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No. ECF2 041/2561

12 November 2018

Subject: Management Discussion and Analysis of the 3rd quarter ended September 30, 2018To President
The Stock Exchange of Thailand

East Coast Furnitech Public Company Limited (“the Company”) would like to report on Management Discussion and Analysis from the Separate and Consolidated Financial Statements of the 3rd Quarter ended September 30, 2018. The details are as follows;

Operating Performance**1. Revenues**

Units: Million

Information of the 3 rd Quarter	Consolidated				Separate			
	3 months		Change		3 months		Change	
	2018	2017	Amount	Percentage	2018	2017	Amount	Percentage
Revenue from sale – net	359.55	343.16	16.39	4.78%	358.87	338.57	20.30	6.00%
Other incomes	9.97	10.34	-0.37	-3.57%	9.60	10.31	-0.71	-6.89%
Total Revenue	369.52	353.50	16.02	4.53%	368.47	348.88	19.59	5.62%
Sharing of gain (loss) from investment value of the associates	-1.27	2.70	-3.97	-147.04%				

The overview of revenue for the 3rd quarter of the year 2018 by comparing to the same period of the last year, the revenue from sale increased 4.78 percent and 6 percent from consolidated and separate respectively. That increase came from the domestic sales grew 11 percent from distribution channel such as big retail stores/hypermarkets and dealer shops all over the country and Sharing of gain (loss) from investment value of the associates decreased from the last year since the expenses of solar power plant project in Myanmar (Green Earth Power (Thailand) Co.,Ltd.) increased and not yet been started the commercial operation. However this project is expected to be started the commercial operation for the first phase of 50MW by the 1st quarter of 2019.

Information of 9M.2018	Consolidated				Separate			
	9 months		Change		9 months		Change	
	2018	2017	Amount	Percentage	2018	2017	Amount	Percentage
Gain (loss) on exchange rate and change	0.72	-0.50	1.22	N.A	0.76	-0.56	1.32	N.A
Other incomes	33.59	24.07	9.52	39.54%	30.60	23.31	7.29	31.26%
Total Revenue	1,071.65	1,080.19	-8.55	-0.79%	1,060.91	1,066.61	-5.70	-0.53%
Sharing of gain (loss) from investment value of the associates	1.25	0.68	0.57	83.82%				

For the 9-month period ended September 30, 2018, revenue from sale-net of furniture products and revenue from sale-net of consolidated decreased from the last year 1.83 percent and 1.37 percent respectively. Sharing of gain (loss) from investment value of the associates increased 83.82 percent from the last year due to the profit realized from the biomass power plant project 7.5MW of Prize of Wood Green Energy Co.,Ltd., invested by Safe Energy Holdings Co.,Ltd., started the commercial operation date on September 27, 2017.

2. Cost of goods sold and expenses: Consolidated

Information of the 3 rd Quarter	3 months		Change	
	2018	2017	Amount	Percentage
Cost of goods sold	247.98	239.22	8.77	3.67%
Cost of sales	41.60	38.79	2.81	7.24%
Administrative expenses	40.40	36.16	4.25	11.74%
Financial costs	26.48	23.42	3.06	13.07%
Income tax expense	3.96	3.81	0.15	3.88%
Total cost of goods sold and expenses	360.43	341.40	19.03	5.57%

Information of 9M.2018	9 Months		Change	
	2018	2017	Amount	Percentage
Cost of goods sold	718.06	744.12	-26.06	-3.50%
Cost of sales	122.05	115.88	6.17	5.32%
Administrative expenses	131.75	121.70	10.05	8.26%
Financial costs	74.72	56.58	18.14	32.07%
Income tax expense	8.81	6.85	1.96	28.65%
Total cost of goods sold and expenses	1,055.39	1,045.12	10.26	0.98%

The overview of cost of goods sold and expenses of the 3rd quarter and 9 months of the year 2018 comparing to the last year, the significant change of expenses came from the increasing of cost of distribution, administrative expenses and financial cost same as the last year. In this regard, cost of distribution increased from the domestic transportation expenses, the increase of general management expenses, feasibility study expenses and also financial cost from the issuance and offering of debenture on February 16, 2017 in the amount of 699.90 million with the interest rate 6.5 percent per annum in order to be the source of fund for the future projects as planned together with short-term loans from banks to be working capital. In the other hand, the company was still managing the cost of goods sold efficiently due to generating the gross profit at the same rate as the last year for 9-month of the year 2018 and 2017 equivalent to 30.78 percent and 30.49 percent respectively.

3. Profit for the period

Information of the 3rd Quarter	Consolidated				Separate			
	3 months		Change		3 months		Change	
	2018	2017	Amount	Percentage	2018	2017	Amount	Percentage
Gross Profit	111.57	103.95	7.62	7.33%	111.28	102.29	8.99	8.79%
Profit (Owners of the parent)	8.52	16.74	-8.23	-49.13%	13.77	19.15	-5.38	-28.08%
Total Comprehensive Income for the Period	6.71	15.11	-8.40	-55.58%				

Information of 9M.2018	Consolidated				Separate			
	9 months		Change		9 months		Change	
	2018	2017	Amount	Percentage	2018	2017	Amount	Percentage
Gross Profit	319.28	312.51	6.77	2.17%	316.69	307.22	9.48	3.08%
Profit (Owners of the parent)	21.52	40.27	-18.76	-46.57%	30.91	53.40	-22.48	-42.11%
Total Comprehensive Income for the Period	17.10	35.74	-18.64	-52.15%				

In sum, the profit of the 3rd quarter and 9-month period of the year 2018 of Consolidated and Separate decreased significantly when comparing to the last year since the Company is on the investment process in other projects that have not been starting the commercial operation such as the power plant project in Myanmar managed by Green Earth Power (Thailand) Co.,Ltd and also the MDF plant of Planet Board Co.,Ltd. is under construction. In addition the Company has the expenses of feasibility study in many projects continuously such as S-TREK (Thailand) Co.,Ltd. as the distributor of IT and Mobile products that is under the process of feasibility study. However, the Company expects to be finished having the conclusion of S-TREK within this year.

Financial Position: Consolidated Financial Statements**1. Total Assets**

Statement of Financial Position	30-Sep-2018		31-Dec-2017		Increased / (Decreased)	
	Million	Percentage	Million	Percentage	Million	Percentage
Current Assets	1,922.82	57.35%	1,428.27	51.37%	494.55	35%
Non-Current Assets	1,430.02	42.65%	1,352.02	48.63%	77.99	6%
Total Assets	3,352.83	100.00%	2,780.29	100.00%	572.54	21%

As of September 30, 2018, the Company's total assets was Baht 3,352.83 million, increased by Baht 494.55 million or equivalent to 35 percent from as of December 31, 2017 due to the significant increase of cash and cash equivalent, temporary investment fund, accounts receivable, inventory, property, plant and equipment and also the investment in associates.

2. Total Liabilities and Shareholder's Equity

Statement of Financial Position	30-Sep-2018		31-Dec-2017		Increased / (Decreased)	
	Million	Percentage	Million	Percentage	Million	Percentage
Current Liabilities	1,160.94	34.63%	1,695.06	60.97%	-534.12	-31.51%
Non-Current Liabilities	772.97	23.05%	58.67	2.11%	714.29	1217.44%
Total Liabilities	1,933.91	57.68%	1,753.73	63.08%	180.18	10.27%
Shareholder's Equity	1,418.92	42.32%	1,026.56	36.92%	392.36	38.22%
Total Liabilities and Shareholder's Equity	3,352.83	100.00%	2,780.29	100.00%	572.54	20.59%

As of September 30, 2018, the Company's total liabilities was Baht 1,933.91 million, increased Baht 180.18 million or equivalent to 10.27 percent from as of December 31, 2017 resulted from the increase of the borrowings of the business.

Shareholder's Equity as of September 30, 2018 was Baht 1,418.92 million, increased Baht 392.36 million or equivalent to 38.22 percent as of December 31, 2017 due to the increase of premium on shares from the issuance and offering the new ordinary shares by Private Placement and the exercise of ECF-W2 No.2/6, No.3/6 and No.4/6 with the exercise price Baht 3 per share.

Kindly be informed accordingly,

Yours sincerely,

East Coast Furnitech Public Company Limited

-Signature-

(Arak Suksawad)

Managing Director