowings - net	11, 19	113,621,603	158,501,453	113,621,603	158,501,453
Debentures - net	17	638,699,816	555,272,694	638,699,816	555,272,694
Lease liabilities - net	20	7,590,582	5,273,071	7,590,582	5,273,071
Deferred tax liabilities	24	3,254,006	2,570,492	3,254,006	2,570,492
Liability for post-employment benefits	18	16,265,675	14,320,659	15,063,240	14,320,659
Total Non-Current Liabilities		779,431,682	735,938,369	778,229,247	735,938,369
Total Liabilities		2,621,488,819	2,429,591,661	2,666,403,943	2,524,119,614
SHAREHOLDERS' EQUITY					
Authorized share capital - 1,151,385,108 common shares, Baht 0.25 par value	21	287,846,277	287,846,277	287,846,277	287,846,277
Issued and paid-up share capital - 959,487,590 common shares, Baht 0.25 par value	21	239,871,897	239,871,897	239,871,897	239,871,897
Premium on shares	21	768,342,356	768,342,356	768,342,356	768,342,356
Retained earnings					
- Appropriated for legal reserve	22	28,950,000	28,950,000	28,950,000	28,950,000
- Unappropriated		490,727,738	468,332,252	424,173,905	428,581,386
Total		1,527,891,991	1,505,496,505	1,461,338,158	1,465,745,639
Other components of equity		(184,387,118)	(202,268,218)	(217,391,796)	(217,391,796)
Equity attributable to Owners of the Parent		1,343,504,873	1,303,228,287	1,243,946,362	1,248,353,843
Non-controlling interests		23,109,359	23,383,058	-	-
Total Shareholders' Equity		1,366,614,232	1,326,611,345	1,243,946,362	1,248,353,843
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,988,103,051	3,756,203,006	3,910,350,305	3,772,473,457

The accompanying notes are an integral part of these financial statements.



STATEMENTS OF COMPREHENSIVE INCOME

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	Note	In Baht			
		Consolidated		Separate Financial Statements	
		2022	2021	2022	2021
REVENUES					
Net sales	4, 28	1,418,925,924	1,549,405,798	1,393,507,066	1,522,979,354
Other income					
- Sales of production scraps and supplies		14,609,041	28,639,830	14,609,041	28,639,830
- Interest income	4	13,729,478	7,564,182	2,531,283	6,742,569
- Others	4, 9, 28	16,133,195	6,578,318	12,984,854	5,274,546
Total Revenues		1,463,397,638	1,592,188,128	1,423,632,244	1,563,636,299
EXPENSES					
Cost of sales	4, 6, 18	1,075,421,605	1,237,048,762	1,068,868,987	1,226,971,078
Distribution costs		65,963,934	62,208,460	53,180,906	53,820,113
Administrative expenses	4, 11, 13, 18, 23, 28	148,167,389	133,967,511	127,622,825	122,853,320
Loss (gain) on exchange rate		808,140	(8,615,112)	811,763	(8,618,560)
Total Expenses		1,290,361,068	1,424,609,621	1,250,484,481	1,395,025,951
Profit from Operating Activities		173,036,570	167,578,507	173,147,763	168,610,348
Finance Costs	4, 20	(158,469,548)	(134,924,899)	(160,562,268)	(144,518,477)
Loss on Impairment of Trade Receivables	5	(4,456,782)	(12,483,100)	(1,845,387)	(11,431,649)
Share of Profit from Investment in Associate	10	28,199,800	32,416,552	-	-
PROFIT BEFORE INCOME TAX EXPENSE		38,310,040	52,587,060	10,740,108	12,660,222
Income Tax Expense	24, 27	(1,124,808)	(1,668,637)	(84,144)	(265,120)
PROFIT FOR THE YEAR		37,185,232	50,918,423	10,655,964	12,395,102

The accompanying notes are an integral part of these financial statements.



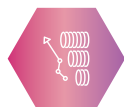
STATEMENTS OF COMPREHENSIVE INCOME (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

		In Baht			
	Note	Consolidated		Separate Financial Statements	
		2022	2021	2022	2021
Other Comprehensive Income (Loss) for the Year					
<i>Item that will not be reclassified subsequently to profit or loss</i>					
- Actuarial loss on remeasurement of liability for post-employment benefits (net of income tax effect by Baht 341,271 in 2021)	18, 24	-	(1,365,085)	-	(1,365,085)
<i>Item that will be reclassified subsequently to profit or loss</i>					
- Share of other comprehensive income from associate	10	17,881,100	44,328,702	-	-
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		17,881,100	42,963,617	-	(1,365,085)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		55,066,332	93,882,040	10,655,964	11,030,017
Profit (Loss) Attributable to:					
Owners of the parent		37,458,931	50,850,336	10,655,964	12,395,102
Non-controlling interests		(273,699)	68,087	-	-
Profit for the Year		37,185,232	50,918,423	10,655,964	12,395,102
Total Comprehensive Income (Loss) Attributable to:					
Owners of the parent		55,340,031	93,813,953	10,655,964	11,030,017
Non-controlling interests		(273,699)	68,087	-	-
Total Comprehensive Income for the Year		55,066,332	93,882,040	10,655,964	11,030,017
Basic Earnings per Share	25	0.0390	0.0530	0.0111	0.0129
Diluted Earnings per Share	25	0.0390	0.0530	0.0111	0.0129

The accompanying notes are an integral part of these financial statements.



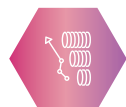
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

		In Baht									
		Consolidated									
Note	Issued and Paid-up Share Capital	Premium on Shares	Retained Earnings		Surplus on Business Combination under Common Control	Share of Other Comprehensive Income (Loss) from Associate	Loss on Change in Proportion of Investment in Subsidiary	Total Other Components of Equity	Equity Attributable to Owners of the Parent	Non-Controlling Interests	Total Shareholders' Equity
			Appropriated for Legal Reserve	Unappropriated							
Ending balance as at December 31, 2020	239,871,889	768,342,199	28,950,000	430,840,442	(217,391,796)	(16,776,078)	(1,335,713)	(235,503,587)	1,232,500,943	7,280,725	1,239,781,668
Proceeds from the exercised warrants	8	157	-	-	-	-	-	-	165	-	165
Payment of dividends	26	-	-	(11,993,441)	-	-	-	-	(11,993,441)	-	(11,993,441)
Increase in non-controlling interests from increase in share capital and change in investment proportion of subsidiary	9	-	-	-	-	-	(11,093,333)	(11,093,333)	(11,093,333)	11,093,333	-
Increase in non-controlling interests	9	-	-	-	-	-	-	-	-	4,940,913	4,940,913
Total comprehensive income for the year	-	-	-	49,485,251	-	44,328,702	-	44,328,702	93,813,953	68,087	93,882,040
Ending balance as at December 31, 2021	239,871,897	768,342,356	28,950,000	468,332,252	(217,391,796)	27,552,624	(12,429,046)	(202,268,218)	1,303,228,287	23,383,058	1,326,611,345
Payment of dividends	26	-	-	(15,063,445)	-	-	-	-	(15,063,445)	-	(15,063,445)
Total comprehensive income for the year	-	-	-	37,458,931	-	17,881,100	-	17,881,100	55,340,031	(273,699)	55,066,332
Ending balance as at December 31, 2022	239,871,897	768,342,356	28,950,000	490,727,738	(217,391,796)	45,433,724	(12,429,046)	(184,387,118)	1,343,504,873	23,109,359	1,366,614,232

The accompanying notes are an integral part of these financial statements.



STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

In Baht

		Separate Financial Statements						
	Note	Issued and Paid-up Share Capital	Premium on Shares	Retained Earnings		Unappropriated	Total	Other Component of Equity
				Appropriated for Legal Reserve				
Ending balance as at December 31, 2020		239,871,889	768,342,199	28,950,000	429,544,810	1,466,708,898	(217,391,796)	1,249,317,102
Proceeds from the exercised warrants	21	8	157	-	-	165	-	165
Payment of dividends	26	-	-	-	(11,993,441)	(11,993,441)	-	(11,993,441)
Total comprehensive income for the year		-	-	-	11,030,017	11,030,017	-	11,030,017
Ending balance as at December 31, 2021		239,871,897	768,342,356	28,950,000	428,581,386	1,465,745,639	(217,391,796)	1,248,353,843
Payment of dividends	26	-	-	-	(15,063,445)	(15,063,445)	-	(15,063,445)
Total comprehensive income for the year		-	-	-	10,655,964	10,655,964	-	10,655,964
Ending balance as at December 31, 2022		239,871,897	768,342,356	28,950,000	424,173,905	1,461,338,158	(217,391,796)	1,243,946,362

The accompanying notes are an integral part of these financial statements.



STATEMENTS OF CASH FLOWS

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	In Baht			
	Consolidated		Separate Financial Statements	
	2022	2021	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the year	37,185,232	50,918,423	10,655,964	12,395,102
Adjustments				
Income tax expense	1,124,808	1,668,637	84,144	265,120
Depreciation and amortization	47,999,463	44,426,418	39,765,656	43,567,001
Loss (reversal of loss) on impairment of trade receivables	4,456,782	12,483,100	1,845,387	11,431,649
Expenses on post-employment benefits	1,945,017	1,000,002	742,582	1,000,002
Loss on allowance for diminution in value of inventories	6,302,182	211,018	6,334,628	162,136
Loss on written-off inventories for compensation on customer's claims	-	7,845,431	-	7,845,431
Share of profit from investment in associate	(28,199,800)	(32,416,552)	-	-
Loss (gain) on valuation of fair value of derivatives	(565,578)	188,306	(565,578)	188,306
Unrealized loss on exchange rate	792,457	361,836	796,081	346,181
Gain on sales of equipment	(328,769)	(114,678)	-	(114,678)
Loss on written-off assets	80,566	30,898	80,338	30,898
Interest income	(13,729,478)	(7,564,182)	(2,531,283)	(6,742,569)
Intertest expense	157,907,048	134,924,899	159,999,768	144,518,477
Decrease (increase) in operating assets				
Trade receivables	(146,902,286)	(135,642,023)	(144,527,878)	(145,193,836)
Other receivable - subsidiary	-	-	(1,849,495)	-
Receivable from sales of rights	37,000,000	11,000,000	37,000,000	11,000,000
Inventories	31,020,205	47,679,769	30,477,422	48,887,569
Other current assets	2,300,209	15,551,934	3,740,495	16,353,603
Other non-current assets	(44,578)	(2,771,875)	(64,178)	(2,398,276)
Increase (decrease) in operating liabilities				
Trade payables	(62,506,685)	1,565,203	(67,369,550)	4,394,345
Other payables - related parties	150,065	-	549,544	(6,726,142)
Accrued expenses and other current liabilities	5,500,140	(13,545,180)	2,777,606	(13,283,377)
Net Cash Flows Provided by Operations	81,487,000	137,801,384	77,941,653	127,926,942
Income tax paid	(3,755,061)	(9,585,296)	(948,999)	(2,700,903)
Net Cash Flows Provided by Operating Activities	77,731,939	128,216,088	76,992,654	125,226,039



STATEMENTS OF CASH FLOWS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	In Baht			
	Consolidated		Separate Financial Statements	
	2022	2021	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in restricted deposits at banks	(128,114)	(127,482)	(128,114)	(127,482)
Decrease (increase) in short-term loans to related parties	(68,500,000)	(30,000,000)	9,500,000	170,400,000
Collections on other installment receivables	17,864,228	15,465,000	17,864,228	15,465,000
Decrease (increase) in short-term loans to other persons	59,000,000	(60,000,000)	35,000,000	-
Increase in investment in subsidiary	-	-	(999,700)	(258,129,980)
Increase in non-controlling interests in the new subsidiary	-	500,000	-	-
Increase in investment in associate	-	(75,000,000)	-	-
Decrease in advance for purchase of investment	13,500,000	12,000,000	13,500,000	12,000,000
Additions to plant and equipment	(188,940,660)	(149,949,888)	(181,267,715)	(124,825,220)
Additions to intangible assets	-	(453,840)	-	(453,840)
Interest received	16,352,628	2,074,160	4,716,234	9,212,252
Net Cash Flows Used in Investing Activities	(150,851,918)	(285,492,050)	(101,815,067)	(176,459,270)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in bank overdrafts and short-term borrowings from financial institutions	68,490,165	103,047,422	68,490,165	103,047,422
Increase (decrease) in factoring payables	21,918,937	(9,840,671)	21,918,937	(9,840,671)
Increase (decrease) in short-term loans from other parties	(116,000,000)	45,000,000	(130,000,000)	15,000,000
Increase (decrease) in short-term loans from related parties	-	(53,500,000)	(34,901,020)	41,752,000
Increase in lease liabilities	10,000,000	8,139,600	10,000,000	8,139,600
Payments of lease liabilities	(5,616,013)	(3,629,161)	(5,616,013)	(3,629,161)
Increase in long-term borrowings	-	205,490,000	-	205,490,000
Repayments of long-term borrowings	(80,479,418)	(55,950,493)	(80,479,418)	(55,950,493)
Issuance of debentures	850,000,000	565,000,000	850,000,000	565,000,000
Redemption of debentures	(515,550,000)	(670,750,000)	(515,550,000)	(670,750,000)
Debenture issuance costs	(19,000,000)	(12,591,800)	(19,000,000)	(12,591,800)
Refunded guarantee for borrowings	6,000,000	-	6,000,000	-
Proceeds from the exercised warrants	-	165	-	165
Increase in non-controlling interests	-	4,440,914	-	-
Dividends paid	(15,063,445)	(11,993,441)	(15,063,445)	(11,993,441)
Interest paid	(139,679,469)	(120,320,655)	(134,436,729)	(123,273,184)
Net Cash Flows Provided by (Used in) Financing Activities	65,020,757	(7,458,120)	21,362,477	50,400,437



STATEMENTS OF CASH FLOWS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	In Baht			
	Consolidated		Separate Financial Statements	
	2022	2021	2022	2021
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,099,222)	(164,734,082)	(3,459,936)	(832,794)
Cash and Cash Equivalents at Beginning of Year	22,409,668	187,143,750	11,930,436	12,763,230
CASH AND CASH EQUIVALENTS AT END OF YEAR	14,310,446	22,409,668	8,470,500	11,930,436
Supplementary disclosures of cash flow information:				
a. Cash and cash equivalents at end of year				
Cash in hand	387,511	315,644	322,511	265,644
Current accounts at banks	6,828,097	14,869,543	2,793,652	6,254,723
Savings deposits at banks	2,879,138	3,063,182	1,138,637	1,248,770
Short-term fixed deposits at banks	4,215,700	4,161,299	4,215,700	4,161,299
Total	14,310,446	22,409,668	8,470,500	11,930,436
b. Non-cash transactions				
Purchases of equipment by means of payables	11,992,479	3,726,900	11,985,207	3,726,900
Sales of equipment by means of receivable	20,000,000	-	-	-
Transfer of non-current assets to fixed assets	18,988,520	15,905,000	12,988,520	15,905,000
Transfer of non-current assets to intangible assets	-	31,309	-	-
Transfer of fixed assets to right-of-use assets	4,083,550	11,628,000	4,083,550	11,628,000
Transfer of right-of-use assets to fixed assets	-	1,159,343	-	1,159,343
Increase in right-of-use assets and lease liabilities from the new leases	1,562,148	-	1,562,148	-
Dividends receivable from associate	4,065,984	-	-	-
c. Supplementary disclosures of cash flow information				
Total cash outflow for leases	12,512,096	8,196,828	12,512,096	8,196,828

The accompanying notes are an integral part of these financial statements.



Notes to Financial Statements

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

1. GENERAL

East Coast Furnitech Public Company Limited (“the Company”), formerly East Coast Furnitech Co., Ltd., was registered as a limited company in Thailand on October 12, 1999. The Company was transformed from being juristic person as a limited company under the Civil and Commercial Code to a limited public company under the Public Limited Companies Act B.E. 2535 on October 18, 2012 and was registered in the Market for Alternative Investment on March 26, 2013. The Company is engaged in manufacturing and sales of self-assembled furniture made from particle board, rubber wood furniture, dried sawn lumbers, laminating papers, and furniture-decorating supplies for domestic and international markets.

The Company’s head office is located at 37/9 Moo 10 Banbung-Klaeng Rd., Tambon Tangkwian, Amphur Klaeng, Rayong 21110. The Company’s total number of branches is 3, comprising two branches located in Rayong and a branch located in Pathumthani.

As at December 31, 2022, the Company’s major shareholders are five individuals in Suksawad family whose total percentage of shareholding is 50.13%.

VV-Décor Co., Ltd. (“VVD”), the subsidiary of which shares are held at 99.95% by the Company, was registered a limited company in Thailand on May 11, 2011 and is engaged in sales of laminating papers and furniture-decorating supplies in domestic market. The registered office of the subsidiary is located at 25/28 Moo 12 Tambon Bungkamproy, Amphur Lamlukka, Pathumthani.

ECF Holdings Co., Ltd. (“ECF-H”), the subsidiary of which shares are held at 94.44% (75% in 2020) by the Company, was registered a limited company in Thailand on February 23, 2015 and is engaged in (1) sales of sundry goods imported from abroad and furniture through the local sale agents and (2) mining and sales of cryptocurrency (started in the late 2021 and ceased in the late 2022). The registered office of the subsidiary is located at 37/4 Moo 10 Banbung-Klaeng Rd., Tambon Tangkwian, Amphur Klaeng, Rayong.

ECF Power Co., Ltd. (“ECF-P”), the subsidiary of which shares are held at 99.99% by the Company, was registered a limited company in Thailand on January 16, 2017 and is engaged as holding company in the renewable energy business e.g. biomass or solar energy. The registered office of the subsidiary is located at 37/7 Moo 10 Banbung-Klaeng Rd., Tambon Tangkwian, Amphur Klaeng, Rayong.

Planet Board Co., Ltd. (“PNB”), the subsidiary of which shares are held at 57% by the Company, was registered a limited company in Thailand on December 19, 2017 whereby PNB is during the set up and arrangement of new business plan to replace the previous manufacturing and sales of wood-base panel, i.e. MDF board and particle board. The registered office of the subsidiary is located at 25/28 Moo 12 Tambon Bungkamproy, Amphur Lamlukka, Pathumthani.

Somewa Plaza Co., Ltd. (“SOMEWA”), the subsidiary of which shares are held at 75% by the Company, was registered a limited company in Thailand on June 14, 2021 and is engaged in e-commerce and online platform for retail sales of goods through internet. The registered office of the subsidiary is located at 25/28 Moo 12 Tambon Bungkamproy, Amphur Lamlukka, Pathumthani.

VV Rich Co., Ltd. (“VVR”), the subsidiary of which shares are held at 99.97% by the Company, was registered as limited company in Thailand on February 10, 2022 and is engaged in cultivation and sales of agricultural products. The registered office of the subsidiary is located at 37/9 Moo 10 Banbung-Klaeng Rd., Tambon Tangkwian, Amphur Klaeng, Rayong.



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMP ANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

2. BASIS FOR THE FINANCIAL STATEMENT PREPARATION

The accompanying financial statements are prepared in Thai Baht, which is core functional currency of the Company, and are in the Thai language in accordance with the financial reporting standards in Thailand including interpretations and guidelines promulgated by the Federation of Accounting Professions (“TFAC”), applicable rules and regulations of the Securities and Exchange Commission. Accordingly, the accompanying financial statements are intended solely to present the financial position, financial performance, and cash flows in accordance with the financial reporting standards in Thailand.

Except as otherwise disclosed in significant accounting policies, the accompanying financial statements have been prepared under the historical cost convention.

The consolidated financial statements for the years ended December 31, 2022 and 2021 included the accounts of the Company and its subsidiaries (“the Group”) in which the Company has the controlling power or direct / indirect shareholding as discussed in Note 1.

Significant intercompany transactions between the Company and subsidiaries included in consolidated financial statements have been eliminated.

Starting from January 1, 2022, the Group has adopted Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), Thai Accounting Interpretation (TSIC), Thai Financial Reporting Interpretation (TFRIC) and the accounting guidance, newly issued and revised by TFAC, which became effective from the accounting period starting on or after January 1, 2022 whereby their significant parts for 2022 relate to (1) the practical expedient relating to COVID-19-related rent concessions for the lessee in respect of TFRS 16 and (2) the Interest Rate Benchmark (IBOR) Reform-Phase 2 which relates to certain significant TFRSs e.g. TFRS 4, TFRS 7, TFRS 9 and TFRS 16. The adoption of such newly issued and revised TAS / TFRS / TSIC / TFRS and accounting guidance did not have any material effect to the Group’s financial statements.

In addition, TFAC issued Conceptual Framework for Financial Reporting and various TAS, TFRS, TSIC, TFRIC and accounting guidance that were revised, in overall, for the Thai financial reporting standards to be more explicit and appropriate whereby this revision become effective for the accounting period starting on or after January 1, 2023. Notwithstanding, there is a significant change relating to recognition in TAS 16 “Property, Plant and Equipment” that proceeds before intended use of property, plant and equipment shall be recognized as revenue together with related cost in profit or loss while such items were previously regulated to be recognized as deduction to cost of property, plant and equipment. Furthermore, TFAC also issued the new TFRS 17 “Insurance Contracts” to supersede TFRS 4 that will become effective for the accounting period starting on or after January 1, 2025. Thus, the Group has not yet adopted aforesaid revised Conceptual Framework for Financial Reporting, TAS, TFRS, TSIC, TFRIC and accounting guidance as well as the new TFRS 17 in preparation of the accompanying financial statements and has no policy to early adopt before the effective periods. Management has preliminarily assessed and believed that there is no material effect to the financial statements of the Group upon adoption.

The Group disclosed information for the year ended December 31, 2021 for being the comparative information in the financial statements for the year ended December 31, 2022 in form of corresponding figures.

For convenience of the readers, an English translation of the financial statements has been prepared from the Thai language statutory financial statements that are issued for domestic financial reporting purposes.



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and subsidiaries.

Significant intercompany transactions between the Company and subsidiaries included in consolidated financial statements have been eliminated.

Subsidiary is a company controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies as well as the variable returns of a company so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity. When an entity loses control of a subsidiary, investment retained in the former subsidiary is measured at its fair value while any gain or loss is recognized in the statement of comprehensive income.

Foreign Currencies

Transactions in foreign currencies

Transactions in foreign currencies are translated to Thai Baht at the exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of comprehensive income.

Non-monetary assets and liabilities denominated in foreign currencies which are carried under historical cost convention are translated to Thai Baht at the exchange rates ruling at the dates of the transactions.

Investment in Associate and Joint Venture

Investment in associate and joint venture in the consolidated financial statements is accounted for using the equity method.

Associate is the entity in which the Company or the Group has significant influence, but not control, over the financial and operating policies. Joint venture is joint arrangement in the entity in which the Company or the Group has joint control among other venturers in that entity. The consolidated financial statements of the Group include share of profit or loss of associate and joint venture, on an equity accounted basis, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the share of loss exceeds its interest in any associate and joint venture, the investment in such associate and joint venture shall be reduced to nil and recognition of further loss shall be ceased except to the extent that the Company or the Group has legal or constructive obligations or consents to settle the obligations on behalf of the associate and joint venture.



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMP ANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

Current Investment

Current investment in unit trusts which is held by the Company for trading is stated at fair value. Gains or losses arising from changes in the fair value of investment or sales of investment are included as profit or loss in statement of comprehensive income. In case the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold and the part still remained is determined using the weighted average method applied to the carrying amount of the total holding of the investment.

Fair value of unit trusts is determined from the net asset value of mutual fund that issued the particular unit trust which is the Level 1 inputs of the fair value hierarchy.

Current investment in short-term bill of exchange (debt securities) that is held to maturity is stated at amortized cost net of allowance for impairment (if any).

Use of Estimates

In order to prepare financial statements in conformity with the Thai financial reporting standards, management needs to use estimates and set assumptions that affect revenues, expenditures, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

The estimates and underlying assumptions used in preparation of these financial statements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant estimates and underlying assumptions used in preparation of these financial statements which may be affected by significant uncertainty are as follows:

- Allowance for impairment of trade and other receivables as well as loan receivables
- Net realizable value and allowance for losses on diminution in value of inventories
- Allowance for impairment of plant and equipment
- Useful lives and residual values of building and equipment, right-of-use assets and intangible assets
- Consideration for cancellation or renewal options of leases and discount rates of lease liabilities
- Expected periods and amounts that deferred tax assets will be utilized
- Assumptions and parameters used in calculation of liability for post-employment benefits
- Assessment and estimates of the fair values of financial assets and financial liabilities.

Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at cost include cash on hand and cash at financial institutions. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturity of three months or less and without restriction of use or being collateral and that are subject to a low or an insignificant risk of change in value.



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

Restricted deposits at banks or being collateral were separately presented as “Restricted deposits at banks” under non-current assets in the statements of financial position.

Trade Receivables, Other Receivables, and Allowance for impairment

Trade and other receivables are carried at original invoice amount or at accrued amount net of allowance for impairment.

The Group provides allowance for impairment in accordance with the policy discussed in the section of “Financial instruments”.

Inventories

Inventories (including cryptocurrency held for sale by subsidiary and remained at the period-end - if any) are valued at the lower of cost and net realizable value and net of allowance for diminution in value for obsolete and slow-moving inventories. Cost is calculated and determined using the First-In, First-Out method.

Costs of inventories that are not cryptocurrency comprise the purchase cost, conversion costs, and other costs incurred in bringing the inventories to their present location and condition. In case of own-manufactured inventories and work in process, costs of inventories include the appropriate allocation of production overheads which is based on normal capacity of production facilities. Cost of cryptocurrency is discussed in the section of “Revenue recognition”.

Net realizable value is the estimated selling price in ordinary course of business less necessary costs to sell. Net realizable value of cryptocurrency is based on fair value (closing price) at the period-end quoted in the central website that summarized information relating to cryptocurrency.

The Group determines the allowance for diminution in value for obsolete and slow-moving inventories based on consideration of inventory condition and estimates derived from past experiences.

Property, Plant and Equipment

Land, building and equipment are stated at cost net of accumulated depreciation and allowance for impairment (if any). When assets are retired or disposed of, their carrying values are eliminated from the accounts and any gain or loss resulting from their retirement or disposal is included in the statement of comprehensive income. Costs of asset dismantlement, removal, and restoration are included as part of asset cost and subject to depreciation.

Depreciation is charged to the statement of comprehensive income on a straight-line method over the useful lives of each significant part of an item of assets. Depreciation methods, residual values, and useful lives are reviewed at each financial year-end, at least, and adjusted if appropriate. In determining the depreciable amount, residual value of particular asset is measured at amount estimated receivable currently for the asset if the asset is already of the age and in the condition expected at the end of its useful life. The useful lives of the assets are as follows:



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMP ANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

	No. of Years
Land improvement	5 and 20
Building and building improvement	5 and 20
Machinery and equipment (including cryptocurrency-mining equipment)	3 - 15
Electric system	5 and 10
Furniture, fixtures and office equipment	5
Showroom equipment	5
Vehicles	5
Utilities	5

No depreciation has been charged for land and assets under construction or installation.

Right-of-use Asset

The Group measures right-of-use asset at cost less accumulated depreciation and the allowance for impairment (if any) with the adjustment pertaining to re-measurement of lease liabilities (if any).

At commencement date, cost of the right-of-use asset comprised (1) the amount of initial measurement of lease liability, (2) lease payments made at or before the commencement date, less any lease incentives received, (3) initial direct costs incurred by the lessee (if any) and (4) an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease (if any and being material).

Depreciation is charged as expense in profit or loss and calculated by the straight-line method attributable to the related lease terms as follows:

	Period
Vehicles and equipment	3 - 15 years

Intangible Assets

Intangible assets are computer programs that are stated at cost net of accumulated amortization and allowance for impairment (if any). Amortization is made on a straight-line method over the useful lives of the assets of 5 years.

Amortization

Amortization is charged as part of distribution costs and administrative expenses in the statement of comprehensive income on the straight-line method over the useful life of each type of intangible asset. Intangible assets with an indefinite useful life (if any) are not amortized but are tested for indication of impairment at each reporting date. Amortization methods, residual values, and useful lives are reviewed at least at each financial year-end and adjusted if appropriate.



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMP ANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

Impairment of Non-financial Assets

The carrying amounts of the assets of the Group are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts (the higher of asset's fair value less cost to sell or value in use) shall be estimated and reviewed. The review is made for individual assets or for the cash-generating unit.

In case that the carrying value of an asset exceeds its recoverable amount, the Group recognizes the impairment loss by reducing the carrying amount of the asset to its recoverable amount and by recording the devaluation in the statement of comprehensive income. The reversal of impairment losses recognized in prior years is recorded as part of other income when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased. The reversal of the impairment losses shall not exceed the carrying amount of the asset, net of depreciation or amortization, that would have been determined had no impairment losses been recognized for the asset in prior years.

Trade and Other Payables

Trade and other payables are stated at cost.

Lease Liability

At commencement date, the Group measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group's incremental borrowing rates (average interest rates on borrowings with similar term and characteristics to the underlying asset) shall be used. The lease payments that are not paid comprised (1) fixed payments (less any lease incentives receivable, (2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (if any), (3) amounts expected to be payable under residual value guarantees (if any), (4) exercise price of a purchase option if it is reasonably certain to exercise that option (if any) and (5) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease (if any).

After commencement date, the Group measures the lease liability by (1) increasing the carrying amount to reflect interest on the lease liability (if any), (2) reducing the carrying amount to reflect the lease payments made (if any) and (3) re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments (if any). Interest on lease liability and variable lease payments not included in the measurement of the lease liability (if any) is charged as expense in profit or loss.

Lease fees attributable to short-term lease (not exceeding 12 months from commencement date) and lease of low-value asset (based on physical characteristics of the asset) are charged as expense in profit or loss.

Sales and leaseback of the asset which the Group (as seller and lessee) has assessed that it is not a sale for financial reporting, the Group shall continue to recognize the transferred asset as previously done and account for the lease liability equal to the amount of proceeds from the transfer of that assets.



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMP ANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

Employee Benefits

Short-term benefits

Salaries, wages, bonuses and contributions to social security fund are recognized as an expense upon their occurrences and on an accrual basis.

Post-employment benefits

Obligations on defined contribution plan which is the provident fund are recognized as an expense in the statement of comprehensive income when contribution to the fund on an accrual basis.

Obligations on post-employment benefits which are defined benefit plan that will be settled to the employees upon retirement or termination are calculated by estimating the amount of future benefits that employees have earned in return for their service in the prior and current periods. The benefits are discounted using the project unit credit method to determine present value of obligations. The calculation is annually performed or at least every three years by the qualified actuary. Expenses from the liability for post-employment benefits comprise past service cost, current service cost and interest cost which are recognized as profit or loss whereas actuarial gain/loss on measurement is recognized as other comprehensive income or loss.

Surplus on Business Combination under Common Control

Business combination under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same persons, group of persons, entity, or group of entities both before and after the business combination, and that control is not transitory.

Unrealized gain or loss on internal restructuring of the entities under common control is the difference between the carrying amounts of the obtained assets and the purchase costs of the assets incurred on internal restructuring of the entity of group of entities under common control whereby such purchase of assets is the combination of the entities under the same shareholders and management. Such unrealized gain or loss is presented as “Surplus on business combination under common control” which is separately presented under other components of equity in the statement of financial position. When the assets relating to surplus on business combination under common control are retired or disposed of, the corresponding surplus on business combination under common control is directly transferred to the unappropriated retained earnings.

Revenue Recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably whereby there is consideration about characteristics, amount, timing as well as uncertainty of revenue and contractual cash flows from contract with customer.

Sales are recognized, at a point in time, net of discounts and considerations paid to customer or buyer when delivery has taken place and transfer of risks and rewards of ownership as well as control of goods to the buyer has been completed.

Short-term service income is recognized, at a point in time, when the Group has rendered and transferred the services to customer and on an accrual basis.



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

Interest income is recognized, over time, on a time proportion basis that reflects the effective yield on the asset, if significant.

Rental income on operating lease is recognized over time on a straight-line basis over the lease term.

Dividend income is recognized at a point in time on the date the Group's right to receive payments is established which in case of investment in quoted securities is usually the ex-dividend date. Dividends from investment in associate and joint venture are treated as capital return and, therefore, being a deduction to the value of investment accounted for using the equity method.

Revenue from services on cryptocurrency-mining is recognized at the time that the business transaction in blockchain system is confirmed whereby the subsidiary is remunerated with cryptocurrency (the digital currency asset) of which cost is initially measured based on fair value (closing price) prevailing on the date on which such asset is received. Fair value pertains to central website that summarized information relating to cryptocurrency and such fair value is considered the Level 2 inputs of the fair value hierarchy.

Other income is recognized on an accrual basis.

Expense Recognition

Other than the lease fees attributable to short-term lease and lease of low-value asset, other expenses are recognized on an accrual basis.

Borrowing Costs

Interest and financial charges on liabilities acquired for construction of building and installation of machinery and equipment is capitalized as part of the cost of the asset. The capitalization of such finance costs is ceased when the construction or installation are completed and ready for their intended use.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Principal market is the market with the greatest volume and level of activity for the asset or liability. Market participants comprise buyers and sellers in the principal or most advantageous market for the asset or liability whereby market participants are independent of each other, knowledgeable and having a reasonable understanding, able to enter into a transaction for the asset or liability, and willing to enter into a transaction for the asset or liability.

To increase the consistency and comparability in fair value measurements and related disclosures in the financial statements, the fair value hierarchy is categorized into 3 levels with respect of the inputs to valuation techniques used to measure the fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities ("Level 1 inputs"), secondary priority to other observable inputs ("Level 2 inputs"), and the lowest priority to unobservable inputs ("Level 3 inputs").

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMP ANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

Financial instruments

Recognition and measurement

The Group initially measures financial assets at fair value, plus transaction costs in case of financial assets that are not measured at fair value through profit or loss. Financial assets shall be classified and measured with respect to the business model on asset management and characteristics of the asset's contractual cash flows which is divided into three categories i.e. amortized cost, fair value through other comprehensive income, and fair value through profit or loss. Upon changes in business model on financial asset management are known, the affected financial assets shall be considered for proper reclassification.

The Group initially measures financial liabilities at fair value net of transaction costs. Financial liabilities shall be classified and measured at amortized cost except for financial liabilities measured at fair value through profit or loss (such liabilities include derivative liabilities). Reclassification of financial liabilities is prohibited.

Classification and measurement

Assets classified and measured at amortized cost

- Cash and cash equivalents, and restricted deposits at banks
- Trade receivables
- Other receivables (including refundable advances and deposits or guarantees)
- Loan receivables

Assets classified and measured at fair value through other comprehensive income - none

Assets classified and measured at fair value through profit or loss

- Derivatives assets (other current assets)

Liabilities classified and measured at amortized cost

- Bank overdrafts and short-term borrowings
- Trade payables
- Other payables (including accruals and deposits or guarantees with payment condition)
- Long-term borrowings and debentures
- Lease liabilities

Liabilities classified and measured at fair value through profit or loss

- Derivatives liabilities (other current liabilities)

Impairment

Impairment loss from expected credit loss of financial assets is recognized under the General approach in the following stages:

- Stage 1 (performing): the 12-month expected credit loss shall be recognized in profit or loss. Interest income (if any) is calculated base on gross carrying amount without netting the allowance for expected credit loss.
- Stage 2 (under-performing): upon significant rise in credit risk and not being at low level, the entity shall recognize the full lifetime expected credit loss in profit or loss. Interest income (if any) is calculated based on the same principle to Stage 1.
- Stage 3 (non-performing or credit-impaired): upon significant rise in credit risk of financial asset that is considered as credit impaired, the entity recognizes the full lifetime expected credit loss in profit or loss. Interest income (if any) shall be calculated base on gross carrying amount net of the allowance for impairment.



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMP ANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

For trade receivables and contract assets (e.g. accrued income), the Group is able to adopt the Simplified approach by recognizing the full lifetime expected credit loss for financial assets considered as aforesaid. In consideration and measurement of expected credit loss for both General approach and Simplified approach, the historical credit loss shall be combined with the forward looking information pertaining to the assets and significant factors relating to economic environment. For receivables and loan receivables, the Group categorizes the population by focusing on aging balance information whereby the past records were captured for historical credit loss of approximately one year

Hedge accounting

Hedge accounting is aimed for reflecting the impacts in the financial statements that are caused in risk management activities using the financial instruments on management of exposures to the risks and such risks shall affect profit or loss and/or other comprehensive income. Relationships and related accounting treatment of hedge accounting are divided into three categories i.e. fair value hedge, cash flows hedge, and hedge of net investment in foreign entity.

Derivative financial instruments are used to manage fair value risk exposed by change in foreign exchange rates arising from operating activities. Derivatives are not intended to use for trading purpose. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments. Derivatives are recognized initially at fair value and then are re-measured at fair value. Gain or loss on re-measurement to fair value is recognized as profit or loss.

The fair value of derivatives is the quoted market price at the statement of financial position date, which is the Level 2 inputs of the fair value hierarchy whereby such price is the present value of the quoted derivative price where market approach was used as valuation technique and core information used in evaluation was the adjusted exchange rates in market to fit for the issued instrument which was computed by bank who was the counterparty.

Provisions

A provision is recognized in the statement of financial position when there is a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Income Tax

Income tax on the profit or loss for the year, which is recognized in the statement of comprehensive income, is current tax and deferred tax.

Current tax

Current tax is the amount of tax payable or recoverable which is calculated from taxable profit or loss for the year, using tax rates enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMP ANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not recognized for the initial recognition of assets and liabilities that affect neither accounting nor taxable profit to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, at the tax rates that are expected to apply to the period when the deferred tax asset is realized or the tax liability is settled based on tax rates that have been enacted as at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available against which the asset can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Earnings per Share

Basic earnings per share is determined by dividing profit for the year, attributable to owners of the Company, by the weighted average number of common shares outstanding during the year whereas diluted earnings per share is determined by dividing the profit for the year, attributable to owners of the Company, by the weighted average number of common shares outstanding during the year after adjusting the effect from dilutive potential common shares.

4. TRANSACTIONS WITH RELATED PARTIES

Related parties are those parties controlled by the Company or have power control over the Company, directly or indirectly or significant influence, to govern financial and operating policies of the Company.

Types of relationship of related parties are as follows:

Name of Companies / Persons	Type of Business	Type of Relationship
VVD	See detail as discussed in Note 1	Subsidiary
ECF-H	See detail as discussed in Note 1	Subsidiary
ECF-P	See detail as discussed in Note 1	Subsidiary
PNB	See detail as discussed in Note 1	Subsidiary
SOMEWA	See detail as discussed in Note 1	Subsidiary
VVR	See detail as discussed in Note 1	Subsidiary
Green Earth Power (Thailand) Co., Ltd.	Holding company in energy business	Associate
GEP (Myanmar) Company Limited (incorporated and operated in Myanmar)	Manufacturing and sales of electricity generated from solar power	Subsidiary of associate and co-directors
East Cost Design Co., Ltd.	Manufacturing and sales of furniture	Co-directors and co-shareholders
East Coast Industry Co., Ltd.	Sales of furniture	Co-directors and co-shareholders
V-Chat Décor Co., Ltd.	Manufacturing and sales of laminating papers	Co-directors and co-shareholders
V-Chat Industry Co., Ltd.	Manufacturing and sales of dried sawn lumbers	Co-directors and co-shareholders
B.V. Parawood Co., Ltd.	Manufacturing and sales of furniture and dried sawn lumbers	Co-directors and co-shareholders



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMP ANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

Name of Companies / Persons	Type of Business	Type of Relationship
Index Living Mall Public Co., Ltd.	Sales of furniture	Directors are spouse
Index Interfurn Co., Ltd.	Manufacturing and sales of furniture	Directors are spouse
Khun Wallop Suksawad	-	Shareholder and director (key management)
Khun Chalee Suksawad	-	Shareholder and director (key management)
Khun Arak Suksawad	-	Shareholder and director (key management)
Khun Tippawan Suksawad	-	Shareholder and relative of directors
Khun Waraporn Suksawad	-	Shareholder and relative of directors
General Terdsak Marrome	-	Director (key management)
Khun Montee Socratyanurak	-	Director (key management)
Khun Songklod Jarusombuti	-	Director (key management)
Khun Ekarin Vasanason	-	Director (key management)
Khun Phaiboon Arunprasobsuk	-	Director (key management)

Key management is person having authority and responsibility for planning, directing and controlling the activities of the entity, either directly or indirectly, including the Company's director (whether being as executive or otherwise).

Pricing policies for transactions with related parties are as follows:

Type of Transaction	Pricing Policies
Purchases - sales of inventories	Prices approximated market prices
Interest income / interest expense	MOR
Dividend income	Rate announced at the meeting of the investee
Other income	Mutually agreed price
Purchases of raw materials / inventories / supplies	Prices approximated market prices
Purchases - sales of equipment (if any)	Mutually agreed price
Other service fees and expenses (if any)	Mutually agreed price
Key management's remunerations	Mutually agreed amount
Guarantee of credit facilities by directors and/or related persons	No guarantee charge between parties

Transactions with related parties for the years ended December 31, 2022 and 2021 are as follows:

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2022	2021	2022	2021
Sales of inventories				
Subsidiaries	-	-	84,543	86,726
Related companies	55,522	27,358	42,272	12,911
Total	55,522	27,358	126,815	99,637



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMP ANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2022	2021	2022	2021
Interest income				
Subsidiaries	-	-	699	1,570
Associate	8,281	66	-	-
Related person	222	557	222	557
Total	8,503	623	921	2,127
Other income				
Subsidiary	-	-	3,659	-
Purchases of inventories				
Subsidiary	-	-	5	168
Advertising expenses				
Related company	261	-	261	-
Interest expense				
Subsidiaries	-	-	6,826	9,733
Related persons	2,066	870	722	764
Total	2,066	870	7,548	10,497
Key management's remunerations				
Short-term benefits	20,160	22,697	16,798	18,659
Post-employment benefits	1,177	203	472	203
Total	21,337	22,900	17,270	18,862

Outstanding balances with related parties as at December 31, 2022 and 2021 are as follows:

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2022	2021	2022	2021
Trade receivables				
Subsidiaries	-	-	51,580	48,050
Related companies	30,523	8,441	26,139	4,305
Total	30,523	8,441	77,719	52,355
Other installment receivables (see Note 7)				
Related person	-	5,955	-	5,955
Interest receivable (other current assets)	1,685	1,069	1,685	1,069
Total	1,685	7,024	1,685	7,024
Advances (other current assets)				
Related persons	5,304	-	5,304	-



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMP ANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2022	2021	2022	2021
Short-term loans and interest receivables				
Interest receivables				
Subsidiaries	-	-	814	115
Associate (other current assets)	837	66	-	-
Short-term loans				
Subsidiaries (interest rate at 5.5% p.a. and due at call)	-	-	4,100	13,600
Associate (interest rate at 10% p.a. and due under mutual agreement that is attributable to percentage of shareholding by ECF-P)	98,500	30,000	-	-
Total	99,337	30,066	4,914	13,715
Deduction to investment by dividends				
Associate	4,066	-	-	-
Guarantees on construction of power plant project				
Associate	20,000	20,000	-	-
Other payables				
Subsidiary	-	-	400	-
Related company	150	-	150	-
Associate (other current liabilities)	780	780	-	-
Related person (other current liabilities)	306	560	-	-
Total	1,236	1,340	550	-
Short-term loan and interest payables				
Interest payables				
Subsidiary	-	-	14,406	7,580
Short-term loans				
Subsidiary (interest rate at 5.5% p.a. and due at call)	-	-	87,851	122,752
Total	-	-	102,257	130,332

Movements of short-term loans to and from related parties during the year are as follows:

	Consolidated (In Thousand Baht)			December 31, 2022
	December 31, 2021	Movements during the year		
		Increase	Decrease	
Short-term loans to Green Earth Power (Thailand) Co., Ltd.	30,000	68,500	-	98,500
ECF-H	Separate Financial Statement (In Thousand Baht)			December 31, 2022
	December 31, 2021	Movements during the year		
		Increase	Decrease	
	13,600	-	9,500	4,100
Short-term loans from Director Relative of director	Consolidated (In Thousand Baht)			December 31, 2022
	December 31, 2021	Movements during the year		
		Increase	Decrease	
	-	40,000	40,000	-
	-	134,000	134,000	-



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMP ANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

	Separate Financial Statement (In Thousand Baht)			
	December 31,	Movements during the year		December 31,
	2021	Increase	Decrease	2022
ECF-P	111,152	224,000	259,501	75,651
PNB	11,600	4,600	4,000	12,200
Director	-	20,000	20,000	-
Relative of director	-	114,000	114,000	-

5. TRADE RECEIVABLES

As at December 31, 2022 and 2021, trade receivables classified by outstanding period are as follows:

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2022	2021	2022	2021
<i>Related companies</i>				
Current	24,001	6,793	35,337	19,142
Overdue :				
Not exceeding 3 months	6,522	1,648	17,154	10,334
Between 3 months - 6 months	-	-	8,017	13,178
Between 6 months - 12 months	-	-	10,508	4,242
Over 12 months	-	-	6,703	5,459
Total	30,523	8,441	77,719	52,355
<i>Other companies - net</i>				
Current	270,996	263,955	257,164	249,989
Overdue :				
Not exceeding 3 months	60,102	79,370	54,091	76,905
Between 3 months - 6 months	50,333	17,791	49,521	17,743
Between 6 months - 12 months	160,729	90,898	159,243	90,648
Over 12 months	45,147	11,313	41,862	8,273
Total	587,307	463,327	561,881	443,558
Less Allowance for impairment for expected credit loss	(21,800)	(17,343)	(15,271)	(13,426)
Net	565,507	445,984	546,610	430,132

As at December 31, 2022, the Company has been during the process to enter into installment payment agreements with a portion of overdue trade receivables in order that the balances shall be completely paid within the specified periods.

As at December 31, 2022 and 2021, the Company discounted, under factoring, its trade receivables amounting to approximately Baht 117.6 million (including balance with related parties of approximately Baht 13.4 million) and Baht 83.9 million with two local financial institutions and three local financial institutions, respectively, (under credit facilities totalling Baht 100 million in 2022 and Baht 150 million in 2021), whereby such financial institutions can take recourse action on the Company amounting to approximately Baht 99.5 million and Baht 77.6 million, respectively. The Company presented such amounts of the obligation under recourse action as “Factoring payables” in statements of financial position.



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

6. INVENTORIES - NET

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2022	2021	2022	2021
Finished goods	564,800	533,366	563,701	531,724
Work-in-process	597,262	656,015	597,262	656,015
Raw materials	72,258	68,142	72,258	68,142
Factory supplies	53,789	55,587	53,789	55,587
Inventories in transit	1,663	7,682	1,663	7,682
Total	1,289,772	1,320,792	1,288,673	1,319,150
Less Allowance for diminution in value for obsolete and slow moving inventories	(12,623)	(6,321)	(12,607)	(6,272)
Net	1,277,149	1,314,471	1,276,066	1,312,878

As at December 31, 2022 and 2021, written-down amount of inventory cost (excluding cryptocurrency) to net realizable value which was recognized as part of cost of sales in the statements of comprehensive income for the years ended December 31, 2022 and 2021 amounting to approximately Baht 12.8 million and Baht 10.5 million, respectively.

As at December 31, 2022 and 2021, the Group had no digital asset (cryptocurrency) outstanding on hand.

7. LOANS TO OTHER PARTIES OF WHICH RIGHTS DISPOSED TO BE OTHER INSTALLMENT RECEIVABLES

Previously, this account represented loan to Inter Far East Energy Corporation Public Company Limited (“IFEC”) amounting to Baht 50 million with interest charge at the rate of 6.25% per annum that is secured by common shares of a subsidiary of IFEC and is in the form of deposit for feasibility study of investment in the 1-Megawatt solar power plant project of CR Solar Co., Ltd. (“CRS”), located at Amphur Thern in Lampang province, whereby CRS is other subsidiary of IFEC. On December 22, 2017, the Company, IFEC, and CRS entered into the Memorandum of Understanding (“MOU”) for determining the condition that such loan and related interest receivable will be able to use as deposit on future settlement of the price on purchase-sale of the business if the Company is satisfied by outcome of the feasibility study and decides to invest. Such loan had been charged for interest until all conditions under such MOU are fulfilled. The Company and IFEC had negotiated and mutually agreed to extend duration for due diligence process to be within November 30, 2019 as well as duration for entering into purchase-sale agreement of the business to be within December 31, 2019.

However, the due diligence process has been in progress and cannot be assessed for its completion, the Board of Directors’ meeting on December 24, 2019, therefore, passed the resolution to approve the Company to dispose the rights under aforesaid loan agreement as well as related pledge agreement and MOU to (1) a non-related person who is shareholder of the venturer and director of the Company’s joint venture in the past and (2) a major shareholder and director of the Company at the portion of two-third and one-third, respectively, of the balance of loan principal including interest as at December 24, 2019 (totalling approximately Baht 58.30 million). Such amount is attributable to (1) totalling approximately Baht 38.87 million and (2) totalling approximately Baht 19.43 million. The disposal to (1) and (2) shall be collected in 7 installments, nine-month period per installment, starting from December 2019. Installment for (1) and (2) amounted to approximately Baht 5.55 million and Baht 2.78 million, respectively. The Company also charges interest on installments from (1) and (2) at the rate of 6% per annum. Since December 24, 2019, the Company has not had any rights or agreements in connection with IFEC and the Company is no longer have intention to continue the due diligence and purchase-sale of the business with CRS. As at December 31, 2021, current portion of “Other installment receivables” to be collected from (1) and (2) totally amounted to approximately Baht 11.9 million and Baht 6.0 million, respectively, whereby the Company completely collected such amounts during 2022.



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMP ANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

8. RESTRICTED DEPOSITS AT BANKS

As at December 31, 2022 and 2021, the Company has collateralized its fixed deposits with three local banks amounting to approximately Baht 52.0 million as guarantees for its short-term loan facilities with such banks.

9. INVESTMENT IN SUBSIDIARIES ACCOUNTED FOR USING THE COST METHOD

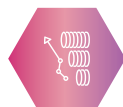
	Separate Financial Statements					
	Authorized Share Capital (In Thousand Baht)		Percentage of Shareholding		Cost of Investment (In Thousand Baht)	
	2022	2021	2022	2021	2022	2021
VV-Decor Co., Ltd.	1,000	1,000	99.95	99.95	1,000	1,000
ECF Holdings Co., Ltd.	45,000	45,000	94.44	94.44	42,500	42,500
ECF Power Co., Ltd.	909,283	909,283	99.99	99.99	909,282	909,282
Planet Board Co., Ltd.	50,000	50,000	57.00	57.00	7,125	7,125
Somewa Plaza Co., Ltd.	2,000	2,000	75.00	75.00	1,500	1,500
VV Rich Co., Ltd.	1,000	-	99.97	-	1,000	-
Total					962,407	961,407

During 2022 and 2021, the subsidiaries did not declare any dividends to the shareholders.

Significant financial information of PNB in the financial statements for the years 2022 and 2021 which included non-controlling interests at the proportion of 43% is as follows:

	In Million Baht	
	2022	2021
Current assets	14.6	17.7
Non-current assets	7.2	3.9
Current liabilities	0.2	0.6
Shareholders' equity	21.6	21.0
Other income	0.8	0.7
Profit for the year	0.6	0.4
Total comprehensive income for the year	0.6	0.4

At the Board of Directors' meeting on November 10, 2022, the Board of Directors passed the resolution approving the cessation of ECF-H's mining and sales of cryptocurrency operations as well as sales of the related assets used in such operations to a local non-related company at the price approximated carrying amount of the assets in November 2022 (the selling price amounted to Baht 20 million that incurred gain on sales of approximately Baht 0.3 million).



Notes to Financial Statements (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

10. INVESTMENT IN ASSOCIATE ACCOUNTED FOR USING THE EQUITY METHOD

	Percentage of Shareholding by Subsidiary (ECF-P)	Consolidated (In Thousand Baht)			
		Authorized Share Capital		Investment Value	
		2022	2021	2022	2021
<i>Investment in associate</i>					
Green Earth Power (Thailand) Co., Ltd. ("GEP")	20.00	2,252,716	2,252,716	865,881	823,866
				4,066	-

Share of profit and other comprehensive income from GEP for the year 2022 amounted to approximately Baht 28.2 million and Baht 17.9 million, respectively. Share of profit and other comprehensive income from GEP for the year 2021 amounted to approximately Baht 32.4 million and Baht 44.3 million, respectively.

GEP holds the entire shares of its subsidiary, i.e. GEP (Myanmar) Company Limited ("GEPM"), whereby GEP is engaged as a holding and management company in the 220-megawatt solar power plant project (divided into 4 phases) of GEPM which is located in Minbu province, Myanmar.

ECF-P has placed the guarantee for construction of the solar power plant of its associate amounting to Baht 20.0 million which is refundable upon completion of construction of the solar power plant (all four phases). Such guarantee was presented as part of "Deposits and guarantees" in the consolidated statements of financial position as at December 31, 2022 and 2021.

ECF-P has used its 4,505,433 share certificates (the entire shares invested) of investment in GEP as guarantee for payments of construction costs of the solar power plant project in Myanmar of GEPM to two subsidiaries of Meta Corporation Public Company Limited who are the construction contractors. This guarantee shall be continued until the payments for construction works of such project are completed.



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMP ANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

Significant financial information of GEP for 2022 and 2021 is as follows:

	In Million Baht	
	2022	2021
Current assets (including other subscription receivables)	284.9	242.4
Non-current assets	4,391.6	3,932.6
Current liabilities	2,114.8	1,838.7
Non-current liabilities	50.0	29.0
Core revenues	377.1	380.6
Profit for the year	135.0	162.1
Total comprehensive income for the year	224.4	383.7
Shareholders' equity (not deducting other subscription receivables)	2,511.7	2,307.3
The Group's interest at the investment proportion	502.3	461.5
Other reconciling item	1.2	-
Purchase price of investment in excess of the Group's interest	362.4	362.4
Carrying amount of investment in which equity method is applied	865.9	823.9

11. PROPERTY, PLANT AND EQUIPMENT - NET

	Consolidated (In Thousand Baht)				
	Beginning Balance as at January 1, 2022	Movements During the Year			Ending Balance as at December 31, 2022
		Addition	Deduction	Transfer	
Cost					
Land	217,538	-	-	-	217,538
Land improvement	41,097	-	-	-	41,097
Building	189,852	-	-	18,359	208,211
Building improvement	70,908	100	-	1,527	72,535
Machinery and equipment	419,880	15,285	29,125	(33,123)	372,917
Electric system	50,035	-	-	-	50,035
Furniture, fixtures and office equipment	19,026	1,324	169	54	20,235
Vehicle	54,282	-	265	-	54,017
Utilities	3,897	-	-	-	3,897
Construction in progress and machinery under installation	88,555	141,126	15	(19,939)	209,727
Total Cost	1,155,070	157,835	29,574	(33,122)	1,250,209
Accumulated Depreciation					
Land improvement	9,966	1,715	-	-	11,681
Building	79,672	9,232	-	-	88,904
Building improvement	25,974	4,228	-	-	30,202
Machinery and equipment	334,551	20,786	9,392	(29,039)	316,906
Electric system	12,892	5,167	-	-	18,059
Furniture, fixtures and office equipment	16,826	1,131	163	-	17,794
Vehicle	51,873	2,089	265	-	53,697
Utilities	3,897	-	-	-	3,897
Total Accumulated Depreciation	535,651	44,348	9,820	(29,039)	541,140



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

	Consolidated (In Thousand Baht)				
	Beginning Balance as at January 1, 2022	Movements During the Year			Ending Balance as at December 31, 2022
		Addition	Deduction	Transfer	
Allowance for Impairment					
Buildings and building improvement	2,527	-	-	-	2,527
Machinery and equipment	2,932	-	-	-	2,932
Total Allowance for Impairment	5,459	-	-	-	5,459
Net	613,960				703,610

	Separate Financial Statements (In Thousand Baht)				
	Beginning Balance as at January 1, 2022	Movements During the Year			Ending Balance as at December 31, 2022
		Addition	Deduction	Transfer	
Cost					
Land	217,538	-	-	-	217,538
Land improvement	41,097	-	-	-	41,097
Building	189,852	-	-	18,359	208,211
Building improvement	70,908	100	-	1,527	72,535
Machinery and equipment	400,755	5,805	520	(33,123)	372,917
Electric system	50,035	-	-	-	50,035
Furniture, fixtures and office equipment	18,437	1,236	169	54	19,558
Vehicle	54,282	-	265	-	54,017
Utilities	3,897	-	-	-	3,897
Construction in progress and machinery under installation	84,697	137,008	10	(19,939)	201,756
Total Cost	1,131,498	144,149	964	(33,122)	1,241,561
Accumulated Depreciation					
Land improvement	9,966	1,715	-	-	11,681
Building	79,672	9,232	-	-	88,094
Building improvement	25,975	4,227	-	-	30,202
Machinery and equipment	333,782	12,622	459	(29,039)	316,906
Electric system	12,891	5,168	-	-	18,059
Furniture, fixtures and office equipment	16,244	1,093	163	-	17,174
Vehicle	51,873	2,089	265	-	53,697
Utilities	3,897	-	-	-	3,897
Total Accumulated Depreciation	534,300	36,146	887	(29,039)	540,520
Allowance for Impairment					
Buildings and building improvement	2,527	-	-	-	2,527
Machinery and equipment	2,932	-	-	-	2,932
Total Allowance for Impairment	5,459	-	-	-	5,459
Net	591,739				695,582



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMP ANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

	Consolidated (In Thousand Baht)				
	Beginning Balance as at January 1, 2021	Movements During the Year			Ending Balance as at December 31, 2021
		Addition	Deduction	Transfer	
Cost					
Land	200,038	6,000	-	11,500	217,538
Land improvement	9,709	-	-	31,388	41,097
Building	189,852	-	-	-	189,852
Building improvement	48,693	28	-	22,187	70,908
Machinery and equipment	388,466	21,821	11,656	21,249	419,880
Electric system	49,145	-	-	890	50,035
Furniture, fixtures and office equipment	18,842	456	272	-	19,026
Vehicle	49,296	-	2,114	7,100	54,282
Utilities	3,897	-	-	-	3,897
Construction in progress and machinery under installation	60,843	99,021	-	(71,309)	88,555
Total Cost	<u>1,018,781</u>	<u>127,326</u>	<u>14,042</u>	<u>23,005</u>	<u>1,155,070</u>
Accumulated Depreciation					
Land improvement	9,189	777	-	-	9,966
Building	70,629	9,043	-	-	79,672
Building improvement	22,798	3,176	-	-	25,974
Machinery and equipment	315,348	19,334	131	-	334,551
Electric system	7,798	5,094	-	-	12,892
Furniture, fixtures and office equipment	15,759	1,335	268	-	16,826
Vehicle	46,394	1,652	2,114	5,941	51,873
Utilities	<u>3,897</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,897</u>
Total Accumulated Depreciation	<u>491,812</u>	<u>40,411</u>	<u>2,513</u>	<u>5,941</u>	<u>535,651</u>
Allowance for Impairment					
Buildings and building improvement	2,527	-	-	-	2,527
Machinery and equipment	<u>2,932</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,932</u>
Total Allowance for Impairment	<u>5,459</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,459</u>
Net	521,510				613,960



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

	Separate Financial Statements (In Thousand Baht)				
	Beginning Balance as at January 1, 2021	Movements During the Year			Ending Balance as at December 31, 2021
		Addition	Deduction	Transfer	
Cost					
Land	200,038	6,000	-	11,500	217,538
Land improvement	9,709	-	-	31,388	41,097
Building	189,852	-	-	-	189,852
Building improvement	48,693	28	-	22,187	70,908
Machinery and equipment	388,466	2,696	11,656	21,249	400,755
Electric system	49,145	-	-	890	50,035
Furniture, fixtures and office equipment	18,253	456	272	-	18,437
Vehicle	49,296	-	2,114	7,100	54,282
Utilities	3,897	-	-	-	3,897
Construction in progress and machinery under installation	56,985	99,021	-	(71,309)	84,697
Total Cost	<u>1,014,334</u>	<u>108,201</u>	<u>14,042</u>	<u>23,005</u>	<u>1,131,498</u>
Accumulated Depreciation					
Land improvement	9,189	777	-	-	9,966
Building	70,629	9,043	-	-	79,672
Building improvement	22,799	3,176	-	-	25,975
Machinery and equipment	315,348	18,565	131	-	333,782
Electric system	7,797	5,094	-	-	12,891
Furniture, fixtures and office equipment	15,235	1,277	268	-	16,244
Vehicle	46,394	1,652	2,114	5,941	51,873
Utilities	<u>3,897</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,897</u>
Total Accumulated Depreciation	<u>491,288</u>	<u>39,584</u>	<u>2,513</u>	<u>5,941</u>	<u>534,300</u>
Allowance for Impairment					
Buildings and building improvement	2,527	-	-	-	2,527
Machinery and equipment	<u>2,932</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,932</u>
Total Allowance for Impairment	<u>5,459</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,459</u>
Net	<u>517,587</u>				<u>591,739</u>



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMP ANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

As at December 31, 2022 and 2021, the Company's land, building and building improvement, machinery and equipment of which carrying amount totalling approximately Baht 396.7 million and Baht 374.5 million, respectively, were used as guarantees for the credit facilities with financial institutions as discussed in Notes 14 and 19.

As at December 31, 2022 and 2021, cost of the Company's building and building improvement and equipment which have been fully depreciated but still in use amounting to approximately Baht 339.3 million and Baht 338.5 million, respectively.

Depreciation of building and equipment for 2022 amounted to approximately Baht 44.3 million in the consolidated financial statements and Baht 36.1 million in separate financial statements while for 2021 amounted to approximately Baht 40.4 million in the consolidated financial statements and Baht 39.6 million in separate financial statements.

12. RIGHT-OF-USE ASSETS - NET

	Consolidated and Separate Financial Statements (In Thousand Baht)			
	Balance as at	Movements During the Year		Balance as at
	January 1, 2022	Increase	Decrease	December 31, 2022
Vehicles and equipment				
Cost	12,390	34,685 *	(1,491)	45,584
Accumulated depreciation	(231)	(32,291) *	1,478	(31,044)
Net	<u>12,159</u>			<u>14,540</u>

* including amounts transferred from fixed assets of approximately Baht 33.1 million and Baht 29.0 million, respectively.

	Consolidated and Separate Financial Statements (In Thousand Baht)			
	Balance as at	Movements During the Year		Balance as at
	January 1, 2021	Increase	Decrease	December 31, 2021
Vehicles and equipment				
Cost	7,877	11,628	(7,115)	12,390
Accumulated depreciation	(2,543)	(3,629)	5,941	(231)
Net	<u>5,334</u>			<u>12,159</u>

13. INTANGIBLE ASSETS - NET

	Consolidated (In Thousand Baht)			
	Beginning	Movements During the Year		Ending
	Balance as at January 1, 2022	Addition	Deduction	Balance as at December 31, 2022
Cost	11,278	-	-	11,278
Accumulated amortization	(9,928)	(400)	-	(10,328)
Net	<u>1,350</u>			<u>950</u>



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

	Consolidated (In Thousand Baht)				
	Beginning Balance as at January 1, 2021	Movements During the Year			Ending Balance as at December 31, 2021
		Addition	Deduction	Transfer	
Cost	10,793	454	-	31	11,278
Accumulated amortization	(9,542)	(386)	-	-	(9,928)
Net	1,251				1,350

	Separate Financial Statements (In Thousand Baht)				
	Beginning Balance as at January 1, 2022	Movements During the Year			Ending Balance as at December 31, 2022
		Addition	Deduction	Transfer	
Cost	11,088	-	-	-	11,088
Accumulated amortization	(9,802)	(368)	-	-	(10,170)
Net	1,286				918

	Separate Financial Statements (In Thousand Baht)				
	Beginning Balance as at January 1, 2021	Movements During the Year			Ending Balance as at December 31, 2021
		Addition	Deduction	Transfer	
Cost	10,634	454	-	-	11,088
Accumulated amortization	(9,449)	(353)	-	-	(9,802)
Net	1,185				1,286

Amortization for the years ended December 31, 2022 and 2021 amounted to approximately Baht 0.4 million, both in the consolidated and separate financial statements, which was presented as part of "Administrative expenses" in statements of comprehensive income.

14. BANK OVERDRAFTS AND SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

In Thousand Baht				
	Consolidated		Separate Financial Statements	
	2022	2021	2022	2021
Bank overdrafts	54,305	53,965	54,305	53,965
Loans under packing credits	376,836	320,584	376,836	320,584
Loans under promissory notes	338,901	323,173	338,901	323,173
Loans under trust receipts	3,160	7,248	3,160	7,248
Total	773,202	704,970	773,202	704,970

As at December 31, 2022 and 2021, the Company had overdraft lines with four local banks totalling Baht 75 million, which bear interest at Minimum Overdraft Rate.

As at December 31, 2022 and 2021, the Company had packing credit facilities with four local banks totalling Baht 330 million and Baht 350 million, respectively, which bear interest rates referenced to Minimum Loan Rate.



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMP ANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

As at December 31, 2022 and 2021, the Company had promissory note facilities with four local banks totalling Baht 380 million, which bear interest ranging between 4.97% and 5.75% p.a. in 2022 and between 4.47% and 5.25% p.a. in 2021.

As at December 31, 2022 and 2021, the Company had trust receipt facilities with three local banks totalling Baht 113 million, which bear interest rates referenced to Minimum Loan Rate.

The abovementioned credit facilities are guaranteed by certain directors and relative of director of the Company as well as their land and fixed deposits, the Company's fixed deposits as discussed in Note 8, and the Company's land, buildings, and machinery and equipment as discussed in Note 11.

15. SHORT-TERM LOANS FROM OTHER PARTIES

As at December 31, 2022, this account represented short-term loans under loan agreements whereby a portion of the balance presented in the consolidated financial statements amounting to Baht 44 million was secured by the Company's common shares of totalling 22.4 million shares held by two directors and a relative of such two directors, made by the Company and a subsidiary with several non-related persons between April and December 2022. These loans bear interest ranging between 5% p.a. and 7% p.a. which have maturities not exceeding nine months.

As at December 31, 2021, this account represented short-term loans under bill of exchange, secured by the Company's common shares of totalling 124.8 million shares held by two directors and a relative of such two directors, issued by the Company and a subsidiary to several non-related persons between April and December 2021. These loans bear interest ranging between 6.5% p.a. and 15% p.a. which have maturities not exceeding nine months from particular issuance dates.

16. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2022	2021	2022	2021
Other payables	26,192	15,586	23,117	13,299
Accrued advertising and sales promotion expenses	17,846	14,124	17,846	14,124
Advances from customers	5,624	9,433	5,536	9,405
Accrued salary, wage, and welfares	7,219	7,938	6,886	7,293
Accrued interest	9,176	7,338	8,537	7,338
Accrued electricity	8,306	3,510	8,306	3,510
Accrued sales discount	3,525	2,729	3,525	2,729
Others	7,311	6,269	5,286	5,156
Total	85,199	66,927	79,039	62,854



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

17. DEBENTURES

	Consolidated and Separate Financial Statements (In Thousand Baht)	
	2022	2021
Debentures	1,190,000	855,550
Less Deferred direct transaction costs on debenture issuance	(16,270)	(12,852)
Net	1,173,730	842,698
Less Due for payments within one year	(535,030)	(287,425)
Net	638,700	555,273

As at December 31, 2022 and 2021, such debentures had fair values of approximately Baht 1,183.5 million and Baht 855.8 million, respectively (fair value is the level 2 inputs of the fair value hierarchy which was the price announced and referenced by the Thai Bond Market Association).

On June 12, 2020, the Company limitedly issued and offered the registered, unsubordinated, and partially secured debentures to the institutional investors of 581,100 units of which face value per unit is Baht 1,000. Such debentures bear interest rate at 7.25% p.a. whereby interest is payable on a quarterly basis and will mature for redemption on June 12, 2022. Close to the end of 2021, the Company early redeemed these debentures at a half of face value, amounting to Baht 290.55 million whereby the rest was redeemed in June 2022 as scheduled. The abovementioned debentures have significant conditions which include maintaining Debt-to-Equity ratio at the rate not exceeding 4:1. These debentures are guaranteed by ECF-P's common share of 34,452,570 held by the Company.

On January 29, 2021, the Company limitedly issued and offered the registered, unsubordinated, and secured debentures to the institutional investors of 225,000 units of which face value per unit is Baht 1,000. Such debentures bear interest rate at 7.25% p.a. whereby interest is payable on a quarterly basis and will mature for redemption on January 29, 2023. The abovementioned debentures have significant conditions which include maintaining Debt-to-Equity ratio at the rate not exceeding 4:1. These debentures are guaranteed by ECF-P's common share of 21,684,657 held by the Company. The Company early redeemed the entire balance of these debentures in July 2022.

On December 8, 2021, the Company limitedly issued and offered the registered, unsubordinated, and secured debentures to the institutional investors of 340,000 units of which face value per unit is Baht 1,000. Such debentures bear interest rate at 6.80% p.a. whereby interest is payable on a quarterly basis and will mature for redemption on December 8, 2023. The abovementioned debentures have significant conditions which include maintaining Debt-to-Equity ratio at the rate not exceeding 4:1. These debentures are guaranteed by ECF-P's common share of 34,452,569 held by the Company.

On June 9, 2022, the Company limitedly issued and offered three series of the registered, unsubordinated, and unsecured debentures to the institutional investors of 200,000 units, 409,500 units and 240,500 units of which face value per unit is Baht 1,000. Such debentures bear interest rates at 7%, 7.15% and 7.30% p.a., respectively, whereby interest is payable on a quarterly basis and will mature for redemption on June 9, 2023, June 9, 2024 and June 9, 2025, respectively. The abovementioned debentures have significant conditions which include maintaining Debt-to-Equity ratio at the rate not exceeding 4:1.

Direct transaction costs on debenture issuance were debenture issuance costs, which were recorded as deferred item and systematically amortized on straight-line method as part of finance costs over the term of related debentures.



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMP ANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

18. LIABILITY FOR POST-EMPLOYMENT BENEFITS

Movements of liability for post-employment benefits for the years ended December 31, 2022 and 2021 are as follows:

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2022	2021	2022	2021
Balance as at January 1	14,320	11,614	14,320	11,614
Past service cost	773	-	-	-
Current service cost	1,029	890	621	890
Interest cost	144	110	122	110
Expense recognized as profit or loss in statements of comprehensive income	1,946	1,000	743	1,000
Actuarial loss on re-measurement	-	1,706	-	1,706
Balance as at December 31	16,266	14,320	15,063	14,320

Significant assumptions used in calculation of liability for post-employment benefits are as follows:

Discount rate	2.52% p.a. in 2022 and 1.17% p.a. in 2021 for the parent 2.30% - 3.54% p.a. in 2022 for subsidiaries
Salary escalation rate	3% p.a. in 2022 and 2021 for the parent 5% p.a. in 2022 for subsidiaries
Employee turnover rate	8% - 40% p.a. in 2022 and 9% - 46% p.a. in 2021 for the parent 2% - 23% p.a. in 2022 for subsidiaries

The abovementioned changes in significant assumptions may affect the sensitivity of the provision for post-employment benefits in respect of information as per calculation report of the qualified actuary as follows:

Significant Assumptions - Consolidated	Liability may increase (decrease) from changes in significant assumptions (In Thousand Baht)	
	If assumption increased	If assumption decreased
Discount rate (increase/decrease by 1%)	(1,078)	1,216
Salary escalation rate (increase/decrease by 1%)	1,196	(1,081)
Employee turnover rate (increase/decrease by 20%)	(1,691)	2,017
Significant Assumptions - Separate Financial Statements		
Discount rate (increase/decrease by 1%)	(962)	1,082
Salary escalation rate (increase/decrease by 1%)	1,065	(967)
Employee turnover rate (increase/decrease by 20%)	(1,619)	1,933

In the second quarter of 2021, the abovementioned provisions were recalculated and re-measured by the qualified actuary. Thus, actuarial loss on re-measurement in 2021 comprised of (1) loss from experience adjustment of approximately Baht 891 thousand, (2) loss from changes in financial assumptions of approximately Baht 1,221 thousand, and (3) gain from changes in demographic assumptions of approximately Baht 406 thousand.



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMP ANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

19. LONG-TERM BORROWINGS

This account represented long-term borrowings from three local banks and a local leasing company which comprised of:

	Consolidated and Separate Financial Statements (In Thousand Baht)	
	2022	2021
1) Loans under facilities of Baht 184.6 million, repayable monthly until June 2026, bear interest at 3.5% p.a. and rate referenced to Minimum Loan Rate	63,150	90,520
2) Loans under facilities of Baht 100 million, repayable monthly until June 2026, bear interest at 2% p.a. and rate referenced to Minimum Loan Rate	55,700	91,900
3) Loans under facilities of Baht 30 million, repayable monthly until July 2026, bear interest ranging between 2% and 7% p.a.	30,000	30,000
4) Loans under facilities of Baht 45.49 million, repayable monthly until September 2023, bear interest at 10.5% and 11.105% p.a.	6,182	23,091
Total	155,032	235,511
Less Current portion	(41,410)	(77,010)
Net	113,622	158,501

The above loans have guarantees as discussed in Note 11. The aforesaid loans 3) are guaranteed by the Company's two directors and Thai Credit Guarantee Corporation (TCG) while the loans 4) are secured by cash which the Company has deposited with the lender amounting to Baht 1.55 million and Baht 7.55 million, which was presented as part of "Deposits and guarantees" in the consolidated and separate statements of financial position as at December 31, 2022 and 2021, respectively.

In addition, the Company must comply with certain loan covenants and undertakings e.g. maintaining Debt Service Coverage Ratio, Debt-to-Equity Ratio, and Current Ratio, etc.

20. LEASE LIABILITIES

	Consolidated and Separate Financial Statements (In Thousand Baht)		
	Balance as at January 1, 2022	Movements During the Year Increase Decrease	Balance as at December 31, 2022
Vehicles and equipment	8,118	11,562 (5,616)	14,064

	Consolidated and Separate Financial Statements (In Thousand Baht)		
	Balance as at January 1, 2021	Movements During the Year Increase Decrease	Balance as at December 31, 2021
Vehicles and equipment	3,607	8,140 (3,629)	8,118



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMP ANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

	Consolidated and Separate Financial Statements (In Thousand Baht)	
	2022	2021
Lease liabilities		
- Due for payments within one year	8,911	3,276
- Due for payments between 2-5 years	6,561	5,748
Total	15,472	9,024
Less Deferred interest	(1,408)	(906)
Lease liabilities - net of deferred interest	14,064	8,118
Less Current portion	(6,473)	(2,845)
Net	7,591	5,273

Decrease in lease liabilities during 2022 and 2021 entirely pertained to lease payments as scheduled.

Amortized interest, which was presented as part of “Finance costs” in statements of comprehensive income for years 2022 and 2021, amounted to approximately Baht 0.9 million and Baht 0.4 million, respectively.

In 2019 2020 and 2021, the Company entered into lease and hire purchase agreements for its vehicles and leaseback agreement for its equipment with four local leasing companies for the periods of 29, 36 and 48 months whereby such agreements will end during 2022 to 2025.

In 2022, the Company entered into lease and hire purchase agreements for its vehicles and equipment with two local leasing companies for a period of 36 months whereby such agreements will end in 2025.

21. SHARE CAPITAL, PREMIUM ON SHARES AND WARRANTS

	Par Value (In Baht)	In Thousand Shares / In Thousand Baht			
		2022		2021	
		No. of Share	At Par Value	No. of Share	At Par Value
Authorized share capital					
As at December 31					
- Common shares	0.25	1,151,385	287,846	1,151,385	287,846
Issued and paid-up shares					
as at January 1					
- Common shares	0.25	959,488	239,872	959,488	239,872
Exercise of warrants					
(see page 52)	0.25	-	-	-	-
As at December 31					
- Common shares	0.25	959,488	239,872	959,488	239,872

At the general shareholders' meeting on April 22, 2021, the shareholders passed the resolutions to approve (a) decrease in the Company's authorized share capital of Baht 59,289,649.50 (from previously Baht 299,161,547.00 to Baht 239,871,897.50) by eliminating the unissued 237,158,598 common shares, Baht 0.25 par value, and (b) increase in the Company's authorized share capital of Baht 47,974,379.50 (from previously Baht 239,871,897.50 to Baht 287,846,277.00), which is divided into 191,897,518 common shares, Baht 0.25 par value, that shall be appropriated to support issuance of ECF-W4 warrants of 191,897,518 units as discussed in Note 13. The Company registered such decrease and increase in its share capital with the Ministry of Commerce on May 3, 2021 and May 5, 2021, respectively.



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

Section 51 of the Public Limited Companies Act, B.E. 2535 (1992) requires the public company to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account, premium on shares, separated from the reserve account referred to in Section 116 of the Public Limited Companies Act, B.E. 2535 (1992) (Legal reserve). Premium on shares is not available for dividend distribution.

Warrants

On June 2, 2021, the Company issued and offered 191,894,988 units of free warrants (“ECF-W4”) to existing shareholders for purchase of incremental shares on the basis of 5 common shares for 1 unit of warrant. Terms of the warrants are as follows:

Exercise ratio	1 unit of warrant to purchase 1 incremental common share
Exercise price	Baht 2 per share
Exercise period	The warrants shall be exercisable with the first exercise date on July 20, 2021 and other 9 times, i.e. the 20th of November 2021, March, July, November 2022, March, July, November 2023, March 2024 and the last exercise date is June 2, 2024.
Term of warrants	3 years from the date on which warrants are issued to shareholders

Later on June 21, 2021, the Stock Exchange of Thailand has granted the Company’s 191,894,988 (ECF-W4) units of warrants as listed securities and has permitted such warrants to be traded on the Market for Alternative Investment since June 22, 2021. As at December 31, 2022, no ECF-W4 warrants have been exercised.

22. LEGAL RESERVE

Section 116 of the Public Limited Companies Act B.E. 2535 requires the public company to appropriate not less than 5% of its annual profit, less accumulated losses brought forward (if any), to a reserve account (“Legal reserve”) until this account reaches an amount not less than 10% of the authorized share capital. The legal reserve is not available for dividend distribution.

23. EXPENSES BY NATURE

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2022	2021	2022	2021
Assemblies, raw materials, and supplies used	795,886	923,372	789,876	912,087
Employee expenses	238,911	245,310	229,411	237,481
Finance costs	158,470	134,925	160,562	144,518
Depreciation and amortization	47,999	44,426	39,766	43,567
Changes in finished goods and work-in-process	27,319	42,625	26,776	43,831
Freight and transportation charges	41,834	37,594	32,947	32,553
Electricity	40,956	37,526	40,956	37,526
Bank charges	7,583	15,753	7,199	15,390
Repair and maintenance expenses	13,097	10,912	12,668	10,912
Customers’ claims from abroad	2,867	8,682	2,867	8,682
Fuels	7,414	4,804	7,414	4,804
Lease fees attributable to short-term leases	6,485	3,159	6,485	3,159
Loss on impairment of trade receivables	4,457	12,483	1,845	11,432



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMP ANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

24. INCOME TAX

Corporate income tax recorded as expense (income) for the years ended December 31, 2022 and 2021 consists of:

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2022	2021	2022	2021
Income tax computed from accounting profit	7,662	10,517	2,148	2,532
Effects from non-deductible expenses	8,568	7,228	6,252	6,877
Effects from additional deductible expenses or non-taxable income	(11,243)	(10,537)	(6,003)	(3,605)
Effects from reduction in income tax rate under investment promotion	(622)	(3,368)	(622)	(3,368)
Current tax on taxable profit	4,365	3,840	1,775	2,436
Increase in deferred tax assets	(3,924)	(2,519)	(2,375)	(2,519)
Increase in deferred tax liabilities	684	348	684	348
Income tax presented in statement of comprehensive income	1,125	1,669	84	265
Increase in deferred tax assets pertaining to other comprehensive loss (see Note 18)	-	341	-	341

As at December 31, 2021, ECF-H had tax loss carryforward of approximately Baht 38.7 million whereby such loss is able to be used as tax credit during 2022 until 2027.

Deferred tax assets and liabilities presented in the statements of financial position as at December 31, 2022 and 2021 consist of:

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2022	2021	2022	2021
<i>Deferred tax assets</i>				
Effects from temporary non-deductible items:				
- Allowance for diminution in value of obsolete and slow moving inventories	2,525	1,254	2,521	1,254
- Allowance for impairment of trade receivables and other receivables	5,159	3,485	3,854	3,485
- Allowance for impairment of building and equipment	1,092	1,092	1,092	1,092
- Right-of-use assets and lease liabilities	590	-	590	-
- Liability for post-employment benefits	3,253	2,864	3,013	2,864
Total deferred tax assets	12,619	8,695	11,070	8,695
<i>Deferred tax liabilities</i>				
Effects from temporary non-recognized items as expense in accounting:				
- Unamortized debenture issuance costs	3,254	2,570	3,254	2,570
Total deferred tax liabilities	3,254	2,570	3,254	2,570



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMP ANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

25. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share for the years ended December 31, 2022 and 2021 are determined by dividing profit for the year, attributable to owners of the Company, by weighted average number of common shares outstanding during the year as follows:

	In Thousand Baht / In Thousand Shares			
	Consolidated		Separate Financial Statements	
	2022	2021	2022	2021
Profit for the year, attributable to owners of the Company	37,459	50,850	10,656	12,395
Basic weighted average number of outstanding common shares	959,488	959,488	959,488	959,488
Basic earnings per share (Baht)	0.0390	0.0530	0.0111	0.0129

Diluted earnings per share

Diluted earnings per share for the years ended December 31, 2022 and 2021 are determined by dividing the profit for the year, attributable to owners of the Company, by the weighted average number of common shares outstanding during the year after adjusting effect from dilutive potential common shares as follows:

	In Thousand Baht / In Thousand Shares			
	Consolidated		Separate Financial Statements	
	2022	2021	2022	2021
Profit for the year attributable to owners of the Company	37,459	50,850	10,656	12,395
Basic weighted average number of outstanding common shares	959,488	959,488	959,488	959,488
Effect from the right under the exercise of warrants	-	-	-	-
Diluted weighted average number of outstanding common shares	959,488	959,488	959,488	959,488
Diluted earnings per share (Baht)	0.0390	0.0530	0.0111	0.0129

Diluted earnings per share for the years ended December 31, 2022 and 2021 were the same amount to basic earnings per share because the average market price of the Company's common shares in 2022 and 2021 was less than the exercise price specified in the warrants. Accordingly, there was no virtual effect from the right under the assumed exercise of warrants that create dilutive potential common shares.



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMP ANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

26. PAYMENT OF DIVIDENDS

At the general shareholders' meeting on April 21, 2022, the shareholders approved the payment of cash dividends for the 2021 operations at Baht 0.0157 per share (from the promoted profit of Baht 0.0043 per share and non-promoted profit of Baht 0.0114 per share), totalling approximately Baht 15.063 million, to shareholders and scheduled the date for dividends payment on May 20, 2022.

At the general shareholders' meeting on April 22, 2021, the shareholders approved the payment of cash dividends for the 2020 operations at approximately Baht 0.0125 per share, totalling approximately Baht 12.0 million, to the shareholders and scheduled the date for dividends payment was May 21, 2021.

27. PROMOTIONAL PRIVILEGES UNDER INVESTMENT PROMOTION

The Company has been granted promotional privileges pertaining to the promotional certificate on manufacturing and sales of furniture. Such privileges include among others, exemption from import duty on the imported machinery used in the promoted business and exemption from corporate income tax on net profit from the promoted business attributable in the extent not exceeding the specified amount in the promotional certificate for a period of three years from the date income was first derived from the promoted business i.e. September 10, 2022.

As a promoted entity, the Company must comply with certain conditions and regulations as specified in the promotional certificates.

Operating results classified by promoted and non-promoted businesses for the year ended December 31, 2022 and 2021 are as follows:

	2022 - Consolidated (In Thousand Baht)		
	Promoted Business	Non-Promoted Business	Total
Net sales	708,962	709,964	1,418,926
Other income	15,326	29,146	44,472
Share of profit from investment in associate	-	28,200	28,200
Cost of sales	(541,810)	(533,612)	(1,075,422)
Distribution costs	(26,957)	(39,007)	(65,964)
Administrative expenses and others	(66,040)	(87,392)	(153,432)
Finance costs	(81,389)	(77,081)	(158,470)
Income tax expense	-	(1,125)	(1,125)
Profit for the year	8,092	29,093	37,185

	2021 - Consolidated (In Thousand Baht)		
	Promoted Business	Non-Promoted Business	Total
Net sales	905,828	643,578	1,549,406
Other income (including gain on exchange rate)	5,126	46,272	51,398
Share of profit from investment in associate	-	32,416	32,416
Cost of sales	(713,953)	(523,096)	(1,237,049)
Distribution costs	(31,317)	(30,891)	(62,208)
Administrative expenses and others	(78,140)	(68,311)	(146,451)
Finance costs	(84,093)	(50,832)	(134,925)
Income tax expense	-	(1,669)	(1,669)
Profit for the year	3,451	47,467	50,918



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMP ANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

2022 - Separate Financial Statement (In Thousand Baht)			
	Promoted Business	Non-Promoted Business	Total
Net sales	708,962	684,545	1,393,507
Other income	15,326	14,799	30,125
Cost of sales	(541,810)	(527,059)	(1,068,869)
Distribution costs	(26,957)	(26,224)	(53,181)
Administrative expenses and others	(66,040)	(64,240)	(130,280)
Finance costs	(81,389)	(79,173)	(160,562)
Income tax expense	-	(84)	(84)
Profit for the year	8,092	2,564	10,656

2021 - Separate Financial Statement (In Thousand Baht)			
	Promoted Business	Non-Promoted Business	Total
Net sales	905,828	617,151	1,522,979
Other income (including gain on exchange rate)	5,126	44,149	49,275
Cost of sales	(713,953)	(513,018)	(1,226,971)
Distribution costs	(31,317)	(22,503)	(53,820)
Administrative expenses and others	(78,140)	(56,145)	(134,285)
Finance costs	(84,093)	(60,425)	(144,518)
Income tax expense	-	(265)	(265)
Profit for the year	3,451	8,944	12,395

28. SIGNIFICANT FINANCIAL INFORMATION DISAGGREGATED BY OPERATING SEGMENT

Sales, other income, cost of sales, other expenses, and profit/loss before income tax expense are significant financial and core information of the Company and its subsidiaries that are provided regularly to the highest authority in decision-making operation and also used in evaluation of financial performances of the segments. The Company and its subsidiaries have two significant operating segments (identified by internal reporting segments), i.e. (1) wood furniture and particle boards (rubber wood furniture and particle board furniture) and (2) other segments (e.g. laminating papers, dried sawn lumbers, furniture-decorating supplies, dealer on furniture business, mining and sales of cryptocurrency and renewable energy business operated by associate) which in overall has been insignificant portion as compared to entire volumes and size of business activities and, therefore, are insignificant minor segments. For agriculture business of the new subsidiary, it has not yet been operated as at December 31, 2022 while the operating results on renewable energy business, operated by associate, was the share of profit presented in the consolidated statements of comprehensive income. Transfers between segments were accounted for at cost whereby accounting policies applied to operating segments of the Company and its subsidiaries are similar to those accounting policies discussed in Note 3. Further, the Company and its subsidiaries are unable to apportion the segment information for assets and liabilities without incurring undue costs.

Information on Products

	In Thousand Baht	
	Consolidated	
	2022	2021
Net sales		
- Wood furniture and particle boards	1,365,565	1,498,179
- Other products	53,361	51,227
Total	1,418,926	1,549,406



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMP ANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

	In Thousand Baht	
	Consolidated	
	2022	2021
Other income		
- Wood furniture and particle boards	31,860	39,636
- Other products (including share of profit from associate)	40,812	44,178
Total	72,672	83,814
Cost of sales		
- Wood furniture and particle boards	1,034,336	1,198,660
- Other products	41,086	38,389
Total	1,075,422	1,237,049
Other expenses		
- Wood furniture and particle boards	353,509	335,334
- Other products	24,357	8,250
Total	377,866	343,584
Profit (loss) before income tax expense		
- Wood furniture and particle boards	9,580	3,821
- Other products (including share of profit from associate)	28,730	48,766
Net	38,310	52,587

Operating results on mining and sales of cryptocurrency business included as part of Other Products segment featured loss in 2022 of approximately Baht 5.95 million which comprised of revenues from Bitcoin and Ethereum of approximately Baht 0.41 million and Baht 5.97 million, respectively, and operating expenses of approximately Baht 12.33 million whereas in 2021 featured profit of approximately Baht 0.53 million which comprised of revenues from Bitcoin and Ethereum of approximately Baht 0.14 million and Baht 1.16 million, respectively, and operating expenses of approximately Baht 0.77 million.

Information on Geographic Areas

	In Thousand Baht	
	Consolidated	
	2022	2021
Export sales - net		
- Japan	452,880	613,917
- India	135,724	135,330
- United States of America	76,008	154,917
- Bahrain	16,495	4,781
- Philippines	9,893	6,248
- China	7,683	12,603
- Kuwait	5,594	7,522
- Others	2,183	14,579
Total	706,460	949,897
Domestic sales - net	712,466	599,509
Total sales - net	1,418,926	1,549,406



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMP ANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

Other income, classified by products, included revenues from contracts with other customers who are not attributable to core businesses. Such revenues had timing of recognition as follows:

	In Thousand Baht			
	Consolidated			
	Wood furniture and particle boards		Other products	
	2022	2021	2022	2021
At a point in time	14,938	28,640	-	-
Over time	-	-	480	684

The Group has no any non-current assets located in the countries other than Thailand.

Information on Key Customers

(customers whose transactions exceeding 10% of total balance of transactions)

	Percentage of Balance Attributable to Key Customers to Total Balance	
	Consolidated	
	2022	2021
Net sales		
- Wood furniture and particle boards	9.84	14.65
- Other products	-	-
- Export	19.03	23.10
- Domestic	-	-
- Total	9.47	14.16

29. DISCLOSURE OF FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT

The Group is exposed to normal business risks relating to liquidity risk, credit risk, foreign currency exchange rate risk, and interest rate risk. The Group has used derivative financial instruments for hedging against the foreign currency exchange rate risk without intention for trading or speculation purposes and there was no significant change in risk management policy relating to financial instruments and finance during 2022 and 2021.

Liquidity Risk

The Group manages its liquidity risk and maintains a level of cash and cash equivalents including necessary borrowings as deemed adequate to finance the Group's normally continuous operations and to mitigate the effects of fluctuations in cash flows.

Credit Risk

Credit risk is the risk that a customer or counterparty is unable or unwilling to meet its financial and contractual commitments. To mitigate this risk, the Group periodically assess the financial position and viability of customers and counterparties. The carrying amounts of receivables and loan receivables presented in the statements of financial position are the maximum exposure to credit risk.



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMP ANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

Foreign Currency Exchange Rate Risk

The Group has significant business transactions internationally, including import of products and raw materials as well as export of its products, giving rise to exposure to fluctuations in foreign currency exchange rates. In practical, the Group reduces this risk by matching cash receipt from its customers (receivables) against cash payment to its suppliers (payables). Since 2009, the Company has used forward exchange contracts (buy-sell) to mitigate this risk.

As at December 31, 2022 and 2021, the Company had the outstanding forward exchange contracts (sell) as follows:

	In Thousand			
	Foreign Currency		Fixed Baht	
	2022	2021	2022	2021
Forward exchange contracts - sell				
- U.S. Dollar	274	1,676	9,984	55,959

In addition, the fair values of forward exchange contracts (sell) outstanding as at December 31, 2022 and 2021 were as follows:

	In Thousand Baht	
	2022	2021
Forward exchange contract - sell		
- U.S. Dollar	9,418	56,147

The forward exchange contracts - sell as at December 31, 2022 had maturities between January and April 2023.

As at December 31, 2022 and 2021, significant outstanding non-hedged foreign currency assets and liabilities were as follows:

	Consolidated and Separate Financial Statements			
	Foreign Currency Assets		Foreign Currency Liabilities	
	2022	2021	2022	2021
- U.S. Dollar	1,137,387	558,451	228,121	336,461

Interest Rate Risk

Interest rate risk arises from the fluctuation of market interest rates in the future, which may have a negative effect to the current and future operations and cash flows of the Group. The Group's management believes that the interest rate risk is minimal because the Group's deposits at banks, other installment receivables, short-term and long-term loan receivables, bank overdrafts and short-term and long-term loan payables as well as other interest bearing liabilities of the Group bear floating market interest rates or fixed rate interest rates that are not materially different from floating market interest rates.



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

Fair Value Measurements

The following assumptions were used by the Group in estimating the fair values of financial assets and financial liabilities:

Cash and cash equivalents, short-term investment, restricted deposits at banks, trade and other receivables, short-term and long-term loan receivables, bank overdrafts, short-term and long-term loan payables, trade and other payables and lease liabilities have carrying amounts that did not materially differ from their fair values because these financial assets and liabilities will mature in the short-term period or bear floating market interest rates or fixed rate interest rates that are not materially different from floating market interest rates (Level 2 inputs of the fair value hierarchy).

Fair value of debentures, which are stated at the amortized cost, was disclosed as discussed in Note 17.

30. CAPITAL MANAGEMENT

Significant objectives of capital management of the Group are to ensure that they have the appropriate financial structure and fund structure as well as maintaining the financial liquidity and ability to continue their businesses as a going concern. The Group did not have any significant change relating to capital management policy during 2022 and 2021.

As at December 31, Debt-to-Equity ratio for the consolidated and separate financial statements was 1.92 : 1.00 and 2.14 : 1.00, respectively, in 2022 and 1.83 : 1.00 and 2.02 : 1.00, respectively, in 2021.

31. REGISTERED PROVIDENT FUND

The Company has arranged a contributory registered provident fund in accordance with the Provident Fund Act, B.E. 2530 (1987). Membership to the fund is on a voluntary basis. Under the plan, the Company and employees contribute an amount equivalent to 3% of the employees' basic salaries. The fund will pay back the provident fund to employees in accordance with the conditions stated in the policies of provident fund regulations.

The Company's contributions, charged as expense for year 2022, amounted to approximately Baht 1.3 million whereas the Company was temporarily exempted from the contributions in 2021.

32. SHORT-TERM LOANS TO OTHER PERSONS

This account in 2022 represented the unsecured loans of a subsidiary to a non-related person which bear interest at 7.5% p.a. and were due at call.

This account in 2021 represented the unsecured loans of the Company and a subsidiary to two non-related persons in consolidated financial statements and a non-related person in separate financial statements (Baht 60 million with interest at 7.5% p.a. and another Baht 39 million with interest at 7% p.a. in consolidated financial statements while interest at 7% p.a. in separate financial statements). These loans were due at call.



Notes to Financial Statements (Continued)

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

December 31, 2022 and 2021

33. OTHERS

As at December 31, 2022;

- a. The Company had letters of guarantee issued by three local banks to four private companies and a government agency totalling approximately Baht 58.8 million;
- b. The Company had commitments on construction of office building, construction of warehouse, and improvements of infrastructure, factory systems amounting to approximately Baht 43.5 million, Baht 9.6 million and Baht 8.1 million, respectively;
- c. The Company had advance amounting to Baht 44.5 million for purchase of investment in common shares of a local company, whose business is engaged in electricity generated from wind power, from shareholder of such company who is non-related person to the Company. Such purchase of investment was approved in the Company's Board of Directors' meeting on September 10, 2019 in total amount of not exceeding Baht 200.0 million;
- d. The Company had unused letter of credit with a local bank amounting to approximately Baht 1.4 million;
- e. The Company has been during the feasibility study on investment project relating to biomass power plant located in Saga prefecture of Japan with a condition that the refundable deposit of Baht 100 million shall be paid to the project owner as part of the process for such feasibility study whereby such deposit will be refunded in case the Company or the Group finally decides not to invest in the project. In 2018 and 2019, the Company partially paid such deposit amounting to Baht 75 million and Baht 25 million, respectively (totalling Baht 100 million);
- f. A subsidiary (SOMEWA) had commitment on purchase of computer software and related services for supporting its e-commerce business amounting to approximately Baht 1.2 million.

34. EVENTS AFTER THE REPORTING PERIOD

At the Board of Directors' meeting on February 28, 2023, the Company's Board of Directors unanimously passed the resolutions approving the following matters:

- a. Issuance and offering of debentures in amount not exceeding Baht 400 million. Such matter aligns with the resolution from the 2020 annual general shareholders' meeting, held on July 8, 2020, which has approved the amount for issuance and offering of debentures not exceeding Baht 2,000 million;
- b. Payment of cash dividends for the 2022 operations at Baht 0.011 per share (from the promoted profit of Baht 0.0053 per share and non-promoted profit of Baht 0.0057 per share), totalling approximately Baht 10.554 million, to the shareholders and scheduled the date for payment of such dividends on May 19, 2023. This matter will be proposed for approval in the next general shareholders' meeting.

35. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements have been approved for issuance by the Company's Board of Directors' meeting on February 28, 2023.

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