

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements
March 31, 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 periods ended March 31, 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 directly and indirectly 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 periods ended March 31, 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.

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
March 31, 2017 and 2016 (Unaudited) (Reviewed)
and December 31, 2016 (Audited)

3. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties for the three-month periods ended March 31, 2017 and 2016 are as follows:

	In Thousand Baht			
	Consolidated		Separate Financial Statement	
	2017	2016	2017	2016
Sales of products				
Subsidiary	-	-	6,007	4,841
Related companies	5,465	7,667	5,465	7,667
Total	<u>5,465</u>	<u>7,667</u>	<u>11,472</u>	<u>12,508</u>
Interest income				
Subsidiary	-	-	-	92
Space rental income				
Subsidiary	-	-	3	3
Purchase of inventories				
Related company	357	-	357	-
Purchase of raw materials and supplies				
Related company	-	4	-	4
Showroom rental and service charges				
Related company	4,939	5,410	4,939	5,410
Decoration costs of showrooms (recorded as other non-current assets)				
Related companies	388	710	388	710
Key management's remunerations				
Short-term benefits	6,071	7,270	6,071	7,270
Post-employment benefits	120	351	120	351
Total	<u>6,191</u>	<u>7,621</u>	<u>6,191</u>	<u>7,621</u>

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

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
March 31, 2017 and 2016 (Unaudited) (Reviewed)
and December 31, 2016 (Audited)

	In Thousand Baht			
	Consolidated		Separate Financial Statement	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Trade receivables				
Subsidiary	-	-	9,784	7,766
Related companies	6,609	8,089	6,609	8,089
Total	6,609	8,089	16,393	15,855
Deposits / guarantees on rental and services for showrooms				
Related company	4,925	4,925	4,925	4,925
Trade payables				
Related company	-	193	-	193
Other payables				
Subsidiary	-	-	20	23
Related companies	1,414	1,964	1,414	1,964
Total	1,414	1,964	1,434	1,987

4. TRADE RECEIVABLES

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

	In Thousand Baht			
	Consolidated		Separate Financial Statement	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
<i>Related companies</i>				
Current	5,008	5,075	11,435	10,900
Not over 3 months	1,588	3,001	4,945	4,942
Over 7 months - 12 months	13	13	13	13
Total	6,609	8,089	16,393	15,855

	In Thousand Baht			
	Consolidated		Separate Financial Statement	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
<i>Other companies - net</i>				
Current	179,426	157,730	175,660	154,546
Not over 3 months	55,028	31,037	51,509	27,963
Between 3 months - 6 months	5,441	4,107	4,373	3,768
Between 7 months - 12 months	1,144	1,006	707	528
Between 12 months	3,316	3,338	2,149	2,261
Total	244,355	197,218	234,398	189,066
Less Allowance for doubtful accounts	(2,336)	(2,203)	(1,169)	(1,169)
Net	242,019	195,015	233,229	187,897

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
March 31, 2017 and 2016 (Unaudited) (Reviewed)
and December 31, 2016 (Audited)

As at March 31, 2017 and December 31, 2016, the Company discounted, under factoring, its trade receivables amounting to approximately Baht 112.69 million and Baht 89.05 million, respectively, with two local financial institutions (under credit facilities totalling Baht 195 million and Baht 86 million) whereby such financial institutions are entitled to take the recourse action on the Company amounting to approximately Baht 77.32 million and Baht 60.24 million, respectively. The Company presented such amounts as “Factoring payables” in the statements of financial position.

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 Statement					
	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.	1,000	-	99.99	-	1,000	-
Total					9,500	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.

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
March 31, 2017 and 2016 (Unaudited) (Reviewed)
and December 31, 2016 (Audited)

Investment in associates accounted for using the equity method

	Percentage of Shareholding by Subsidiary		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	-	20,000	-	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.	49.98	-	1,000	-	134	-	-	-
Total investment in associates					134	8,004		

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
March 31, 2017 and 2016 (Unaudited) (Reviewed)
and December 31, 2016 (Audited)

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. ECF-P has the percentage of shareholding in SAFE of 49.98% while 0.02% is held by two directors of the Company, totalling 50%. 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. SAFE is going to have the changes in shareholder structure with the major shareholders of PWGE whereby after the changes ECF-P shall have percentage of shareholding in SAFE of 33.37% and the rest shall be held by other group of companies of 33.37% and major shareholders of PWGE of 33.26%. Then SAFE will invest in PWGE at the percentage of shareholding of 99.99% and PWGE will accordingly be subsidiary of SAFE. Then SAFE will increase its share capital by Baht 425 million (from Baht 1 million to Baht 426 million) in order to support the investment project in PWGE.

In addition, at the Board of Directors’ meeting of the Company 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”) 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 construction of power plant and production of the electric power for sales whereby the progress 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 in the 220-megawatt solar power plant project located in Minbu province, Myanmar. As at March 31, 2017, the Company has paid deposit for such investment to major shareholders of GEP amounting to Baht 50 million which was presented as part of “Deposits an guarantees” in the consolidated and separate statements of financial position as at March 31, 2017 and December 31, 2016.

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 business in December 2016 whereby the remaining investments in their share capital were entirely returned to the Company.

6. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	In Thousand Baht			
	Consolidated		Separate Financial Statement	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Other payables	15,947	19,306	14,842	18,095
Accrued advertising and sales promotion expenses	12,619	14,151	12,602	14,133
Accrued salary, wage, and welfares	8,686	8,186	8,676	8,180
Advances from customers	6,408	5,464	6,409	5,464
Accrued electricity	3,456	3,265	3,400	3,184
Accrued interest	3,754	3,288	3,754	3,281
Others	7,236	8,613	6,545	8,120
Total	58,106	62,273	56,228	60,457

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
March 31, 2017 and 2016 (Unaudited) (Reviewed)
and December 31, 2016 (Audited)

7. DEBENTURES - NET

	Consolidated and Separate Financial Statements	
	(In Thousand Baht)	
	March 31, 2017	December 31, 2016
Debentures	500,000	500,000
Less Deferred direct transaction costs on debenture issuance	(1,302)	(1,690)
Net	498,698	498,310
Less Current portion of debentures	(498,698)	-
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.

8. INCOME TAX

Income tax recorded as expense (income) for the three-month periods ended March 31, 2017 and 2016 consists of:

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2017	2016	2017	2016
Income tax computed from accounting profit	3,901	5,340	5,091	5,274
Effects from non-deductible expenses	2,120	1,503	2,091	1,407
Effects from additional deductible expenses	(339)	(684)	(302)	(522)
Effects from reduction in income tax rate under the investment promotion	(2,063)	(4,076)	(2,063)	(4,076)
Effects from benefit of tax loss carryforward	1,198	-	-	-
Current tax on taxable profit	4,817	2,083	4,817	2,083
Increase in deferred tax assets	(269)	(62)	(242)	(83)
Decrease in deferred tax liabilities	(2,276)	(372)	(2,276)	(372)
Income tax presented as profit or loss in statements of comprehensive income	2,272	1,649	2,299	1,628

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

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
March 31, 2017 and 2016 (Unaudited) (Reviewed)
and December 31, 2016 (Audited)

	In Thousand Baht			
	Consolidated		Separate Financial Statement	
	March 31, 2017	December 31, 2016	March 31, 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	1,150	1,152	1,150	1,152
- Allowance for doubtful accounts	699	824	465	617
- Allowance for impairment of building and machinery	1,092	1,092	1,092	1,092
- Deferred gain on sales and leaseback	13	16	13	16
- Liability for post-employment benefits	1,205	806	1,205	806
Total deferred tax assets	<u>4,159</u>	<u>3,890</u>	<u>3,925</u>	<u>3,683</u>
<i>Deferred tax liabilities</i>				
Effects from temporary non-recognized items as taxable revenues:				
- Unamortized debenture issuance costs	260	338	260	338
- Revaluation surplus on land	7,690	7,690	7,690	7,690
- Revaluation surplus on building - net	17,483	17,945	17,483	17,945
- Revaluation surplus on machinery - net	18,789	20,525	18,789	20,525
Total deferred tax liabilities	<u>44,222</u>	<u>46,498</u>	<u>44,222</u>	<u>46,498</u>

9. LIABILITY FOR POST-EMPLOYMENT BENEFITS

Movements of liability for post-employment benefits for three-month periods ended March 31, 2017 and 2016 are as follows:

	Consolidated and Separate Financial Statement (In Thousand Baht)	
	2017	2016
Liability for post-employment benefits as at January 1	5,920	3,380
Current service cost	83	509
Interest cost	24	174
Expense recognized as profit or loss in statements of comprehensive income	107	683
Employee benefit paid during the period	-	-
Liability for post-employment benefits as at March 31	<u>6,027</u>	<u>4,063</u>

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.

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
March 31, 2017 and 2016 (Unaudited) (Reviewed)
and December 31, 2016 (Audited)

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. 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 rd 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. Subsequently 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. The remaining number of unexercised warrants as at March 31, 2017 was 211,042,396 units.

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
March 31, 2017 and 2016 (Unaudited) (Reviewed)
and December 31, 2016 (Audited)

Basic earnings per share

Basic earnings per share for the three-month periods ended March 31, 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:

	Consolidated		Separate Financial Statements	
	2017	2016	2017	2016
Profit for the period attributable to owners of the Company (In thousand Baht)	<u>18,629</u>	<u>24,985</u>	<u>23,157</u>	<u>24,745</u>
Basic weighted average number of outstanding common shares (In thousand shares)	<u>568,826</u>	<u>550,191</u>	<u>568,826</u>	<u>550,191</u>
Basic earnings per share (Baht)	<u>0.033</u>	<u>0.045</u>	<u>0.041</u>	<u>0.045</u>

Diluted earnings per share

Diluted earnings per share for the three-month periods ended March 31, 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:

	Consolidated		Separate Financial Statements	
	2017	2016	2017	2016
Profit for the period attributable to owners of the Company (In thousand Baht)	<u>18,629</u>	<u>24,985</u>	<u>23,157</u>	<u>24,745</u>
Basic weighted average number of outstanding common shares (In thousand shares)	568,826	550,191	568,826	550,191
Effect from the assumed exercise of warrants (In thousand shares)	<u>31,688</u>	<u>33,481</u>	<u>31,688</u>	<u>33,481</u>
Diluted weighted average number of outstanding common shares (In thousand shares)	<u>600,514</u>	<u>583,672</u>	<u>600,514</u>	<u>583,672</u>
Diluted earnings per share (Baht)	<u>0.031</u>	<u>0.043</u>	<u>0.039</u>	<u>0.042</u>

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
March 31, 2017 and 2016 (Unaudited) (Reviewed)
and December 31, 2016 (Audited)

11. 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.

Information on Products (Consolidated)

	In Thousand Baht	
	2017	2016
Net sales		
- Wood furniture and particle boards	371,373	349,931
- Other products	31,061	25,463
Total	<u>402,434</u>	<u>375,394</u>
Other income		
- Wood furniture and particle boards	5,950	3,706
- Other products	1,357	4,671
Total	<u>7,307</u>	<u>8,377</u>
Cost of sales		
- Wood furniture and particle boards	269,824	236,851
- Other products	18,462	34,734
Total	<u>288,286</u>	<u>271,585</u>
Other expenses (including loss on exchange rate and share of loss (profit) from investment in associates)		
- Wood furniture and particle boards	89,840	75,728
- Other products	12,106	9,756
Total	<u>101,946</u>	<u>85,484</u>
Profit (loss) before income tax expense		
- Wood furniture and particle boards	17,659	41,058
- Other products	1,850	(14,356)
Net	<u>19,509</u>	<u>26,702</u>

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
March 31, 2017 and 2016 (Unaudited) (Reviewed)
and December 31, 2016 (Audited)

Information on Geographic Areas (Consolidated)

	In Thousand Baht	
	2017	2016
Export sales - net		
- Japan	215,149	215,914
- Bahrain	7,412	11,894
- United States of America	4,874	-
- Philippine	4,413	1,854
- India	1,773	2,569
- Taiwan	1,430	2,999
- Singapore	-	1,358
- Other countries	2,448	2,270
Total	237,499	238,858
Domestic sales - net	164,935	136,536
Total sales - net	402,434	375,394

Information on Key Customers

(customers whose transactions exceeding 10% of total balance of transactions)

	Percentage of Balance Attributable to Key Customers to Total Balance	
	2017	2016
Net sales		
- Wood furniture and particle boards	55.49	57.57
- Other products	-	-
- Export	58.72	62.04
- Domestic	29.40	30.77
- Total	46.81	50.67

12. OTHERS

As at March 31, 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 the term of 3 years whereby the last agreement will end in March 2020. Such commitments are as follows:

	In Thousand Baht
Due for payments within one year	29,292
Due for payments between 2-5 years	19,905
Total	49,197

- 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 a local bank amounting to approximately Baht 5.2 million;

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
March 31, 2017 and 2016 (Unaudited) (Reviewed)
and December 31, 2016 (Audited)

- d. The Company had commitment on construction of its new office building and related facilities amounting to approximately Baht 23.5 million;
- 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	240,048	8,385	8,298	August - September 2017
<i>Forward exchange contracts - sell</i>				
U.S. Dollar	39,047	1,374	1,342	July 2017

- f. The Company was granted credit facilities under promissory notes, packing credit, and trust receipt from a local bank in addition to those of 2016 totalling Baht 120 million which bear interest at MLR-1, MOR-2.23, and MLR-1, respectively. In addition, the Company was granted a long-term loan facility for construction of new office building from such bank in addition to those of 2016 amounting to Baht 25 million which bear interest at MLR-1.50. Such additional 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 bank called for new collateral which currently is fixed deposit with such bank amounting to Baht 16 million. Such deposit is presented as part of "Restricted deposits at bank" in the consolidated and separate statements of financial position as at March 31, 2017.

13. EVENTS AFTER THE REPORTING PERIOD

At the general shareholders' meeting on April 28, 2017, the shareholders unanimously approved the Company to proceed the following significant matters:

- a. Payment of dividends from the 2016 operations at Baht 0.0535 per share, totalling approximately Baht 30.43 million, to the shareholders whereby such dividends will 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 is May 26, 2017;
- b. Issuance of debentures in amount not exceeding Baht 2,000 million in order to support the financial liquidity and/or payment of debts and/or investment for business expansion. Type and other details of debentures shall be specified at each issuance of the debentures;
- c. 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;

EAST COST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
March 31, 2017 and 2016 (Unaudited) (Reviewed)
and December 31, 2016 (Audited)

- d. 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 259,349,717 (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.

14. 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 May 15, 2017.