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No. ECF2 033/2025

May 15, 2025

Subject: Management Discussion and Analysis for the 1st quarter as of March 31, 2025

To President
The Stock Exchange of Thailand

East Coast Furnitech Public Company Limited (“the Company”) would like to report on Management Discussion and Analysis from the Consolidated Financial Statements of the 1st quarter ended March 31, 2025. Since the Company has its main revenue from the furniture business, the information between the Consolidated Financial Statements and Separate Financial Statements does not differ significantly.

Business Overview

The Company is a manufacturer and distributor of household furniture products, covering bedroom sets, living room furniture, dining tables, and sofas. These are available in both self-assembly and pre-assembled forms. Currently, the Company's main customer base consists of domestic customers, accounting for approximately 70%, with exports making up about 30%. The primary domestic customers include large retail chains (Thai Hypermarkets), followed by small retailers across the country and sales through various online platforms. For international customers, the Company has major clients in Japan.

Summary of Key Events and Developments

There are no further significant events or developments beyond what has been disclosed.

Summary of Operating Results and Financial Position

Key highlights from the consolidated financial statements are as follows:

Revenue from sales and total revenue in Q1/2025 significantly decreased compared to the same period of the previous year.

Sales revenue amounted to THB 106.02 million, while total revenue was THB 108.43 million.

The key reason for this decline is that the company is undergoing an organizational restructuring and changes in various operational plans, resulting in a reduction in production capacity as per the management's plan. Review and reassess the target customer group to ensure that sales align appropriately with current costs and expenses, in light of the prevailing economic conditions and increased labor costs. As a result, the current transition period has led to a significant decline in sales revenue.

The cost of sales as a percentage of sales revenue slightly increased from the previous level. Likewise, the distribution costs relative to total revenue also rose.

Administrative expenses, which are mostly fixed in nature, increased both in absolute value and as a percentage of total revenue.

The main reason for this increase was fixed production costs during a period of declining sales revenue, combined with economic conditions and rising labor costs.

Financial costs remained similar to the same period of the previous year, as the Company still carries a high level of debt, including both debentures and loans from financial institutions.

In addition, the Company recorded a significant item in accordance with accounting standards - a loss allowance for the impairment of financial assets, which appeared in the Q1/2025 financial statements at approximately THB 4 million. This represents a slight decrease compared to the same period of the previous year, which was around THB 5 million.

Operating Results: Consolidated

1. Revenues

Unit: million baht

Revenue Structure	Consolidated			
	Amount		Change	
	Q1/2025	Q1/2024	Amount	%
Revenue from sales – net	106.02	377.36	-271.34	-71.90
Others income	2.13	6.96	-4.83	-69.43
Foreign exchange gain	0.29	2.14	-1.85	-86.61
Total Revenue	108.43	386.45	-278.02	-71.94
Share of gain from investment value of the associates	3.25	9.11	-5.86	-64.31

In Q1/2025, the Company generated revenue from its core operations and from its subsidiaries totaling THB 106.02 million, with total revenue amounting to THB 108.43 million. This represents a significant decrease of 71.90% and 71.94%, respectively, compared to the same period of the previous year. The key reason for this decline is that the Company is undergoing an organizational restructuring and changes in various operational plans, resulting in reduced production capacity in accordance with the management's strategic plan. In addition, the Company has a policy to review and reassess its customer base to ensure that sales reflect costs and expenses appropriately, in line with the current economic conditions and rising labor costs.

The Company had a proportion of domestic sales and export sales in Q1/2025 representing 70 percent and 30 percent respectively.

The sharing of gain from the investment value of the associates comes from the realization of gain from investment in Green Earth Power (Thailand) Company Limited (GEP), which is the investor in a solar power plant project with an installed capacity of 220 MW at Minbu District, Myanmar. ECF Power Company Limited (ECF-P), as the Company's subsidiary, holds 20 percent of the total shares of GEP. At present, the project operates commercially for the 1st phase with an installed capacity of 50MW. The project has been currently constructing the 2nd phase and will accelerate the construction for the remaining phases until completed all 4 phases accordingly.

At present, the electricity payment from the Myanmar Electricity Authority is in line with the applicable conditions.

The share of profit from investment in an associate in Q1 amounted to THB 3.25 million, a decrease from THB 9.11 million in the same period of the previous year.

The decline was primarily due to financial costs arising from a debt repayment agreement with creditors — specifically, contractors involved in the construction of the Phase 1 power plant.

2. Cost of Goods Sold and Significant Expenses

Unit: million baht

Structure of Costs and Expenses	Consolidated					
	Amount		Change		Compared to Total Income	
	Q1/2025	Q1/2024	Amount	%	Q1/2025	Q1/2024
Cost of goods sold	90.08	316.64	-226.56	-71.55	83.07%	81.93%

Structure of Costs and Expenses	Consolidated					
	Amount		Change		Compared to Total Income	
	Q1/2025	Q1/2024	Amount	%	Q1/2025	Q1/2024
Cost of sales	9.62	26.53	-16.91	-63.74	8.87%	6.87%
Administrative expenses	46.60	30.18	16.42	54.39	42.97%	7.81%
Financial cost	43.59	46.38	-2.80	-6.03	40.20%	12.00%
Loss from Impairment of Financial Assets	4.16	4.94	-0.78	-15.77	3.84%	1.28%
Total cost and expenses	194.04	424.67	-230.63	-54.31	178.95%	109.89%

The significant costs and expenses occurred in Q1/2025

In Q1/2025, the cost of sales ratio increased to 83.07%, which remains higher compared to 81.93% in the same period of the previous year. The distribution cost ratio also rose slightly to 8.87%, up from 6.87% in the corresponding period last year.

Administrative expenses, which are mostly fixed costs, continued to increase in both absolute value and as a percentage of total revenue. This was due to declining sales revenue and the impact of broader economic conditions on overall expenses.

The financial cost ratio remained relatively consistent with the same period of the previous year. Additionally, the Company recognized an accounting expense of approximately THB 4 million for the loss allowance on impairment of financial assets, representing a slight decrease from the previous year.

3. Profit for the period

Unit: million baht

Profit Information	Consolidated			
	Amount		Change	
	Q1/2025	Q1/2024	Amount	%
Gross Profit	15.95	60.72	-44.78	-73.74
Loss (Owners of the parent)	-72.26	-16.85	-55.41	N.A.
Loss for the period	-72.54	-16.92	-55.62	N.A.
Loss ratio for the period (Owners of the parent) to total revenue (%)	-66.64%	-4.36%		
Loss ratio for the period to total revenue (%)	-66.90%	-4.38%		

In Q1/2025, the Company recorded a net loss attributable to the parent company of THB 72.26 million.

Management has formulated a plan to address this loss through policies focused on cost reduction and restructuring the sales strategy. The Company aims to emphasize the sale of products with high gross profit margins, discontinue low-margin products, and reduce product variety.

Production will shift toward a made-to-order approach, eliminating production for stockpiling. Additionally, the Company will revise its billing policy, reorganize to eliminate redundant processes, downsize the organization for more streamlined and agile management, and reduce workforce levels along with hidden and indirect costs, including non-revenue-generating expenses.

At present, the management team is in the process of implementing these plans in alignment with the Company's strategic direction.

Financial Position: Consolidated Financial Statements

1. Total Assets

Unit: million baht

Statement of Financial Position	As of March 31, 2025		As of December 31, 2024		Increased / (Decreased)	
	MB	%	MB	%	MB	%
Current Assets	1,651.17	43.77	1,723.42	44.42	-72.25	-4.19
Non-Current Assets	2,121.23	56.23	2,156.75	55.58	-35.52	-1.65
Total Assets	3,772.39	100.00	3,880.17	100.00	-107.77	-2.78

As of March 31, 2025, the Company had total assets of THB 3,772.39 million, representing a decrease of THB 107.77 million from the previous year, primarily due to a reduction in trade receivables.

2. Total Liabilities and Shareholder's Equity

Unit: million baht

Statement of Financial Position	As of March 31, 2025		As of December 31, 2024		Increased / (Decreased)	
	MB	%	MB	%	MB	%
Current Liabilities	2,698.91	40.43	2,690.44	69.34	8.47	0.31
Non-Current Liabilities	204.55	3.06	245.97	6.34	-41.42	-16.84
Total Liabilities	2,903.46	43.49	2,936.41	75.68	-32.95	-1.12
Shareholder's Equity	868.93	23.03	943.76	24.32	-74.82	-7.93
Total Liabilities and Shareholder's Equity	3,772.39	100.00	3,880.17	100.00	-107.77	-2.78

As of March 31, 2025, the Company had total liabilities of THB 2,903.46 million, a slight decrease of THB 32.95 million compared to December 31, 2024. The main reason for this decrease was the reduction in trade payables and factoring payables.

As of the same date, shareholders' equity stood at THB 868.93 million, a decrease resulting from the Company's net loss during the period.

The debt-to-equity ratio as of March 31, 2025, was 3.34 times, an increase from 3.11 times as of December 31, 2024, mainly due to the decline in shareholders' equity.

Nevertheless, the Company is actively seeking ways to reduce its total liabilities and current financial costs as quickly as possible.

The Company has scheduled the Extraordinary General Meeting of Shareholders No. 2/2025 for May 29, 2025, with a key agenda item being the approval of a capital increase through a rights offering to existing shareholders.

Factors That May Affect Future Operations or Growth

- None -

Clarification on progress regarding various matters, in accordance with the periodic financial disclosure schedule

Item 1:

Transaction Type	Nature of Transaction	Latest Progress
Other receivables – Deposit	<p>The deposit was made for a feasibility study related to a potential investment project in a biomass power plant located in Saga Prefecture, Japan, totaling THB 100 million. The Company paid THB 75 million in 2018 and THB 25 million in 2019.</p> <p>In November 2024, the Company decided not to proceed with the investment and entered into an agreement to reclaim the deposit through five installment payments scheduled from December 2025 to December 2029, with interest charged at a rate of 7.15% per annum.</p>	<p>As of March 31, 2025, the deposit of THB 100 million remains recorded in the financial statements. According to the terms of the refund agreement, the first installment is due in December 2025.</p> <p>Nevertheless, the Managing Director is actively and continuously following up on the matter.</p>

Note: Please refer to further details in the clarification letter submitted to the Stock Exchange of Thailand, reference number ECF2 016/2025, dated March 31, 2025, regarding Disclosure of Additional Information for the 2024 Financial Statements as Requested by the SET (Additional Clarification), available at www.set.or.th.

Item 2:

Transaction Type	Nature of Transaction	Latest Progress
Financial Assistance to a Third Party	<p>The financial assistance was provided to Mr. Supasit Pokinjaruras in the form of a loan totaling THB 40 million. As of March 31, 2025, the outstanding loan amount, including accrued interest, totaled THB 48.84 million.</p>	<p>The principal loan amount of THB 40 million remains recorded as of March 31, 2025, along with the related interest obligation.</p> <p>The Company is currently continuing its efforts to follow up on the repayment.</p>

Note: Please refer to further details in the clarification letter submitted to the Stock Exchange of Thailand, reference number ECF2 020/2025, dated April 8, 2025, regarding Ratification of the Transaction Involving Financial Assistance to a Related Party (Additional Clarification), available at www.set.or.th.

Please be informed accordingly,

Yours sincerely,
East Coast Furnitech Public Company Limited
-Signature-
(Miss Chanokpornphun Kraisakree)
(Acting CFO and Director of Accounting and Finance)