

**EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Condensed Notes to Financial Statements**  
**June 30, 2017 and 2016 (Unaudited) (Reviewed)**  
**and December 31, 2016 (Audited)**

**1. BASIS FOR THE PREPARATION OF INTERIM FINANCIAL INFORMATION**

The accompanying interim financial information has been prepared on a condensed basis and in accordance with the Thai Accounting Standard No. 34 (Revised 2016) “Interim Financial Reporting” including interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”), 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, 2016 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, 2016.

The consolidated financial statements for the three-month and six-month periods ended June 30, 2017 and 2016 and the consolidated financial statements for the year ended December 31, 2016, 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 direct and indirect holdings on those subsidiaries as discussed in Note 5.

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

Starting from January 1, 2017, the Company and its subsidiaries have adopted the revision of Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), Thai Accounting Interpretation (TSIC), and Thai Financial Reporting Interpretation (TFRIC), issued by FAP, which have been effective from the accounting period starting on or after January 1, 2017. The aforesaid adoption of revised TAS and TFRS as well as TSIC and TFRIC did not have any material effect on the Company and its subsidiaries.

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 six-month periods ended June 30, 2017 and 2016 which are similar to those applied to the preparation of financial statements for the year ended December 31, 2016 except the adoption of revised TAS and TFRS as well as TIC and TFRIC as discussed in Note 1 which had no any material effect.

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**3. TRANSACTIONS WITH RELATED PARTIES**

During the three-month and six-month periods ended June 30, 2017, the Company has the additional related companies as follows:

Name of Companies	Type of Business	Type of Relationship
ECF Power Co., Ltd.	Holding company in energy business	Subsidiary
Safe Energy Holdings Co., Ltd.	Holding company in energy business	Associate
Green Earth Power (Thailand) Co., Ltd.	Holding company in energy business	Associate
Prize of Wood Green Energy Co, Ltd.	Manufacturing and sales of electricity generated from biomass fuel	Subsidiary of associate
GEP (Myanmar) Company Limited (incorporated and operated in Myanmar)	Manufacturing and sales of electricity generated from solar power	Co-directors

Significant transactions with related parties for the three-month and six-month periods ended June 30, 2017 and 2016 are as follows:

	Consolidated (In Thousand Baht)			
	Three-Month Periods		Six-Month Periods	
	2017	2016	2017	2016
<b>Sales of products</b>				
Related companies	7,374	5,469	12,839	13,136
<b>Purchases of inventories and raw materials or supplies</b>				
Related company	529	192	886	196
<b>Showroom rental and service charges</b>				
Related company	4,931	6,573	9,870	11,983
<b>Decoration costs of showrooms (recorded as other non-current assets)</b>				
Related company	-	595	388	1,305
<b>Interest expense</b>				
Related person	40	-	40	-
<b>Key management's remunerations</b>				
Short-term benefits	7,177	5,865	13,248	13,135
Post-employment benefits	116	351	236	702
<b>Total</b>	<b>7,293</b>	<b>6,216</b>	<b>13,484</b>	<b>13,837</b>

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	Separate Financial Statements (In Thousand Baht)			
	Three-Month Periods		Six-Month Periods	
	2017	2016	2017	2016
<b>Sales of products</b>				
Subsidiary	4,668	6,259	10,675	11,100
Related companies	7,374	5,469	12,839	13,136
Total	12,042	11,728	23,514	24,236
<b>Interest income</b>				
Subsidiary	26	-	26	92
<b>Space rental income</b>				
Subsidiary	2	2	5	5
<b>Purchases of inventories and raw materials or supplies</b>				
Subsidiary	5	-	5	-
Related company	529	192	886	196
Total	534	192	891	196
<b>Showroom rental and service charges</b>				
Related company	4,931	6,573	9,870	11,983
<b>Decoration costs of showrooms (recorded as other non-current assets)</b>				
Related company	-	595	388	1,305
<b>Interest expense</b>				
Subsidiary	229	-	229	-
Related person	40	-	40	-
Total	269	-	269	-
<b>Key management's remunerations</b>				
Short-term benefits	7,177	5,865	13,248	13,135
Post-employment benefits	116	351	236	702
Total	7,293	6,216	13,484	13,837

Significant outstanding balances with related parties as at June 30, 2017 and December 31, 2016 are as follows:

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016
<b>Trade receivables</b>				
Subsidiary	-	-	7,427	7,766
Related companies	8,651	8,089	8,651	8,089
Total	8,651	8,089	16,078	15,855
<b>Advances for share subscription</b>				
Subsidiary	-	-	150,000	50,000

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	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016
<b>Deposits / guarantees on rental and services for showrooms</b>				
Related company	4,909	4,925	4,909	4,925
<b>Trade payables</b>				
Related company	378	193	378	193
<b>Other payables</b>				
Subsidiary	-	-	-	23
Related companies	2,835	1,964	2,857	1,964
Total	2,835	1,964	2,857	1,987
<b>Short-term loan and interest payable</b>				
<b>Interest payable</b>				
Related person (director)	40	-	40	-
<b>Short-term loan</b>				
Related person (director)	25,000	-	25,000	-
Total	25,040	-	25,040	-

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

	Consolidated (In Thousand Baht)			
	Balance as at December 31, 2016	Movement During the Period		Balance as at June 30, 2017
		Increase	Decrease	
<b>Short-term loan from related person</b>				
Director	-	25,000	-	25,000
	Separate Financial Statements (In Thousand Baht)			
	Balance as at December 31, 2016	Movement During the Period		Balance as at June 30, 2017
		Increase	Decrease	
<b>Short-term loans to subsidiary</b>				
ECF Power Co., Ltd	-	5,000	5,000	-
<b>Short-term loans from subsidiaries and related person</b>				
<b>Subsidiaries</b>				
ECF Holdings Co., Ltd.	-	23,000	23,000	-
ECF Power Co., Ltd.	-	45,000	45,000	-
<b>Related person</b>				
Director	-	25,000	-	25,000
Total	-	93,000	68,000	25,000

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**4. TRADE RECEIVABLES**

As at June 30, 2017 and December 31, 2016, trade receivables classified by outstanding period are as follows:

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016
<i>Related companies</i>				
Current	6,689	5,075	11,594	10,900
Overdue not exceeding 3 months	1,949	3,001	4,471	4,942
Overdue between 7 months - 12 months	13	13	13	13
Total	<u>8,651</u>	<u>8,089</u>	<u>16,078</u>	<u>15,855</u>

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016
<i>Other companies - net</i>				
Current	148,213	157,730	145,935	154,546
Overdue not exceeding 3 months	43,165	31,037	40,164	27,963
Overdue between 3 months - 6 months	3,801	4,107	3,012	3,768
Overdue between 7 months - 12 months	4,023	1,006	3,417	528
Overdue between 12 months	3,364	3,338	2,162	2,261
Total	<u>202,566</u>	<u>197,218</u>	<u>194,690</u>	<u>189,066</u>
Less Allowance for doubtful accounts	<u>( 2,485)</u>	<u>( 2,203)</u>	<u>( 1,318)</u>	<u>( 1,169)</u>
Net	<u>200,081</u>	<u>195,015</u>	<u>193,372</u>	<u>187,897</u>

As at June 30, 2017 and December 31, 2016, the Company discounted, under factoring, its trade receivables amounting to approximately Baht 145.5 million and Baht 89.1 million, respectively, with three and two local financial institutions (under credit facilities totalling Baht 275 million and Baht 195 million) whereby such financial institutions are entitled to take the recourse action on the Company amounting to approximately Baht 111.8 million and Baht 60.2 million, respectively. The Company presented such entitled amounts as “Factoring payables” in the statements of financial position.

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**5. INVESTMENT IN SUBSIDIARIES ACCOUNTED FOR USING THE COST METHOD AND INVESTMENT IN ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD**

*Investment in subsidiaries accounted for using the cost method*

	Separate Financial Statements					
	Authorized and Paid-up Share Capital (In Thousand Baht)		Percentage of Shareholding		Cost of Investment (In Thousand Baht)	
	2017	2016	2017	2016	2017	2016
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.	142,653	-	99.99	-	142,652	-
Total					151,152	8,500

On January 12, 2017, the Board of Directors passed the resolution to approve the establishment of an additional subsidiary i.e. ECF Power Company Limited (“ECF-P”) in order to engage as the investment company in other entities doing the energy business e.g. biomass power or solar power. ECF-P was incorporated on January 16, 2017 with share capital of Baht 1 million (divided into 100,000 common shares, Baht 10 par value) whereby the Company has a percentage of shareholding in ECF-P of 99.99% whereas the rest is held by five shareholders and directors of the Company. Registered address of ECF-P is located at Amphur Klaeng, Rayong province. Subsequently, at the extraordinary shareholders’ meeting of ECF-P on March 13, 2017, the shareholders passed the resolution to approve the increase in authorized share capital of ECF-P amounting to Baht 141.7 million (from Baht 1 million to Baht 142.7 million) which was the increase in share capital with respect to the existing proportion of the shareholders. ECF-P has fully called for this share subscription in April 2017 and registered this increase in share capital with the Ministry of Commerce on April 20, 2017.

Subsequently, at the extraordinary shareholders’ meeting of ECF-P on July 3, 2017, the shareholders passed the resolution to approve the increase in authorized share capital of ECF-P amounting to Baht 380 million (from approximately Baht 142.7 million to Baht 522.7 million). ECF-P has increased its share capital and registered this increase in share capital with the Ministry of Commerce on July 7, 2017. As at June 30, 2017, the Company has paid the advances for partial share subscription with respect to such increase in share capital to ECF-P amounting to Baht 150 million.

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*Investment in associates accounted for using the equity method*

	Percentage of Shareholding by Subsidiary		Consolidated (In Thousand Baht)					
			Authorized and Paid-up Share Capital		Investment Value		Dividends	
	2017	2016	2017	2016	2017	2016	2017	2016
Safe Energy Group (Narathiwat 1) Co., Ltd.	-	25.00	-	20,000	-	4,710	-	-
Safe Energy Group (Yala 1) Co., Ltd.	-	20.00	-	5,000	-	1,025	-	-
Safe Energy Group (Pattani) Co., Ltd.	-	25.00	-	5,000	-	1,282	-	-
Safe Energy Group (Songkhla) Co., Ltd.	-	25.00	-	5,000	-	987	-	-
Safe Energy Holding Co., Ltd.	33.37	-	426,000	-	141,533	-	-	-
Green Earth Power (Thailand) Co., Ltd.	20.00	-	25,756	-	148,600	-	-	-
Total investment in associates					<u>290,133</u>	<u>8,004</u>		

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In February 2017, ECF Power Co., Ltd. has invested in its associate, i.e. Safe Energy Holdings Company Limited (“SAFE”), which has been established with initial share capital of Baht 1 million as the investment company in other entity doing the biomass power plant and as the jointly invested company between the Group and other non-related group of companies. SAFE is engaged as the investment company in the entity doing the biomass power plant located at Amphur Waeng, Narathiwat province (i.e. Prize of Wood Green Energy Company Limited) (“PWGE”) whereby this investment was approved by the Company’s Board of Directors on February 13, 2017. ECF-P has invested in SAFE with percentage of shareholding of 33.37% while the rest is held by other group of companies of 33.37% and major shareholders of PWGE of 33.26%. Then SAFE has invested in PWGE with percentage of shareholding of 99.99% and, therefore, PWGE is subsidiary of SAFE. Subsequently in June 2017, SAFE has increased its share capital by Baht 425 million (from Baht 1 million to Baht 426 million) in order to support the investment project in PWGE. As at June 30, 2017, ECF-P has invested in SAFE amounting to Baht 142.2 million.

In addition, at the Company’s Board of Directors’ meeting on April 3, 2017, the Board of Director passed the resolution to approve ECF-P’s investment in common shares of Green Earth Power (Thailand) Co., Ltd. (“GEP”) by purchase from the major shareholders of GEP in the proportion of 20% of the entire common shares issued by such company with the initial investment value of approximately Baht 310.05 million (U.S. Dollar 9 million). In the future, GEP will increase its share capital to support the investment in construction of power plant and production of the electric power for sales of its subsidiary (100% held by GEP), i.e. GEP (Myanmar) Company Limited (“GEPM”), whereby the project will be separated into 4 phases until reaching full capacity of 220 megawatts. According to such increase in share capital, ECF-P shall additionally invest in the future for its portion amounting to approximately Baht 696.58 million (U.S. Dollar 20.22 million) during 2018 to 2021. GEP is engaged as a holding and management company in the 220-megawatt solar power plant project of GEPM which is located in Minbu province, Myanmar. As at June 30, 2017, ECF-P has invested in GEP amounting to Baht 150 million.

During the three-month period ended March 31, 2017, four associates, i.e. Safe Energy Group (Narathiwat 1) Co., Ltd., Safe Energy Group (Yala 1) Co., Ltd., Safe Energy Group (Pattani) Co., Ltd., and Safe Energy Group (Songkhla) Co., Ltd., were completed their liquidation and registered their liquidation in April 2017 after the registration for cease of their businesses in December 2016 whereby the remaining investments in their share capital were entirely returned to the Company in such period.



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**6. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES**

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016
Other payables	15,923	19,306	14,412	18,095
Accrued advertising and sales promotion expenses	9,525	14,151	9,525	14,133
Advances from customers	5,012	5,464	5,012	5,464
Accrued interest	3,937	3,288	3,934	3,281
Accrued salary, wage, and welfares	3,846	8,186	3,835	8,180
Accrued electricity	3,401	3,265	3,306	3,184
Others	6,740	8,613	6,134	8,120
<b>Total</b>	<b>48,384</b>	<b>62,273</b>	<b>46,158</b>	<b>60,457</b>

**7. DEBENTURES - NET**

	Consolidated and Separate Financial Statements	
	(In Thousand Baht)	
	June 30, 2017	December 31, 2016
Debentures	500,000	500,000
Less Deferred direct transaction costs on debenture issuance	( 909)	( 1,690)
Net	499,091	498,310
Less Current portion of debentures	( 499,091)	-
Non-current portion of debentures	-	498,310

On May 26, 2016, the Company limitedly issued and offered the registered, unsubordinated, and unsecured debentures to the institutional investors of 500,000 units of which face value per unit is Baht 1,000. Such debentures bear interest rate at 5.4 % p.a. whereby interest is payable on a quarterly basis and will mature for redemption on February 26, 2018.

The abovementioned debentures have significant conditions which include maintaining Debt-to-Equity ratio at the rate not exceeding 4:1.

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**8. INCOME TAX**

Income tax recorded as expense (income) for the three-month and six-month periods ended June 30, 2017 and 2016 consists of:

	Three-Month Periods (In Thousand Baht)			
	Consolidated		Separate Financial Statements	
	2017	2016	2017	2016
Income tax computed from accounting profit regarding the announced income tax rate	833	1,269	2,371	4,157
Effects from non-deductible expenses	3,836	4,322	2,274	1,560
Effects from additional deductible expenses	( 319)	( 570)	( 295)	( 696)
Effects from reduction in income tax rate under the investment promotion	( 2,182)	960	( 2,182)	960
Current tax computed form the taxable profit	2,168	5,981	2,168	5,981
Decrease (increase) in deferred tax assets	10	( 207)	10	( 207)
Increase (decrease) in deferred tax liabilities	( 1,414)	223	( 1,414)	223
Income tax presented as profit or loss in statements of comprehensive income	<u>764</u>	<u>5,997</u>	<u>764</u>	<u>5,997</u>
	Six-Month Periods (In Thousand Baht)			
	Consolidated		Separate Financial Statements	
	2017	2016	2017	2016
Income tax computed from accounting profit regarding the announced income tax rate	4,734	6,609	7,462	9,431
Effects from non-deductible expenses	7,154	5,825	4,365	2,967
Effects from additional deductible expenses	( 658)	( 1,254)	( 597)	( 1,218)
Effects from reduction in income tax rate under the investment promotion	( 4,245)	( 3,116)	( 4,245)	( 3,116)
Current tax computed form the taxable profit	6,985	8,064	6,985	8,064
Increase in deferred tax assets	( 259)	( 269)	( 232)	( 290)
Decrease in deferred tax liabilities	( 3,690)	( 149)	( 3,690)	( 149)
Income tax presented as profit or loss in statements of comprehensive income	<u>3,036</u>	<u>7,646</u>	<u>3,063</u>	<u>7,625</u>

Deferred tax assets and liabilities presented in statements of financial positions as at June 30, 2017 and December 31, 2016 consist of:

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	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016
<i>Deferred tax assets</i>				
Effects from temporary non-deductible items or item not yet recognized as revenue in accounting				
- Allowance for diminution in value of inventories	1,193	1,152	1,193	1,152
- Allowance for doubtful accounts	628	824	394	617
- Allowance for impairment of building and machinery	1,092	1,092	1,092	1,092
- Deferred gain on sales and leaseback	9	16	9	16
- Liability for post-employment benefits	1,227	806	1,227	806
Total deferred tax assets	<u>4,149</u>	<u>3,890</u>	<u>3,915</u>	<u>3,683</u>
<i>Deferred tax liabilities</i>				
Effects from temporary non-recognized items as taxable revenues or item gradually recognized as expense in accounting*				
- Deferred debenture issuance costs*	182	338	182	338
- Revaluation surplus on land	7,690	7,690	7,690	7,690
- Revaluation surplus on building - net	17,172	17,945	17,172	17,945
- Revaluation surplus on machinery - net	17,764	20,525	17,764	20,525
Total deferred tax liabilities	<u>42,808</u>	<u>46,498</u>	<u>42,808</u>	<u>46,498</u>

**9. LIABILITY FOR POST-EMPLOYMENT BENEFITS**

Movements of liability for post-employment benefits for six-month periods ended June 30, 2017 and 2016 are as follows:

	Consolidated and Separate Financial Statements (In Thousand Baht)	
	2017	2016
Liability for post-employment benefits as at January 1	5,920	3,380
Current service cost	166	1,018
Interest cost	47	348
Expense recognized as profit or loss in statements of comprehensive income	213	1,366
Employee benefit paid during the period	-	-
Liability for post-employment benefits as at June 30	<u>6,133</u>	<u>4,746</u>

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

- Discount rate	2.87% p.a.
- Salary escalation rate	6.43% p.a.
- Employee turnover rate	11% - 48% p.a.

The abovementioned changes in significant assumptions may affect the sensitivity of the balance of liability 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%)	(180)	193
Salary escalation rate (increase/decrease by 0.5%)	219	(205)
Employee turnover rate (increase/decrease by 1%)	(477)	560

**10. SHARE CAPITAL AND PREMIUM ON SHARES**

	Par Value (In Baht)	In Thousand Shares / In Thousand Baht			
		2017		2016	
		No. of Share	At Par Value	No. of Share	At Par Value
Authorized share capital As at June 30, 2017 and December 31, 2016					
- Common shares	0.25	<u>1,037,399</u>	<u>259,350</u>	<u>780,000</u>	<u>195,000</u>
Issued and fully paid-up shares as at January 1					
- Common shares	0.25	<u>568,826</u>	<u>142,207</u>	<u>550,191</u>	<u>137,548</u>
Exercise of warrants		<u>7,445</u>	<u>1,861</u>	<u>18,635</u>	<u>4,659</u>
As at June 30, 2017 and December 31, 2016					
- Common shares	0.25	<u>576,271</u>	<u>144,068</u>	<u>568,826</u>	<u>142,207</u>

At the general shareholders' meeting on April 28, 2017, the shareholders unanimously approved the Company to decrease in the authorized share capital from Baht 195,000,000 to Baht 194,967,112 by eliminating the unissued 131,554 common shares, Baht 0.25 par value, of the Company which was equivalent to Baht 32,888 and increase in the Company's authorized share capital from Baht 194,967,112 (divided into 779,868,446 common shares, Baht 0.25 par value) to Baht 259,394,717 (divided into 1,037,398,866 common shares, Baht 0.25 par value) by issuance of new 257,530,420 common shares, Baht 0.25 par value, in order to support the investments for business expansion of the Group. Such new common shares shall be apportioned for offering to the existing shareholders of 170,647,815 shares, for private placement of 56,882,605 shares, and for supporting the adjustment of the rights under the ECF-W1 warrants that may be resulted from the issuance and offering of the aforesaid new common shares.

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**11. WARRANTS AND EARNINGS PER SHARE**

**Warrants**

At the extraordinary shareholders' meeting held on July 18, 2015, the shareholders unanimously approved the Company to issue and offer 259,868,446 units of free warrants ("ECF-W1") to the existing shareholders on July 30, 2014 for the purchase of incremental shares on the basis of 2 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 per share	Baht 0.50 per share (may be subsequently changed regarding the adjustment in warrant rights)
Exercise period	The warrants shall be exercisable after 1 year from the date of issuance of the warrants. The exercise schedules shall be the last business days of May and November of each year until the end the 3 <sup>rd</sup> year after issuance whereby the first exercise date is November 30, 2015 and the last exercise date is July 28, 2017.
Term of warrants	3 years from the date on which the warrants are issued to the shareholders

On August 15, 2014, the Stock Exchange of Thailand has granted the Company's 259,868,446 units of warrants as listed securities and has permitted such warrants to be traded on the Market for Alternative Investment since August 18, 2014.

On November 30, 2015, warrants of 30,190,600 units were exercised for purchases of 30,190,600 common shares. Proceeds from the exercise of warrants amounted to Baht 15,095,300 (comprised the amounts for paid-up share capital of Baht 7,547,650 and premium on shares of Baht 7,547,650). The Company registered the increase in issued and paid-up share capital with the Ministry of Commerce on December 9, 2015. Later on May 31, 2016 and November 30, 2016, total warrants of 18,635,450 units were exercised for purchases of 18,635,450 common shares. Proceeds from the exercise of warrants amounted to Baht 9,317,725 (comprised the amounts for paid-up share capital of Baht 4,658,863 and premium on shares of Baht 4,658,863). The Company registered the increase in issued and paid-up share capital with the Ministry of Commerce on June 13, 2016 and December 9, 2016. Later on May 31, 2017, warrants of 7,445,000 units were exercised for purchases of 7,445,400 common shares. Proceeds from the exercise of warrants amounted to Baht 3,722,700 (comprised the amounts for paid-up share capital of Baht 1,861,350 and premium on shares of Baht 1,861,350). The Company registered the increase in issued and paid-up share capital with the Ministry of Commerce on June 12, 2017. The balance of unexercised warrants as at June 30, 2017 was 203,596,996 units. In addition, on July 28, 2017, which was the last exercise date and the delisting date of the Company's warrants at the end of the day from the Market for Alternative Investment, warrants of 203,480,336 units were exercised for purchase of 203,480,336 common shares whereby the balance of unexercised warrants as at that date was 116,660 units.

**EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Condensed Notes to Financial Statements (Continued)**  
**June 30, 2017 and 2016 (Unaudited) (Reviewed)**  
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**Basic earnings per share**

Basic earnings per share for the three-month and six-month periods ended June 30, 2017 and 2016 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	
	2017	2016	2017	2016
Profit for the period attributable to owners of the Company (In thousand Baht)	<u>4,900</u>	<u>3,979</u>	<u>11,093</u>	<u>14,785</u>
Basic weighted average number of outstanding common shares (In thousand shares)	<u>571,362</u>	<u>555,251</u>	<u>571,362</u>	<u>555,251</u>
Basic earnings per share (Baht)	<u>0.008</u>	<u>0.007</u>	<u>0.019</u>	<u>0.027</u>

	Six-Month Periods (In Thousand Baht / In Thousand Shares)			
	Consolidated		Separate Financial Statements	
	2017	2016	2017	2016
Profit for the period attributable to owners of the Company (In thousand Baht)	<u>23,529</u>	<u>28,964</u>	<u>34,250</u>	<u>39,530</u>
Basic weighted average number of outstanding common shares (In thousand shares)	<u>570,101</u>	<u>552,721</u>	<u>570,101</u>	<u>552,721</u>
Basic earnings per share (Baht)	<u>0.041</u>	<u>0.052</u>	<u>0.060</u>	<u>0.072</u>

**Diluted earnings per share**

Diluted earnings per share for the three-month and six-month periods ended June 30, 2017 and 2016 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:

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	Three-Month Periods (In Thousand Baht / In Thousand Shares)			
	Consolidated		Separate Financial Statements	
	2017	2016	2017	2016
Profit for the period attributable to owners of the Company (In thousand Baht)	4,900	3,979	11,093	14,785
Basic weighted average number of outstanding common shares (In thousand shares)	571,362	555,251	571,362	555,251
Effect from the assumed exercise of warrants (In thousand shares)	29,169	29,590	29,169	29,590
Diluted weighted average number of outstanding common shares (In thousand shares)	600,531	584,841	600,531	584,841
Diluted earnings per share (Baht)	0.008	0.007	0.018	0.025
	Six-Month Periods (In Thousand Baht / In Thousand Shares)			
	Consolidated		Separate Financial Statements	
	2017	2016	2017	2016
Profit for the period attributable to owners of the Company (In thousand Baht)	23,529	28,964	34,250	39,530
Basic weighted average number of outstanding common shares (In thousand shares)	570,101	552,721	570,101	552,721
Effect from the assumed exercise of warrants (In thousand shares)	29,853	30,428	29,853	30,428
Diluted weighted average number of outstanding common shares (In thousand shares)	599,954	583,149	599,954	583,149
Diluted earnings per share (Baht)	0.039	0.050	0.057	0.068

**12. SIGNIFICANT FINANCIAL INFORMATION CLASSIFIED 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 and retail shops for sundry goods imported from Japan, which has just been started with insignificant portion as compared to entire volumes and size of business activities. So these minor segments are insignificant portion. 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 the excessive costs.

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**Condensed Notes to Financial Statements (Continued)**  
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*Information on Products (Consolidated - Six-Month Periods)*

	In Thousand Baht	
	2017	2016
Net sales		
- Wood furniture and particle boards	659,300	634,416
- Other products	54,163	48,154
Total	<u>713,463</u>	<u>682,570</u>
Other income (including gain on exchange rate and share of profit from investment in associates)		
- Wood furniture and particle boards	11,409	6,643
- Other products	2,322	4,186
Total	<u>13,731</u>	<u>10,829</u>
Cost of sales		
- Wood furniture and particle boards	449,345	417,464
- Other products	55,561	70,983
Total	<u>504,906</u>	<u>488,447</u>
Other expenses (including loss on exchange rate and share of loss from investment in associates)		
- Wood furniture and particle boards	174,178	149,569
- Other products	24,437	22,337
Total	<u>198,615</u>	<u>171,906</u>
Profit (Loss) before income tax expense		
- Wood furniture and particle boards	47,186	74,026
- Other products	( 23,513)	(40,980)
Net	<u>23,673</u>	<u>33,046</u>

*Information on Geographic Areas (Consolidated - Six-Month Periods)*

	In Thousand Baht	
	2017	2016
Export sales - net		
- Japan	360,680	354,819
- Bahrain	17,206	28,077
- United Arab Emirates	8,306	-
- Philippines	7,960	3,170
- United States of America	5,683	3,757
- Malaysia	4,983	5,646
- Taiwan	3,271	3,413
- India	3,093	3,727
- Other countries	2,921	3,816
Total	<u>414,103</u>	<u>406,425</u>
Domestic sales - net	<u>299,360</u>	<u>276,145</u>
Total sales - net	<u>713,463</u>	<u>682,570</u>



**EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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*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 - Six-Month Periods	
	2017	2016
Net sales		
- Wood furniture and particle boards	39.70	39.82
- Other products	-	-
- Export	41.39	42.45
- Domestic	30.16	29.02
- Total	36.68	37.01

**13. PAYMENT OF DIVIDENDS**

At the general shareholders' meeting held on April 28, 2017, the shareholders unanimously approved the Company to pay dividends for the 2016 operations at Baht 0.0535 per share, totalling approximately Baht 30.4 million, to the shareholders whereby such dividends shall be paid from the promoted activities and non-promoted activities amounting to Baht 0.0154 per share and Baht 0.0381 per share, respectively. The date for payment of such dividends was May 26, 2016.

At the general shareholders' meeting held on April 8, 2016, the shareholders unanimously approved the Company to pay dividends for the 2015 operations at Baht 0.0586 per share, totalling approximately Baht 32.2 million, to the shareholders whereby such dividends shall be paid from the promoted activities and non-promoted activities amounting to Baht 0.0153 per share and Baht 0.0433 per share, respectively. The date for payment of such dividends was May 6, 2016.

**14. OTHERS**

As at June 30, 2017:

- a. The Company and its subsidiaries had commitments on space lease and service agreements for its branch offices and retail shops for sundry goods with seven private companies with the term of 3 years whereby the last agreement will end in June 2020. Such commitments are as follows:

	<u>In Thousand Baht</u>
Due for payments within one year	34,022
Due for payments after one year but not exceeding five year	<u>23,187</u>
Total	<u>57,209</u>

- 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 unused letters of credit with two local banks amounting to approximately Baht 5.4 million;

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d. The Company had commitment on construction of its new office building amounting to approximately Baht 20.8 million (excluding value-added tax);

e. The Company had the outstanding forward exchange contracts (buy and sell) as follows:

<u>Foreign Currency</u>	<u>Foreign Currency Amount</u>	<u>Fixed Baht (In Thousand Baht)</u>	<u>Fair Value (In Thousand Baht)</u>	<u>Maturity Periods</u>
<i>Forward exchange contracts - buy</i>				
U.S. Dollar	115,944	3,959	3,949	September - December 2017
<i>Forward exchange contracts - sell</i>				
U.S. Dollar	111,027	3,768	3,761	October - December 2017

f. The Company has been granted the credit facilities in addition to those of 2016 as follows:

- Short-term credit facilities under promissory notes, packing credit, and trust receipt from a local bank totalling Baht 120 million which bear interest at MLR-1, MOR-2.23, and MLR-1, respectively. In addition, the Company has been granted a long-term loan facility for construction of new office building from such bank amounting to Baht 25 million which bear interest at MLR-1.50. Such credit facilities have been guaranteed by land and structures thereon of the Company which were previously collaterals for short-term credit facilities from other local bank. Accordingly, such other local bank called for new collateral which currently is fixed deposit with such other local bank amounting to Baht 16 million which is presented as part of "Restricted deposits at banks" in the consolidated and separate statements of financial position as at June 30, 2017.
- Short-term credit facilities under promissory notes and trust receipt from the other local bank totalling Baht 100 million which bear interest at MLR-1.5. Such credit facilities have been guaranteed by fixed deposit with such bank amounting to Baht 25 million which is presented as part of "Restricted deposits at banks" in the consolidated and separate statements of financial position as at June 30, 2017 and also guaranteed by certain directors of the Company.

g. During the three-month period ended June 30, 2017, the Company registered the discontinuation of a branch located in each of Bangkok and Suphanburi province.

**15. 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 August 9, 2017.