

**EAST COAST FURNITECH PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES**

Interim Financial Information

For the Period Ended September 30, 2019

and Report on Review of Interim Financial Information

by the Certified Public Accountant

M.R. & ASSOCIATES CO., LTD.

Certified Public Accountants

M.R. & ASSOCIATES CO., LTD.

Suite # 705-706 Chaophya Tower
(Shangri-La Hotel)
89 Soi Wat Suan Plu, New Road
Bangrak, Bangkok 10500, Thailand
Tel : 66 (2) 630 7500
Fax : 66 (2) 630 7506

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION PERFORMED BY THE CERTIFIED PUBLIC ACCOUNTANT

To the Board of Directors of East Coast Furnitech Public Company Limited

I have reviewed the accompanying consolidated financial statements of East Coast Furnitech Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at September 30, 2019, and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows for the nine-month period then ended, and the condensed notes to the consolidated financial statements. I have also reviewed the accompanying separate financial statements of East Coast Furnitech Public Company Limited, which comprise the statement of financial position as at September 30, 2019, and the related statements of comprehensive income for the three-month and nine-month periods then ended, the statement of changes in shareholders' equity and the statement of cash flows for the nine-month period then ended, and the condensed notes to the financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with the Thai Accounting Standard No. 34 "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with the Thai Accounting Standard No. 34 "Interim Financial Reporting".



(Mr. Akadet Pliensakul)
Certified Public Accountant
Registration No. 5389

M.R. & ASSOCIATES CO., LTD.
Bangkok
November 13, 2019

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF FINANCIAL POSITION
 AS AT SEPTEMBER 30, 2019 AND DECEMBER 31, 2018

ASSETS

	Note	In Thousand Baht			
		Consolidated		Separate Financial Statements	
		September 30, 2019 (Reviewed) (Unaudited)	December 31, 2018 (Audited)	September 30, 2019 (Reviewed) (Unaudited)	December 31, 2018 (Audited)
CURRENT ASSETS					
Cash and cash equivalents		60,356	132,359	33,354	98,436
Current investment		120,016	64,710	120,016	64,710
Trade receivables					
- Related parties	3, 4	8,746	6,083	13,736	13,908
- Other parties - net	4	289,865	321,825	285,521	313,817
Inventories - net		1,319,481	1,172,206	1,318,870	1,170,734
Short-term loans to and interest receivables from related parties	3	68,868	65,343	100,810	23,201
Short-term loans to other parties	5	4,500	65,000	-	-
Other current assets					
- Value-added tax receivable		26,884	20,303	24,198	17,862
- Others (net of allowance for doubtful accounts of Baht 2,157 thousand)	3	28,483	24,894	25,105	21,052
Total Current Assets		1,927,199	1,872,723	1,921,610	1,723,720
NON-CURRENT ASSETS					
Restricted deposits at banks		93,687	73,040	93,687	73,040
Investment in subsidiaries accounted for using the cost method	6	-	-	563,277	563,277
Investment in associate and joint venture accounted for using the equity method	6	575,991	561,692	-	-
Property, plant and equipment - net	15	477,331	459,396	454,271	438,651
Asset revaluation surplus - net		251,598	277,409	251,598	277,409
Intangible assets - net		466	2,194	360	612
Deferred tax assets	9	5,192	4,388	5,192	4,388
Loan to other party	5	50,000	50,000	50,000	50,000
Other non-current assets					
- Deposit for investment project		100,000	75,000	100,000	75,000
- Advance for purchase of investment	15	50,000	-	50,000	-
- Advances for share subscription	3, 6, 17	25,000	-	80,995	78,375
- Deposits and guarantees	3, 15	31,012	17,881	10,868	14,737
- Others - net		14	1,808	14	1,656
Total Non-Current Assets		1,660,291	1,522,808	1,660,262	1,577,145
TOTAL ASSETS		3,587,490	3,395,531	3,581,872	3,300,865

The accompanying condensed notes are an integral part of these financial statements.

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF FINANCIAL POSITION
 AS AT SEPTEMBER 30, 2019 AND DECEMBER 31, 2018

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Thousand Baht			
		Consolidated		Separate Financial Statements	
		September 30, 2019 (Reviewed) (Unaudited)	December 31, 2018 (Audited)	September 30, 2019 (Reviewed) (Unaudited)	December 31, 2018 (Audited)
Note					
CURRENT LIABILITIES					
	Bank overdrafts and short-term borrowings				
	from financial institutions	526,400	490,842	523,760	486,873
4	Factoring payables	95,022	113,416	95,022	113,416
	Trade payables	136,093	189,373	136,093	189,373
3	Other payables - related party	282	1,849	1,127	1,902
16	Short-term loans from other parties	193,407	283,177	183,407	164,216
3	Short-term loans from and interest payable to related party	-	-	12,019	40,238
	Current portion of long-term borrowings	25,363	18,340	22,873	13,205
8	Current portion of debentures	629,220	-	629,220	-
	Current portion of liabilities under hire purchase agreements	1,446	2,973	1,446	2,973
	Income tax payable	6,136	12,613	5,798	12,613
7	Accrued expenses and other current liabilities	67,346	68,667	66,642	66,450
	Total Current Liabilities	1,680,715	1,181,250	1,677,407	1,091,259
NON-CURRENT LIABILITIES					
	Long-term borrowings - net	50,389	31,757	49,748	31,758
8	Debentures - net	374,110	688,638	374,110	688,638
	Liabilities under hire purchase agreements - net	1,488	2,436	1,488	2,436
9	Deferred tax liabilities	33,664	37,337	33,664	37,337
10	Liability for post-employment benefits	10,391	6,793	10,391	6,793
	Total Non-Current Liabilities	470,042	766,961	469,401	766,962
	Total Liabilities	2,150,757	1,948,211	2,146,808	1,858,221

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF FINANCIAL POSITION
 AS AT SEPTEMBER 30, 2019 AND DECEMBER 31, 2018

LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)

		In Thousand Baht				
		Consolidated		Separate Financial Statements		
		September 30, 2019 (Reviewed) (Unaudited)	December 31, 2018 (Audited)	September 30, 2019 (Reviewed) (Unaudited)	December 31, 2018 (Audited)	
Note						
SHAREHOLDERS' EQUITY						
	Authorized share capital - 1,249,848,363 common shares in 2019 and 1,416,549,076 common shares in 2018, Baht 0.25 par value	11	312,462	354,137	312,462	354,137
	Issued and paid-up share capital - 959,487,557 common shares in 2019 and 959,405,082 common shares in 2018, Baht 0.25 par value	11, 12	239,872	239,851	239,872	239,851
	Premium on shares	11, 12	768,342	768,115	768,342	768,115
	Retained earnings					
	- Appropriated for legal reserve		25,600	25,600	25,600	25,600
	- Unappropriated		382,674	369,447	398,565	384,395
	Total		1,416,488	1,403,013	1,432,379	1,417,961
	Other components of equity		(743)	22,923	2,685	24,683
	Equity attributable to Owners of the Parent		1,415,745	1,425,936	1,435,064	1,442,644
	Non-controlling interests		20,988	21,384	-	-
	Total Shareholders' Equity		1,436,733	1,447,320	1,435,064	1,442,644
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,587,490	3,395,531	3,581,872	3,300,865

The accompanying condensed notes are an integral part of these financial statements.

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF COMPREHENSIVE INCOME
 FOR THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2019 AND 2018

(REVIEWED)
 (UNAUDITED)

		In Thousand Baht			
		Consolidated		Separate Financial Statements	
	Note	2019	2018	2019	2018
REVENUES					
Net sales	3	332,256	359,553	331,644	358,868
Gain (loss) on exchange rate		655	(435)	656	(439)
Other income	3	6,874	9,969	5,959	9,602
Total Revenues		339,785	369,087	338,259	368,031
EXPENSES					
Cost of sales	3	230,873	247,983	230,629	247,588
Distribution costs	3	30,737	41,601	30,633	39,259
Administrative expenses	3	38,022	40,401	37,414	38,235
Finance costs	3	30,932	26,476	30,083	25,300
Total Expenses		330,564	356,461	328,759	350,382
Share of Profit (Loss) from Investment in Associate and Joint Venture	6	829	(1,270)	-	-
PROFIT BEFORE INCOME TAX EXPENSE		10,050	11,356	9,500	17,649
Income Tax Expense	9	2,423	3,960	2,232	3,878
PROFIT FOR THE PERIOD		7,627	7,396	7,268	13,771

The accompanying condensed notes are an integral part of these financial statements.

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF COMPREHENSIVE INCOME (Continued)
 FOR THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2019 AND 2018

(REVIEWED)
 (UNAUDITED)

		In Thousand Baht				
		Consolidated		Separate Financial Statements		
Note		2019	2018	2019	2018	
Other Comprehensive Loss for the Period						
<i>Item that will be reclassified subsequently to profit or loss</i>						
	- Share of other comprehensive loss from associate	6	(152)	(685)	-	-
OTHER COMPREHENSIVE LOSS FOR THE PERIOD		(152)	(685)	-	-	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>7,475</u>	<u>6,711</u>	<u>7,268</u>	<u>13,771</u>	
Profit (Loss) Attributable to:						
	Owners of the parent	7,478	8,518	7,268	13,771	
	Non-controlling interests	149	(1,122)	-	-	
Profit for the Period		<u>7,627</u>	<u>7,396</u>	<u>7,268</u>	<u>13,771</u>	
Total Comprehensive Income (Loss) Attributable to:						
	Owners of the parent	7,326	7,833	7,268	13,771	
	Non-controlling interests	149	(1,122)	-	-	
Total Comprehensive Income for the Period		<u>7,475</u>	<u>6,711</u>	<u>7,268</u>	<u>13,771</u>	
	Basic Earnings per Share (Baht)	12	0.008	0.009	0.007	0.015
	Diluted Earnings per Share (Baht)	12	0.008	0.009	0.007	0.014

The accompanying condensed notes are an integral part of these financial statements.

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF COMPREHENSIVE INCOME
 FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019 AND 2018

(REVIEWED)
 (UNAUDITED)

		In Thousand Baht			
		Consolidated		Separate Financial Statements	
	Note	2019	2018	2019	2018
REVENUES					
Net sales	3	999,752	1,037,341	997,265	1,029,555
Other income	3	32,902	33,587	28,659	30,603
Total Revenues		1,032,654	1,070,928	1,025,924	1,060,158
EXPENSES					
Cost of sales	3, 10	695,950	718,061	694,228	712,865
Distribution costs	3	101,228	122,045	100,833	112,524
Administrative expenses	3, 10	125,536	131,747	121,841	123,950
Loss (gain) on exchange rate		1	(718)	(69)	(755)
Finance costs	3	84,010	74,723	80,364	72,374
Total Expenses		1,006,725	1,045,858	997,197	1,020,958
Share of Profit from Investment in Associate and Joint Venture	6	1,918	1,245	-	-
PROFIT BEFORE INCOME TAX EXPENSE		27,847	26,315	28,727	39,200
Income Tax Expense	9, 10	6,983	8,810	6,524	8,288
PROFIT FOR THE PERIOD		20,864	17,505	22,203	30,912

The accompanying condensed notes are an integral part of these financial statements.

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF COMPREHENSIVE INCOME (Continued)
 FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019 AND 2018

(REVIEWED)
 (UNAUDITED)

	Note	In Thousand Baht			
		Consolidated		Separate Financial Statements	
		2019	2018	2019	2018
Other Comprehensive Loss for the Period					
<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 257 thousand in 2019)	10	(1,028)	-	(1,028)	-
<i>Item that will be reclassified subsequently to profit or loss</i>					
- Share of other comprehensive loss from associate	6	(1,668)	(401)	-	-
OTHER COMPREHENSIVE LOSS FOR THE PERIOD		(2,696)	(401)	(1,028)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		18,168	17,104	21,175	30,912
Profit (Loss) Attributable to:					
Owners of the parent		21,260	21,516	22,203	30,912
Non-controlling interests		(396)	(4,011)	-	-
Profit for the Period		20,864	17,505	22,203	30,912
Total Comprehensive Income (Loss) Attributable to:					
Attributable to:					
Owners of the parent		18,564	21,115	21,175	30,912
Non-controlling interests		(396)	(4,011)	-	-
Total Comprehensive Income for the Period		18,168	17,104	21,175	30,912
Basic Earnings per Share (Baht)	12	0.022	0.024	0.023	0.035
Diluted Earnings per Share (Baht)	12	0.022	0.023	0.023	0.034

The accompanying condensed notes are an integral part of these financial statements.

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019 AND 2018

	In Thousand Baht												
	Consolidated												
	Other Components of Equity												
	Issued and Paid-up Share Capital	Premium on Shares	Appropriated for Legal Reserve	Retained Earnings Unappropriated	Revaluation Surplus on Assets - Net	Surplus on Business Combination under Common Control	Share of Other Comprehensive Loss from Associate	Less 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	
Beginning balance as at January 1, 2019	239,851	768,115	25,600	369,447	242,325	(217,642)	(424)	(1,336)	22,923	1,425,936	21,384	1,447,320	
Payment of dividends	-	-	-	(29,003)	-	-	-	-	-	(29,003)	-	(29,003)	
Proceeds from increase in share capital	21	227	-	-	-	-	-	-	-	248	-	248	
Transfer to retained earnings	-	-	-	21,998	(21,998)	-	-	-	(21,998)	-	-	-	
Total comprehensive income for the period	-	-	-	20,232	-	-	(1,668)	-	(1,668)	18,564	(396)	18,168	
Ending balance as at September 30, 2019	239,872	768,342	25,600	382,674	220,327	(217,642)	(2,092)	(1,336)	(743)	1,415,745	20,988	1,436,733	
Beginning balance as at January 1, 2018	207,502	386,024	23,100	361,212	271,734	(217,642)	-	(1,454)	52,638	1,030,476	(3,916)	1,026,560	
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	30,125	30,125	
from increase in share capital of subsidiary	-	-	-	-	-	-	-	118	118	118	(118)	-	
and change in proportion of investment	-	-	-	(52,433)	-	-	-	-	-	(52,433)	-	(52,433)	
in subsidiaries	-	-	-	-	-	-	-	-	-	397,566	-	397,566	
Payment of dividends	-	-	-	21,997	(21,997)	-	-	-	(21,997)	-	-	-	
Proceeds from increase in share capital	30,943	366,623	-	-	-	-	(401)	-	(401)	21,115	(4,011)	17,104	
Transfer to retained earnings	-	-	-	21,516	-	-	-	-	(401)	-	-	-	
Total comprehensive income for the period	-	-	-	21,516	-	-	(401)	-	(401)	21,115	(4,011)	17,104	
Ending balance as at September 30, 2018	238,445	752,647	23,100	352,292	249,737	(217,642)	(401)	(1,336)	30,358	1,396,842	22,080	1,418,922	

The accompanying condensed notes are an integral part of these financial statements.

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019 AND 2018

	In Thousand Baht										
	Separate Financial Statements										
	Note	Issued and Paid-up Share Capital	Premium on Shares	Appropriated for Legal Reserve	Retained Earnings		Total	Other Components of Equity			
Unappropriated					Appropriated	Revaluation Surplus on Assets - Net		Surplus on Business Combination under Common Control	Total Other Components of Equity		
Beginning balance as at January 1, 2019		239,851	768,115	25,600	384,395	1,417,961	242,325	(217,642)	24,683		1,442,644
Payment of dividends	14	-	-	-	(29,003)	(29,003)	-	-	-	-	(29,003)
Proceeds from increase in share capital	11, 12	21	227	-	-	248	-	-	-	-	248
Transfer to retained earnings		-	-	-	21,998	21,998	(21,998)	-	(21,998)	-	-
Total comprehensive income for the period		-	-	-	21,175	21,175	-	-	-	-	21,175
Ending balance as at September 30, 2019		239,872	768,342	25,600	398,565	1,432,379	220,327	(217,642)	2,685		1,435,064
Beginning balance as at January 1, 2018		207,502	386,024	23,100	361,379	978,005	271,734	(217,642)	54,092		1,032,097
Payment of dividends	14	-	-	-	(52,433)	(52,433)	-	-	-	-	(52,433)
Proceeds from increase in share capital	11, 12	30,943	366,623	-	-	397,566	-	-	-	-	397,566
Transfer to retained earnings		-	-	-	21,997	21,997	(21,997)	-	(21,997)	-	-
Total comprehensive income for the period		-	-	-	30,912	30,912	-	-	-	-	30,912
Ending balance as at September 30, 2018		238,445	752,647	23,100	361,855	1,376,047	249,737	(217,642)	32,095		1,408,142

The accompanying condensed notes are an integral part of these financial statements.

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019 AND 2018

(REVIEWED)
(UNAUDITED)

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2019	2018	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax expense	27,847	26,315	28,727	39,200
Adjustments				
Depreciation and amortization	55,364	59,935	54,853	56,311
Increase (decrease) in allowance for doubtful accounts	(3)	136	181	185
Expenses on post-employment benefits	2,313	335	2,313	335
Increase in allowance for diminution in value of obsolete and slow-moving inventories	239	1,358	239	1,358
Share of profit from investment in associate and joint venture	(1,918)	(1,245)	-	-
Gain on valuation of fair value of derivatives	(23)	-	(23)	-
Unrealized gain on exchange rate	(61)	(324)	(61)	(324)
Loss (gain) on sales of machinery and equipment	(7,118)	209	(7,079)	285
Loss on sales of intangible assets	265	-	-	-
Loss on written-off assets	3,633	589	2,570	-
Gain on sales of current investment	-	(1)	-	-
Unrealized gain on valuation of fair value of current investment	(157)	-	(157)	-
Interest income	(9,288)	(4,776)	(5,743)	(4,626)
Interest expense	84,010	74,723	80,364	72,374
Decrease (increase) in operating assets				
Trade receivables	29,261	(54,485)	28,248	(53,609)
Inventories	(147,514)	(169,057)	(148,375)	(174,097)
Other current assets	(7,540)	(16,054)	(7,977)	(22,141)
Intangible assets	931	-	-	-
Other non-current assets	(15,529)	(2,549)	1,319	(4,617)
Increase (decrease) in operating liabilities				
Trade payables	(53,215)	(44,133)	(53,215)	(43,797)
Other payables - related parties	(1,567)	785	(775)	1,462
Accrued expenses and other current liabilities	(13,884)	(7,291)	(12,838)	(8,921)
Cash paid in operations	(53,954)	(135,530)	(37,429)	(140,622)
Income tax paid	(17,680)	(16,720)	(17,559)	(16,038)
Net Cash Used in Operating Activities	(71,634)	(152,250)	(54,988)	(156,660)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (Continued)
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019 AND 2018

(REVIEWED)
(UNAUDITED)

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2019	2018	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in restricted deposits at banks	(20,647)	(561)	(20,647)	(561)
Increase in short-term loans to related parties	(7,600)	(110,000)	(76,000)	(9,000)
Collections on short-term loans to related parties	7,600	60,000	-	-
Decrease in short-term loans to other parties	60,500	-	-	-
Increase in current investment	(55,000)	(115,000)	(55,000)	(65,000)
Increase in investment in subsidiary	-	-	-	(30,700)
Proceeds from sale of investment in subsidiary	-	-	-	5,375
Increase in investment in associate and joint venture	(14,049)	(36,646)	-	-
Increase in deposit for investment project	(25,000)	-	(25,000)	-
Increase in advance for purchase of investment	(50,000)	-	(50,000)	-
Increase in advances for share subscription	(25,000)	-	(2,620)	(78,375)
Additions to plant and equipment	(35,787)	(102,359)	(30,650)	(91,639)
Additions to intangible assets	(2)	(531)	(2)	-
Proceeds from sales of machinery and equipment	8,144	931	7,290	995
Interest received	3,159	3,605	1,542	3,392
Net Cash Used in Investing Activities	(153,682)	(300,561)	(251,087)	(265,513)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in bank overdrafts and short-term borrowings from financial institutions	35,558	51,539	36,887	52,076
Decrease in factoring payables	(18,394)	(14,899)	(18,394)	(14,899)
Increase (decrease) in short-term loans from other parties	(90,000)	56,630	20,000	(68,638)
Increase in short-term loans from related parties	-	-	15,500	80,000
Repayments to short-term loans from related parties	-	-	(43,500)	(40,000)
Decrease in liabilities under hire purchase agreements	(2,475)	(4,446)	(2,475)	(4,446)
Increase in long-term borrowings	39,590	20,363	39,590	20,363
Repayments of long-term borrowings	(13,935)	(57,325)	(11,932)	(50,213)
Issuance of debentures	380,200	699,900	380,200	699,900
Redemption of debentures	(64,800)	(500,000)	(64,800)	(500,000)
Debenture issuance costs	(7,802)	(18,998)	(7,802)	(18,998)
Proceeds from increase in share capital	248	397,566	248	397,566
Increase in non-controlling interests	-	30,125	-	-
Dividends paid	(29,003)	(52,433)	(29,003)	(52,433)
Interest paid	(75,874)	(70,531)	(73,526)	(65,795)
Net Cash Provided by Financing Activities	153,313	537,491	240,993	434,483

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (Continued)
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019 AND 2018

(REVIEWED)
(UNAUDITED)

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2019	2018	2019	2018
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(72,003)	84,680	(65,082)	12,310
Cash and Cash Equivalents at Beginning of Period	132,359	106,770	98,436	87,002
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>60,356</u>	<u>191,450</u>	<u>33,354</u>	<u>99,312</u>

Supplementary disclosures of cash flow information:

a. Cash and cash equivalents at end of period

Cash in hand	530	604	313	369
Current accounts at banks	14,197	26,167	13,597	4,473
Savings deposits at banks	45,170	98,855	18,985	28,646
Short-term fixed deposit at bank	459	65,824	459	65,824
Total	<u>60,356</u>	<u>191,450</u>	<u>33,354</u>	<u>99,312</u>

b. Non-cash transactions

Purchases of equipment by means of payables	10,850	2,294	11,357	2,294
Purchases of intangible assets by means of payables	24	-	24	-
Sales of equipment by means of receivables	19	-	-	-
Sale of intangible assets by means of receivables	187	-	-	-
Interest on long-term loan capitalized as cost of fixed assets	966	407	966	407
Transfer of advances for share subscription to investment in joint venture	-	51,724	-	-
Transfer of advances for share subscription to other current assets	-	6,673	-	-

The accompanying condensed notes are an integral part of these financial statements.

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements
September 30, 2019 and 2018 (Unaudited) (Reviewed)
and December 31, 2018 (Audited)

1. BASIS FOR THE PREPARATION OF INTERIM FINANCIAL INFORMATION

The accompanying interim financial information is prepared on a condensed basis and in accordance with the Thai Accounting Standard No. 34 (Revised 2018) “Interim Financial Reporting” including interpretations and guidelines promulgated by the Federation of Accounting Professions (“TFAC”), applicable rules and regulations of the Securities and Exchange Commission, and applicable announcements of the Department of Business Development.

The accompanying interim financial information has been prepared to provide additional information to the financial statements for the year ended December 31, 2018 by focusing on new activities, events and circumstances and which are not repeated information previously reported. Accordingly, the accompanying interim financial information should be read in conjunction with the financial statements for the year ended December 31, 2018.

The consolidated financial statements for the three-month and nine-month periods ended September 30, 2019 and 2018 and the consolidated financial statements for the year ended December 31, 2018, which are a component of this interim financial information, include the accounts of the Company and its subsidiaries which the Company has controlling power or directly and indirectly holdings on those subsidiaries as discussed in Note 6.

Significant intercompany transactions between the Company and its subsidiaries have been eliminated in the preparation of the consolidated financial statements.

Starting from January 1, 2019, the Company and its subsidiaries had adopted Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), Thai Accounting Interpretation (TSIC), and Thai Financial Reporting Interpretation (TFRIC), issued and revised by TFAC, which became effective from the accounting period starting on or after January 1, 2019. The aforesaid adoption of newly issued and revised TAS and TFRS as well as TSIC and TFRIC did not have any material effect on the Company and its subsidiaries.

Management of Company and its subsidiaries has been during the assessment and consideration of the impacts from the new five TFRS (Financial Instruments) and TFRS 16 “Lease” that will become effective from 2020 whereby Company and its subsidiaries have not yet adopted in the preparation of the accompanying interim financial information and have no policy to early adopt before the effective period.

For convenience of the readers, an English translation of the interim financial information has been prepared from the Thai language statutory interim financial information that are issued for domestic financial reporting purposes.

2. SIGNIFICANT ACCOUNTING POLICIES

The Company and its subsidiaries applied significant accounting policies and methods of computation to the preparation of interim financial information for the three-month and nine-month periods ended September 30, 2019 and 2018 which are similar to those applied to the preparation of financial statements for the year ended December 31, 2018 except the adoption of newly issued and revised TAS and TFRS as well as TSIC and TFRIC as discussed in Note 1 which had no any material effect.

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
September 30, 2019 and 2018 (Unaudited) (Reviewed)
and December 31, 2018 (Audited)

3. TRANSACTIONS WITH RELATED PARTIES

During the nine-month period ended September 30, 2019, the Company and its subsidiaries have the additional related company as follows:

<u>Name of Company</u>	<u>Type of Business</u>	<u>Type of Relationship</u>
Prize of Wood Industry Co., Ltd.	Manufacturing and sales of wood-base panel, i.e. wood sheet and rubber wood	Co-shareholders and co-directors with subsidiary of joint venture

Transactions with related parties for the three-month and nine-month periods ended September 30, 2019 and 2018 are as follows:

	Consolidated (In Thousand Baht)			
	Three-Month Periods		Nine-Month Periods	
	2019	2018	2019	2018
Sales of products				
Related companies	6,425	5,947	20,231	12,456
Interest income				
Associate	14	10	43	39
Joint venture	228	-	704	-
Related person	945	462	2,805	508
Total	1,187	472	3,552	547
Other income				
Related companies	129	-	1,163	-
Showroom rental and service charges				
Related company	1,894	4,759	8,964	14,946
Key management's remunerations				
Short-term benefits	4,855	5,156	14,869	17,939
Post-employment benefits	201	118	1,223	359
Total	5,056	5,274	16,092	18,298

	Separate Financial Statements (In Thousand Baht)			
	Three-Month Periods		Nine-Month Periods	
	2019	2018	2019	2018
Sales of products				
Subsidiary	2,336	3,536	6,899	11,111
Related companies	6,425	5,903	20,231	12,456
Total	8,761	9,439	27,130	23,567
Interest income				
Subsidiaries	1,021	91	2,037	102
Space rental income				
Subsidiary	-	2	3	7
Other income				
Related companies	-	-	944	-
Sales of equipment				
Subsidiary	-	-	-	60
Sales of investment in subsidiary				
Related persons	-	-	-	5,375

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
September 30, 2019 and 2018 (Unaudited) (Reviewed)
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	Separate Financial Statements (In Thousand Baht)			
	Three-Month Periods		Nine-Month Periods	
	2019	2018	2019	2018
Purchase of inventories and raw materials or supplies				
Subsidiary	-	-	-	4
Purchase of equipment				
Subsidiary	-	-	542	816
Showroom rental and service charges				
Related company	1,894	4,579	8,964	14,946
Interest expense				
Subsidiaries	20	924	631	924
Key management's remunerations				
Short-term benefits	4,855	5,156	14,869	17,939
Post-employment benefits	201	118	1,223	359
Total	5,056	5,274	16,092	18,298

Outstanding balances with related parties as at September 30, 2019 and December 31, 2018 are as follows:

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Trade receivables				
Subsidiary	-	-	4,990	7,825
Related companies	8,746	6,083	8,746	6,083
Total	8,746	6,083	13,736	13,908
Other receivables (other current assets)				
Subsidiary	-	-	-	1,451
Related companies	490	-	246	-
Total	490	-	246	1,451
Advances (other current assets)				
Joint venture	2,674	4,674	-	-
Short-term loans and interest receivables				
Interest receivables				
Subsidiaries	-	-	1,885	276
Associate	127	83	-	-
Joint venture	904	228	-	-
Related person	3,750	945	-	-
Short-term loans				
Subsidiaries (interest rate at 5.5% - 7.0% p.a. and due in February and October 2020)	-	-	98,925	22,925
Associate (interest rate at 5% p.a. and due at call)	1,161	1,161	-	-
Joint venture (interest rate at 7.5% p.a. and due at call)	12,926	12,926	-	-
Related person (interest rate at 7.5% p.a. and due at call)	50,000	50,000	-	-
Total	68,868	65,343	100,810	23,201

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
September 30, 2019 and 2018 (Unaudited) (Reviewed)
and December 31, 2018 (Audited)

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Advances for share subscription				
Subsidiary	-	-	80,995	78,375
Associate	25,000	-	-	-
Total	25,000	-	80,995	78,375
Guarantees on rental and services for showrooms				
Related company	1,400	4,603	1,400	4,603
Guarantees on construction of power plant project				
Associate	20,000	-	-	-
Other payables				
Subsidiary	-	-	845	53
Related company	282	1,849	282	1,849
Total	282	1,849	1,127	1,902
Short-term loans and interest payable				
Interest payable				
Subsidiary	-	-	19	238
Short-term loans				
Subsidiary (interest rate at 7.0% p.a. and 7.5% p.a. and due at call)	-	-	12,000	40,000
Total	-	-	12,019	40,238

Movements of short-term loans to and from related parties during the period are as follows:

	Consolidated (In Thousand Baht)			
	December 31, 2018	Movements during the Period		September 30, 2019
		Increase	Decrease	
Short-term loans to				
Green Earth Power (Thailand) Co., Ltd.	1,161	-	-	1,161
Safe Energy Holdings Co., Ltd.	12,926	7,600	7,600	12,926
Director of associate	50,000	-	-	50,000
	Separate Financial Statements (In Thousand Baht)			
	December 31, 2018	Movements during the Period		September 30, 2019
		Increase	Decrease	
ECF Holdings Co., Ltd.	10,000	25,000	-	35,000
ECF Power Co., Ltd.	12,925	51,000	-	63,925

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
September 30, 2019 and 2018 (Unaudited) (Reviewed)
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	Separate Financial Statements (In Thousand Baht)			September 30, 2019
	December 31, 2018	Movements during the Period		
		Increase	Decrease	
Short-term loans				
ECF Power Co., Ltd.	40,000	-	40,000	-
Planet Board Co., Ltd.	-	15,500	3,500	12,000

4. TRADE RECEIVABLES

As at September 30, 2019 and December 31, 2018, trade receivables classified by outstanding period are as follows:

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
<i>Related companies</i>				
Current	4,095	4,316	6,661	6,757
Overdue :				
Not exceeding 3 months	4,638	1,754	7,062	5,643
Between 3 months - 6 months	-	-	-	1,495
Over 12 months	13	13	13	13
Total	<u>8,746</u>	<u>6,083</u>	<u>13,736</u>	<u>13,908</u>
<i>Other companies - net</i>				
Current	175,978	181,953	174,348	179,283
Overdue :				
Not exceeding 3 months	47,118	73,621	46,255	70,947
Between 3 months - 6 months	5,054	20,398	4,994	19,091
Between 6 months - 12 months	17,930	32,451	17,639	31,762
Over 12 months	48,787	18,407	45,763	16,031
Total	<u>294,867</u>	<u>326,830</u>	<u>288,999</u>	<u>317,114</u>
Less Allowance for doubtful accounts	<u>(5,002)</u>	<u>(5,005)</u>	<u>(3,478)</u>	<u>(3,297)</u>
Net	<u>289,865</u>	<u>321,825</u>	<u>285,521</u>	<u>313,817</u>

As at September 30, 2019 and December 31, 2018, the Company discounted, under factoring, its trade receivables amounting to approximately Baht 114.9 million and Baht 136.9 million, respectively, with three local financial institutions (under credit facilities totalling Baht 275 million), whereby such financial institutions can take recourse action on the Company amounting to approximately Baht 95.0 million and Baht 113.4 million, respectively. The Company presented such amounts of obligation under the recourse action as “Factoring payables” in the statements of financial position.

5. LOAN TO OTHER PARTIES

Current portion of this account in 2019 represented the unsecured loans of a subsidiary given to a local non-related company amounting to Baht 4.5 million (interest at 9% p.a.). Such loans were under promissory notes with due dates in October 2019.

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
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Non-current portion of this account represented loan to Inter Far East Energy Corporation Public Company Limited “IFEC” that is secured by common shares of borrower’s subsidiary 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 subsidiary of the borrower. On December 22, 2017, the Company, borrower, and CRS entered into the Memorandum of Understanding 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 has been charged for interest until all conditions under such Memorandum of Understanding are fulfilled. The Company and IFEC (under management by the new Board of Directors recently appointed) have negotiated and mutually agreed to extend duration for due diligence process to be within November 30, 2019 as well as duration for entering into sale-purchase agreement of business to be within December 31, 2019.

6. INVESTMENT IN SUBSIDIARIES ACCOUNTED FOR USING THE COST METHOD AND INVESTMENT IN ASSOCIATE AND JOINT VENTURE ACCOUNTED FOR USING THE EQUITY METHOD

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)	
	2019	2018	2019	2018	2019	2018
VV-Decor Co., Ltd.	1,000	1,000	99.95	99.95	1,000	1,000
ECF Holdings Co., Ltd.	10,000	10,000	75.00	75.00	7,500	7,500
ECF Power Co., Ltd.	547,652	547,652	99.99	99.99	547,652	547,652
Planet Board Co., Ltd.	50,000	50,000	57.00	57.00	7,125	7,125
Total					<u>563,277</u>	<u>563,277</u>

At the Board of Directors’ meeting on February 27, 2018, the Board of Directors passed the resolution to approve the investment budget for the plan for increase in authorized share capital of Planet Board Co., Ltd. (“PNB”) amounting to Baht 400 million (from previously Baht 50 million to Baht 450 million) in order to support the MDF board and particle board manufacturing project whereby such increase in share capital shall be done with respect to the existing proportion of the shareholders that pertained to the Company’s portion of 57% amounting to Baht 228 million. Close the end of 2018, the Company has paid advance for such incremental shares to PNB amounting to approximately Baht 78.4 million.

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
September 30, 2019 and 2018 (Unaudited) (Reviewed)
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Investment in associate and joint venture accounted for using the equity method

	Percentage of Shareholding by Subsidiary		Consolidated (In Thousand Baht)					
	2019	2018	Authorized Share Capital		Investment Value		Dividends	
			2019	2018	2019	2018	2019	2018
<i>Investment in associate</i>								
Green Earth Power (Thailand) Co., Ltd. ("GEP")	20.00	20.00	215,756	155,756	350,169	346,738	-	-
<i>Investment in joint venture</i>								
Safe Energy Holding Co., Ltd. ("SAFE")	33.37	33.37	581,000	581,000	225,822	214,954	-	-
Total					<u>575,991</u>	<u>561,692</u>		

Share of profit from SAFE and share of loss from GEP for the nine-month period ended September 30, 2019 amounting to approximately Baht 10.9 million and Baht 9.0 million, respectively, whereas share of other comprehensive loss from GEP for the same period amounting to approximately Baht 1.7 million. In addition, during the same period, the Company's subsidiary (ECF-P) additionally invested in GEP for shares amounting to approximately Baht 14.1 million and has paid advance amounting to approximately Baht 25 million for share subscription in respect of GEP's plan for increase in share capital.

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
September 30, 2019 and 2018 (Unaudited) (Reviewed)
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7. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Other payables	27,025	30,391	26,871	29,359
Accrued advertising and sales promotion expenses	9,632	10,033	9,632	10,033
Accrued salary, wage, and welfares	8,790	3,849	8,785	3,822
Accrued interest	7,802	6,101	7,762	6,078
Advances from customers	4,751	10,334	4,751	10,217
Accrued electricity	2,991	3,544	2,991	3,512
Accrued commission	1,961	2,201	1,951	2,201
Others	4,394	2,214	3,899	1,228
Total	67,346	68,667	66,642	66,450

8. DEBENTURES

	Consolidated and Separate Financial Statements (In Thousand Baht)	
	September 30, 2019	December 31, 2018
	Debentures	1,015,300
Less Deferred direct transaction costs on debenture issuance	(11,970)	(11,262)
Net	1,003,330	688,638

On February 16, 2018, the Company limitedly issued and offered the registered, unsubordinated, and secured debentures to the institutional investors of 699,900 units of which face value per unit is Baht 1,000. Such debentures bear interest rate at 6.5% p.a. whereby interest is payable on a quarterly basis and will mature for redemption on August 9, 2020. The abovementioned debentures have significant conditions which include maintaining Debt-to-Equity ratio at the rate not exceeding 4:1.

In order to maximize the benefit on financial management to the Company, the Company redeemed a portion of debentures as shown in the balance as at December 31, 2018 totalling 64,800 units (Baht 1,000 face value) in total value of Baht 64.8 million from certain debenture-holders by repurchase from the secondary market at the price including the accrued interest. Such matter is in compliance with the provision attributable to the right and duty of debenture-issuer and debenture-holders.

Later on March 22, 2019, the Company limitedly issued and offered the registered, unsubordinated, and secured debentures to the institutional investors of 200,000 units of which face value per unit is Baht 1,000. Such debentures bear interest rate at 6.75% p.a. whereby interest is payable on a quarterly basis and matured for redemption on March 22, 2021. The abovementioned debentures have significant conditions which include maintaining Debt-to-Equity ratio at the rate not exceeding 4:1.

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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On July 31, 2019, the Company limitedly issued and offered the registered, unsubordinated, and unsecured debentures to the institutional investors of 180,200 units of which face value per unit is Baht 1,000. Such debentures bear interest rate at 6.5% p.a. whereby interest is payable on a quarterly basis and will mature for redemption July 31, 2021. 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 a deferred item and systematically amortized on a straight-line method as part of finance costs over the term of related debentures.

9. INCOME TAX

Income tax recorded as expense (income) for the three-month and nine-month periods ended September 30, 2019 and 2018 consists of:

	Three-Month Periods (In Thousand Baht)			
	Consolidated		Separate Financial Statements	
	2019	2018	2019	2018
Income tax computed from accounting profit	2,007	2,713	1,901	3,530
Effects from non-deductible expenses	2,706	3,636	2,327	2,795
Effects from additional deductible expenses	(724)	(663)	(430)	(513)
Current tax on taxable profit	3,989	5,686	3,798	5,812
Increase in deferred tax assets	(145)	(12)	(145)	(220)
Decrease in deferred tax liabilities	(1,421)	(1,714)	(1,421)	(1,714)
Income tax presented as profit or loss in statements of comprehensive income	<u>2,423</u>	<u>3,960</u>	<u>2,232</u>	<u>3,878</u>
	Nine-Month Periods (In Thousand Baht)			
	Consolidated		Separate Financial Statements	
	2019	2018	2019	2018
Income tax computed from accounting profit	5,557	5,255	5,746	7,840
Effects from non-deductible expenses	7,810	9,600	6,677	6,464
Effects from additional deductible expenses	(2,102)	(4,736)	(1,679)	(4,487)
Effect from utilization of tax loss carryforward	(62)	-	-	-
Current tax on taxable profit	11,203	10,119	10,744	9,817
Increase in deferred tax assets	(547)	(153)	(547)	(373)
Decrease in deferred tax liabilities	(3,673)	(1,156)	(3,673)	(1,156)
Income tax presented as profit or loss in statements of comprehensive income	<u>6,983</u>	<u>8,810</u>	<u>6,524</u>	<u>8,288</u>
Increase in deferred tax assets pertaining to other comprehensive loss	<u>257</u>	<u>-</u>	<u>257</u>	<u>-</u>

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
September 30, 2019 and 2018 (Unaudited) (Reviewed)
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Deferred tax assets and liabilities presented in statements of financial positions as at September 30, 2019 and December 31, 2018 consist of:

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
<i>Deferred tax assets</i>				
Effects from temporary non-deductible items				
- Allowance for diminution in value of obsolete and slow moving inventories	895	847	895	847
- Allowance for doubtful accounts	1,127	1,091	1,127	1,091
- Allowance for impairment of building and equipment	1,092	1,092	1,092	1,092
- Liability for post-employment benefits	2,078	1,358	2,078	1,358
Total deferred tax assets	<u>5,192</u>	<u>4,388</u>	<u>5,192</u>	<u>4,388</u>
<i>Deferred tax liabilities</i>				
Effects from temporary non-recognized items in accounting or taxation:				
- Unamortized debenture issuance costs	2,393	2,253	2,393	2,253
- Revaluation surplus on land	7,690	7,690	7,690	7,690
- Revaluation surplus on building - net	12,127	13,668	12,127	13,668
- Revaluation surplus on machinery - net	11,454	13,726	11,454	13,726
Total deferred tax liabilities	<u>33,664</u>	<u>37,337</u>	<u>33,664</u>	<u>37,337</u>

As at September 30, 2019, a subsidiary had tax loss carryforward of approximately Baht 77.4 million whereby such loss is able to be used as tax credit during 2019 until 2024.

10. LIABILITY FOR POST-EMPLOYMENT BENEFITS

Movements of liability for post-employment benefits for nine-month periods ended September 30, 2019 and 2018 are as follows:

	Consolidated and Separate Financial Statements (In Thousand Baht)	
	2019	2018
Liability for post-employment benefits as at January 1	6,793	6,346
Current service cost	683	255
Interest cost	208	80
Past service cost	1,422	-
Expense recognized as profit or loss in statements of comprehensive income	2,313	335
Actuarial loss on remeasurement	1,285	-
Liability for post-employment benefits as at September 30	<u>10,391</u>	<u>6,681</u>

The abovementioned actuarial loss on remeasurement comprised of (1) loss from experience adjustment amounting to approximately Baht 3,723 thousand, (2) gain from changes in financial assumptions amounting to approximately Baht 1,741 thousand, and (3) gain from changes in demographic assumptions amounting to approximately Baht 697 thousand.

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Significant assumptions used in the calculation of liability for post-employment are as follows:

- Discount rate	2.66% p.a. in 2019 and 2.87% p.a. in 2018
- Salary escalation rate	3.00% p.a. in 2019 and 6.43% p.a. in 2018
- Employee turnover rate	8% - 35% p.a. in 2019 and 11% - 48% p.a. in 2018

The abovementioned changes in significant assumptions may affect the sensitivity of the balance of provision for post-employment benefits in respect of the information as per the calculation report of the qualified actuary as follows:

Significant Assumptions	Liability may increase (decrease) from changes in significant assumptions (In Thousand Baht)	
	If assumption increased	If assumption decreased
Discount rate (increase/decrease by 0.5%)	(325)	346
Salary escalation rate (increase/decrease by 0.5%)	373	(352)
Employee turnover rate (increase/decrease by 1%)	(782)	893

During 2018, the National Legislative Assembly agreed and approved to edit some provisions of the Labour Protection Act 1998 (B.E. 2541) which include the increase in compensations to be paid to the employees whose working period have reached 20 years or above from previously equivalent to basic wage of 300 days to 400 days. Such matter was later legally announced in the early of April 2019 in order to become effective in the early of May 2019. The Company's management considered, based on their judgement, that amendment of such employee benefit plan (amendment of the applicable laws) occurred and became effective in the second quarter of 2019. Accordingly, the Company accounted for the past service cost amounting to approximately Baht 1.4 million, resulted from the plan amendment, in the second quarter of 2019 which was presented as part of cost of sales and administrative expenses amounting to approximately Baht 0.2 million and Baht 1.2 million, respectively, in the statements of comprehensive income for the nine-month period ended September 30, 2019.

11. SHARE CAPITAL AND PREMIUM ON SHARES

	Par Value (In Baht)	In Thousand Shares / In Thousand Baht			
		September 30, 2019		December 31, 2018	
		No. of Share	At Par Value	No. of Share	At Par Value
Authorized share capital As at September 30, 2019 and December 31, 2018					
- Common shares	0.25	<u>1,249,848</u>	<u>312,462</u>	<u>1,416,549</u>	<u>354,137</u>
Issued and paid-up shares As at January 1, 2019 and 2018					
- Common shares	0.25	959,405	239,851	830,008	207,502
Private placement	0.25	-	-	8,200	2,050
Exercise of warrants (see Note 12)	0.25	<u>83</u>	<u>21</u>	<u>121,197</u>	<u>30,299</u>
As at September 30, 2019 and December 31, 2018					
- Common shares	0.25	<u>959,488</u>	<u>239,872</u>	<u>959,405</u>	<u>239,851</u>

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On January 8, 2018, the Company received the proceeds for partial share subscription of 300,000 shares under the general mandate basis of the increase in share capital for offering to specific persons (Private placement) of not exceeding 40,000,000 shares to Macquarie Bank Limited (“Macquarie”) amounting to approximately Baht 1.7 million (Baht 5.70 per share, comprised of the amounts for paid-up share capital of Baht 0.075 million and premium on shares of approximately Baht 1.6 million). The Company registered this issued and paid-up share capital with the Ministry of Commerce on January 9, 2018.

On April 23, 2018, the Company received the proceeds for partial share subscription of 7,900,000 shares under the general mandate basis of the increase in share capital for offering to specific persons (Private placement) of not exceeding 47,675,178 shares to 3 non-related persons amounting to approximately Baht 49.1 million (Baht 6.22 per share, comprised of the amounts for paid-up share capital of approximately Baht 2.0 million and premium on shares of approximately Baht 47.1 million). The Company registered this issued and paid-up share capital with the Ministry of Commerce on April 26, 2018.

12. WARRANTS AND EARNINGS PER SHARE

Warrants

The Company issued and offered 194,929,773 units of free warrants (“ECF-W2”) to existing shareholders on October 20, 2017 for the purchase of incremental shares on the basis of 4 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 3 per share
Exercise period	The warrants shall be exercisable with the first exercise date on November 25, 2017 and other 5 times, i.e. the 25th of February, May, August, November 2018 and the last exercise date is February 20, 2019.
Term of warrants	1 year and 4 months from the date on which the warrants are issued to the shareholders

On the same day, the Company issued and offered 129,951,632 units of free warrants (“ECF-W3”) for the purchase of incremental shares on the basis of 6 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 (Adjusted right in April 2019 to 1 unit to purchase 1.0008 common shares)
Exercise price	Baht 5 per share (Adjusted right in April 2019 to Baht 4.9958 per share)
Exercise period	The warrants shall be exercisable with the first exercise date on May 25, 2019 and other 7 times, i.e. the 25th of August and November 2019, February, May, August, November 2020 and the last exercise date is February 20, 2021.
Term of warrants	3 years and 4 months from the date on which the warrants are issued to the shareholders

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Later on November 6, 2017, the Stock Exchange of Thailand has granted the Company's 194,929,773 (ECF-W2) and 129,951,632 (ECF-W3) units of warrants as listed securities and has permitted such warrants to be traded on the Market for Alternative Investment since November 7, 2017. Details of the exercised warrants are as follows:

Exercise Date	Number of warrants exercised for purchases of common shares (Unit)	Proceeds from the exercise of warrants (Baht)	Paid-up share capital (Baht)	Premium on shares (Baht)	Number of unexercised warrants	Date of the registered increase in issued and paid-up share capital with the Ministry of Commerce
November 25, 2017	20,255,666	60,766,998	5,063,917	55,703,081	174,674,107	November 30, 2017
February 25, 2018	31,348,046	94,044,138	7,837,012	86,207,126	143,326,061	February 27, 2018
May 25, 2018	37,787,808	113,363,424	9,446,952	103,916,472	105,538,253	June 1, 2018
August 25, 2018	46,436,851	139,310,553	11,609,213	127,701,340	59,101,402	August 29, 2018
November 25, 2018	5,624,925	16,874,775	1,406,231	15,468,544	53,476,477	December 12, 2018
February 20, 2019	82,475	247,425	20,619	226,806	53,394,002	February 27, 2019

Basic earnings per share

Basic earnings per share for the three-month and nine-month periods ended September 30, 2019 and 2018 are determined by dividing profit for the period attributable to owners of the Company by the weighted average number of common shares outstanding during the period as follows:

	Three-Month Periods (In Thousand Baht / In Thousand Shares)			
	Consolidated		Separate Financial Statements	
	2019	2018	2019	2018
Profit for the period attributable to owners of the Company (In thousand Baht)	7,478	8,518	7,268	13,771
Basic weighted average number of outstanding common shares (In thousand shares)	959,488	926,019	959,488	926,019
Basic earnings per share (Baht)	0.008	0.009	0.007	0.015

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	Nine-Month Periods (In Thousand Baht / In Thousand Shares)			
	Consolidated		Separate Financial Statements	
	2019	2018	2019	2018
Profit for the period attributable to owners of the Company (In thousand Baht)	<u>21,260</u>	<u>21,516</u>	<u>22,203</u>	<u>30,912</u>
Basic weighted average number of outstanding common shares (In thousand shares)	<u>959,472</u>	<u>884,686</u>	<u>959,472</u>	<u>884,686</u>
Basic earnings per share (Baht)	<u>0.022</u>	<u>0.024</u>	<u>0.023</u>	<u>0.035</u>

Diluted earnings per share

Diluted earnings per share for the three-month and nine-month periods ended September 30, 2019 and 2018 are determined by dividing the profit for the period attributable to owners of the Company by the weighted average number of common shares outstanding during the period after adjusting the effect from dilutive potential common shares as follows:

	Three-Month Periods (In Thousand Baht / In Thousand Shares)			
	Consolidated		Separate Financial Statements	
	2019	2018	2019	2018
Profit for the period attributable to owners of the Company (In thousand Baht)	<u>7,478</u>	<u>8,518</u>	<u>7,268</u>	<u>13,771</u>
Basic weighted average number of outstanding common shares (In thousand shares)	<u>959,488</u>	<u>926,019</u>	<u>959,488</u>	<u>926,019</u>
Effect from the assumed exercise of warrants (In thousand shares)	<u>-</u>	<u>36,658</u>	<u>-</u>	<u>36,658</u>
Diluted weighted average number of outstanding common shares (In thousand shares)	<u>959,488</u>	<u>962,677</u>	<u>959,488</u>	<u>962,677</u>
Diluted earnings per share (Baht)	<u>0.008</u>	<u>0.009</u>	<u>0.007</u>	<u>0.014</u>

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	Nine-Month Periods (In Thousand Baht / In Thousand Shares)			
	Consolidated		Separate Financial Statements	
	2019	2018	2019	2018
Profit for the period attributable to owners of the Company (In thousand Baht)	<u>21,260</u>	<u>21,516</u>	<u>22,203</u>	<u>30,912</u>
Basic weighted average number of outstanding common shares (In thousand shares)	959,472	884,686	959,472	884,686
Effect from the assumed exercise of warrants (In thousand shares)	<u>-</u>	<u>34,679</u>	<u>-</u>	<u>34,679</u>
Diluted weighted average number of outstanding common shares (In thousand shares)	<u>959,472</u>	<u>919,365</u>	<u>959,472</u>	<u>919,365</u>
Diluted earnings per share (Baht)	<u>0.022</u>	<u>0.023</u>	<u>0.023</u>	<u>0.034</u>

Diluted earnings per share for the three-month and nine-month periods ended September 30, 2019 was the same amount to basic earnings per share because the average market price of the Company's common shares for the aforesaid period 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.

13. 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, retail sales of sundry goods and energy business operated by associate and joint venture) which has been insignificant portion as compared to entire volumes and size of business activities and, therefore, are insignificant minor segments. The transfers between segments were accounted for at cost whereby the accounting policies applied to operating segments of the Company and its subsidiaries are similar to those accounting policies discussed in Note 2. In addition, the Company and its subsidiaries are unable to apportion the segment information for assets and liabilities without incurring undue costs.

Information on Products (Consolidated - Nine-Month Periods)

	In Thousand Baht	
	2019	2018
Net sales		
- Wood furniture and particle boards	957,826	964,015
- Other products	41,926	73,326
Total	<u>999,752</u>	<u>1,037,341</u>

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	In Thousand Baht	
	2019	2018
Other income		
- Wood furniture and particle boards	26,104	28,966
- Other products	8,716	6,584
Total	<u>34,820</u>	<u>35,550</u>
Cost of sales		
- Wood furniture and particle boards	662,055	647,835
- Other products	33,895	70,226
Total	<u>695,950</u>	<u>718,061</u>
Other expenses		
- Wood furniture and particle boards	293,402	297,233
- Other products	17,373	31,282
Total	<u>310,775</u>	<u>328,515</u>
Profit (loss) before income tax expense		
- Wood furniture and particle boards	28,473	47,913
- Other products	(626)	(21,598)
Net	<u>27,847</u>	<u>26,315</u>

Information on Geographic Areas (Consolidated - Nine-Month Periods)

	In Thousand Baht	
	2019	2018
Export sales - net		
- Japan	474,874	452,150
- United States of America	11,435	737
- Philippines	6,931	11,544
- Kuwait	6,648	3,453
- China	5,400	-
- Bahrain	4,358	5,402
- India	4,352	-
- Malaysia	2,837	4,561
- Taiwan	-	3,845
- Peru	-	1,873
- Other countries	-	1,246
Total	<u>516,835</u>	<u>484,811</u>
Domestic sales - net	<u>482,917</u>	<u>552,530</u>
Total sales - net	<u>999,752</u>	<u>1,037,341</u>

The Company and its subsidiaries have no any non-current assets located in the countries other than Thailand.

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Information on Key Customers (customers whose transactions exceeding 10% of total balance of transactions in the consolidated financial statements)

	Percentage of Balance Attributable to Key Customers to Total Balance - Nine-Month Periods	
	2019	2018
Net sales		
- Wood furniture and particle boards	33.86	36.89
- Other products	-	-
- Export	36.35	43.18
- Domestic	28.26	26.48
- Total	32.44	34.29

14. PAYMENT OF DIVIDENDS

At the general shareholders' meeting held on April 22, 2019, the shareholders unanimously approved the Company to pay dividends for the 2018 operations at approximately Baht 0.030227 per share, totalling approximately Baht 29.0 million, to the shareholders. The date for payment of such dividends was May 21, 2019.

At the general shareholders' meeting held on April 25, 2018, the shareholders unanimously approved the Company to pay dividends for the 2017 operations at approximately Baht 0.0603 per share, totalling approximately Baht 52.4 million, to the shareholders whereby such dividends shall be paid from the promoted activities and non-promoted activities amounting to Baht 0.0173 per share and Baht 0.0430 per share, respectively. The date for payment of such dividends was May 24, 2018.

15. OTHERS

As at September 30, 2019:

- a. The Company had commitments on space lease and service agreements for its branch offices and retail shops for sales of its goods with two local private companies with term of 3 years whereby the last agreement will end in July 2021. Such commitments are as follows:

	In Million Baht
Due for payments within one year	1.8
Due for payments after one year but not exceeding five years	1.0
Total	2.8

- b. The Company had letters of guarantee issued by three local banks to two private companies and a government agency totalling approximately Baht 29.5 million;
- c. The Company had commitment on purchase of machinery and equipment amounting to approximately Baht 2.1 million (excluding value-added tax);

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d. The Company had the outstanding forward exchange contracts (sell in U.S. Dollar) as follows:

<u>Contract Type</u>	<u>Foreign Currency Amount</u>	<u>Fixed Baht (In Thousand Baht)</u>	<u>Fair Value (In Thousand Baht)</u>	<u>Maturity Periods</u>
Sell	120,448	3,669	3,646	December 2019 - March 2020

- e. The Company had advance amounting to Baht 50.0 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;
- f. The Company has been granted additional promotional privileges pertaining to the new promotional certificate on manufacturing and sales of furniture that is made in the plant installed the system for electricity generated from the solar power. 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 (such privileges have not yet been exercised as at September 30, 2019);
- g. A subsidiary had commitment on purchase and installation design of machinery totalling approximately USD 13.3 million (approximately Baht 409.2 million);
- h. The same subsidiary had commitments on design of factory building and consultancy fee for the construction project totalling approximately Baht 2.3 million (excluding value-added tax);
- i. The other subsidiary had 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 statement of financial position as at September 30, 2019.

16. SHORT-TERM LOANS FROM OTHER PARTIES

As at September 30, 2019, this account represented short-term loans under bill of exchange, unsecured and partially secured by the Company's common shares of approximately 41.4 million held by certain directors, issued by the Company and a subsidiary to several non-related persons between March and September 2019. These loans bear interest ranging between 5.5% p.a. to 6.5% p.a. and have maturities not exceeding nine months from the particular issuance dates.

As at December 31, 2018, this account represented short-term loans under bill of exchange, unsecured and partially secured by the Company's 37.4 million common shares held by certain directors, issued by the Company and a subsidiary to several non-related persons and companies between September and November 2018. These loans bear interest ranging between 5.5% p.a. to 7.5% p.a. and have maturities not exceeding six months from the particular issuance dates.

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17. EVENTS AFTER THE REPORTING PERIOD

At the extraordinary shareholders' meeting of subsidiary, i.e. ECF Power Co., Ltd. ("ECF-P"), on October 8, 2019 and at the Board of Directors' meeting of the Company on October 9, 2019, the meetings passed the resolution to approve the increase in authorized share capital of ECF-P amounting to Baht 140 million (from previously Baht 547.7 million to Baht 687.7 million) which was the increase in share capital with respect to the existing proportion of the shareholders. Such increase was fully called for share subscription in October 2019 in accordance with the resolutions of both meetings and ECF-P registered this increase in share capital with the Ministry of Commerce on October 9, 2019. As at September 30, 2019, the Company has paid advance for partial share subscription with respect to such increase in share capital to ECF-P amounting to approximately Baht 2.6 million.

18. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

The accompanying interim financial information has been approved for issuance by the Company's Board of Directors' meeting on November 13, 2019.