

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements
September 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 nine-month periods ended September 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 nine-month periods ended September 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 nine-month periods ended September 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 nine-month periods ended September 30, 2017 and 2016 are as follows:

	Consolidated (In Thousand Baht)			
	Three-Month Periods		Nine-Month Periods	
	2017	2016	2017	2016
Sales of products				
Related companies	7,994	6,809	20,833	19,945
Interest income				
Subsidiary	11	-	11	-
Purchases of inventories and raw materials or supplies				
Related company	160	362	1,046	558
Showroom rental and service charges				
Related company	4,793	5,025	14,663	17,008
Decoration costs of showrooms (recorded as other non-current assets)				
Related company	-	480	388	1,785
Interest expense				
Related person	215	-	255	-
Key management's remunerations				
Short-term benefits	4,943	6,048	18,191	19,183
Post-employment benefits	120	305	356	1,007
Total	5,063	6,353	18,547	20,190

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	Separate Financial Statements (In Thousand Baht)			
	Three-Month Periods		Nine-Month Periods	
	2017	2016	2017	2016
Sales of products				
Subsidiary	5,474	5,954	16,149	17,054
Related companies	7,994	6,808	20,833	19,944
Total	13,468	12,762	36,982	36,998
Interest income				
Subsidiary	1	-	27	92
Space rental income				
Subsidiary	2	3	7	8
Purchases of inventories and raw materials or supplies				
Subsidiary	14	6	19	6
Related company	160	362	1,046	558
Total	174	368	1,065	564
Showroom rental and service charges				
Related company	4,793	5,025	14,663	17,008
Decoration costs of showrooms (recorded as other non-current assets)				
Related company	-	480	388	1,785
Interest expense				
Subsidiary	-	-	229	-
Related person	201	-	241	-
Total	201	-	470	-
Key management's remunerations				
Short-term benefits	4,943	6,048	18,191	19,183
Post-employment benefits	120	305	356	1,007
Total	5,063	6,353	18,547	20,190

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

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Trade receivables				
Subsidiary	-	-	10,106	7,766
Related companies	9,393	8,089	9,393	8,089
Total	9,393	8,089	19,499	15,855
Advances for share subscription				
Subsidiary	-	-	-	50,000

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	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Deposits / guarantees on rental and services for showrooms				
Related company	4,879	4,925	4,879	4,925
Trade payables				
Related company	171	193	171	193
Other payables				
Subsidiary	-	-	15	23
Related companies	1,481	1,964	1,481	1,964
Total	1,481	1,964	1,496	1,987
Short-term loans and interest receivable				
Interest receivable				
Subsidiary	10	-	1	-
Short-term loans				
Subsidiary (Interest rate at 6.25% p.a., due at call)	-	-	2,000	-
Related company (Interest rate at 5% p.a., due at call)	1,161	-	-	-
Total	1,171	-	2,001	-

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

	Consolidated (In Thousand Baht)			
	Balance as at December 31, 2016	Movement During the Period		Balance as at September 30, 2017
		Increase	Decrease	
Short-term loan to Green Earth Power (Thailand) Co., Ltd.	-	1,161	-	1,161
Short-term loans from Directors	-	65,000	65,000	-
	Separate Financial Statements (In Thousand Baht)			
	Balance as at December 31, 2016	Movement During the Period		Balance as at September 30, 2017
		Increase	Decrease	
Short-term loans to ECF Power Co., Ltd	-	7,000	5,000	2,000
Short-term loans from ECF Holdings Co., Ltd.	-	23,000	23,000	-
ECF Power Co., Ltd.	-	45,000	45,000	-
Director	-	63,000	63,000	-
Total	-	131,000	131,000	-

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4. TRADE RECEIVABLES

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

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
<i>Related companies</i>				
Current	6,761	5,075	12,618	10,900
Overdue not exceeding 3 months	2,619	3,001	6,868	4,942
Overdue between 7 months - 12 months	13	13	13	13
Total	<u>9,393</u>	<u>8,089</u>	<u>19,499</u>	<u>15,855</u>

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
<i>Other companies - net</i>				
Current	159,469	157,730	155,053	154,546
Overdue not exceeding 3 months	55,760	31,037	53,204	27,963
Overdue between 3 months - 6 months	6,191	4,107	4,844	3,768
Overdue between 7 months - 12 months	5,748	1,006	4,949	528
Overdue between 12 months	3,474	3,338	2,261	2,261
Total	<u>230,642</u>	<u>197,218</u>	<u>220,311</u>	<u>189,066</u>
Less Allowance for doubtful accounts	<u>(2,483)</u>	<u>(2,203)</u>	<u>(1,316)</u>	<u>(1,169)</u>
Net	<u>228,159</u>	<u>195,015</u>	<u>218,995</u>	<u>187,897</u>

As at September 30, 2017 and December 31, 2016, the Company discounted, under factoring, its trade receivables amounting to approximately Baht 131.0 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), respectively, whereby such financial institutions are entitled to take the recourse action on the Company amounting to approximately Baht 102.5 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 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.	522,653	-	99.99	-	454,252	-
Total					<u>462,752</u>	<u>8,500</u>

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 September 30, 2017, the Company has paid for this share subscription amounting to Baht 311.6 million.

During the three-month period ended September 30, 2017, ECF-P has delivered its 30,907 share certificates (60% of the entire shares invested) of investment in Green Earth Power (Thailand) Co., Ltd. as the guarantee for payments of construction costs of the solar power plant project in Myanmar of GEP (Myanmar) Company Limited to two subsidiaries of Vintage Engineering Public Company Limited who are the construction contractors. This matter was made with respect to the payment condition of such project that payments shall be made after the completion of construction works.

In addition, at the Board of Directors’ meeting on October 27, 2017, the Board of Directors approved the Company to establish a new subsidiary (the fourth subsidiary), i.e. Planet Board Company Limited (“Planet Board”), with capital of Baht 50 million (50,000,000 common shares, Baht 1 par value) in order to engage in manufacturing and sales of wood-based panel, i.e. MDF board and particle board, with production capacity of 600-800 cubic meter per day. The Company will have percentage of shareholding in Planet Board at 99.99% whereby the fund to be invested shall be derived from its working capital. The establishment of Planet Board is expected to be completed within 2017.

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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	-	148,216	-	-	-
Green Earth Power (Thailand) Co., Ltd.	20.00	-	125,756	-	307,314	-	-	-
Total investment in associates					<u>455,530</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 September 30, 2017, ECF-P has invested in SAFE amounting to approximately 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 September 30, 2017, ECF-P has invested in GEP amounting to approximately Baht 311.5 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	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Other payables	15,157	19,306	15,157	18,095
Accrued advertising and sales promotion expenses	11,094	14,151	11,094	14,133
Accrued salary, wage, and welfares	4,482	8,186	4,428	8,180
Accrued interest	3,741	3,288	3,739	3,281
Accrued electricity	2,822	3,265	2,755	3,184
Advances from customers	1,643	5,464	1,643	5,464
Others	7,787	8,613	6,005	8,120
Total	46,726	62,273	44,821	60,457

7. DEBENTURES - NET

	Consolidated and Separate Financial Statements (In Thousand Baht)	
	September 30, 2017	December 31, 2016
	Debentures	500,000
Less Deferred direct transaction costs on debenture issuance	(513)	(1,690)
Net	499,487	498,310
Less Current portion of debentures	(499,487)	-
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 nine-month periods ended September 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	4,034	7,264	4,586	1,387
Effects from non-deductible expenses	2,507	397	1,649	395
Effects from additional deductible expenses	(1,170)	(6,666)	(895)	(787)
Effects from reduction in income tax rate under the investment promotion	(970)	(188)	(970)	(188)
Current tax computed form the taxable profit	4,401	807	4,370	807
Decrease (increase) in deferred tax assets	647	41	646	(2)
Decrease in deferred tax liabilities	(1,236)	(159)	(1,236)	(159)
Income tax presented as profit or loss in statements of comprehensive income	<u>3,812</u>	<u>689</u>	<u>3,780</u>	<u>646</u>
	Nine-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	8,768	13,873	12,048	10,818
Effects from non-deductible expenses	9,661	4,366	6,014	3,362
Effects from additional deductible expenses	(1,828)	(6,064)	(1,492)	(2,005)
Effects from reduction in income tax rate under the investment promotion	(5,215)	(3,304)	(5,215)	(3,304)
Current tax computed form the taxable profit	11,386	8,871	11,355	8,871
Decrease (increase) in deferred tax assets	388	(228)	414	(292)
Decrease in deferred tax liabilities	(4,926)	(308)	(4,926)	(308)
Income tax presented as profit or loss in statements of comprehensive income	<u>6,848</u>	<u>8,335</u>	<u>6,843</u>	<u>8,271</u>

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

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	September 30, 2017	December 31, 2016	September 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	528	1,152	528	1,152
- Allowance for doubtful accounts	628	824	395	617
- Allowance for impairment of building and machinery	1,092	1,092	1,092	1,092
- Deferred gain on sales and leaseback	6	16	6	16
- Liability for post-employment benefits	1,248	806	1,248	806
Total deferred tax assets	<u>3,502</u>	<u>3,890</u>	<u>3,269</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*	103	338	103	338
- Revaluation surplus on land	7,690	7,690	7,690	7,690
- Revaluation surplus on building - net	16,248	17,945	16,248	17,945
- Revaluation surplus on machinery - net	17,531	20,525	17,531	20,525
Total deferred tax liabilities	<u>41,572</u>	<u>46,498</u>	<u>41,572</u>	<u>46,498</u>

9. LIABILITY FOR POST-EMPLOYMENT BENEFITS

Movements of liability for post-employment benefits for nine-month periods ended September 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	249	375
Interest cost	71	127
Expense recognized as profit or loss in statements of comprehensive income	320	502
Employee benefit paid during the period	-	-
Liability for post-employment benefits as at September 30	<u>6,240</u>	<u>3,882</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 September 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 As at September 30, 2017 and December 31, 2016		<u>210,925</u>	<u>52,731</u>	<u>18,635</u>	<u>4,659</u>
- Common shares	0.25	<u>779,751</u>	<u>194,938</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 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. The detail of 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 registered the increase in issued and paid-up share capital with the Ministry of Commerce
November 30, 2015	30,190,600	15,095,300	7,547,650	7,547,650	229,677,846	December 9, 2015
May 31, 2016	14,855,950	7,427,975	3,713,988	3,713,988	214,821,896	June 13, 2016
November 30, 2016	3,779,500	1,889,750	944,875	944,875	211,042,396	December 9, 2016
May 31, 2017	7,445,400	3,722,700	1,861,350	1,861,350	203,596,996	June 12, 2017
July 28, 2017*	203,480,336	101,740,168	50,870,084	-	116,660	August 4, 2017

* Last exercise date and the delisting date of the Company's warrants at the end of this day from the Market for Alternative Investment

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Basic earnings per share

Basic earnings per share for the three-month and nine-month periods ended September 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:

	<u>Three-Month Periods (In Thousand Baht / In Thousand Shares)</u>			
	<u>Consolidated</u>		<u>Separate Financial Statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit for the period attributable to owners of the Company (In thousand Baht)	<u>17,993</u>	<u>28,073</u>	<u>19,147</u>	<u>6,289</u>
Basic weighted average number of outstanding common shares (In thousand shares)	<u>720,035</u>	<u>565,046</u>	<u>720,035</u>	<u>565,046</u>
Basic earnings per share (Baht)	<u>0.025</u>	<u>0.050</u>	<u>0.027</u>	<u>0.011</u>

	<u>Nine-Month Periods (In Thousand Baht / In Thousand Shares)</u>			
	<u>Consolidated</u>		<u>Separate Financial Statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit for the period attributable to owners of the Company (In thousand Baht)	<u>41,522</u>	<u>57,037</u>	<u>53,397</u>	<u>45,819</u>
Basic weighted average number of outstanding common shares (In thousand shares)	<u>620,628</u>	<u>556,860</u>	<u>620,628</u>	<u>556,860</u>
Basic earnings per share (Baht)	<u>0.067</u>	<u>0.102</u>	<u>0.086</u>	<u>0.082</u>

Diluted earnings per share

Diluted earnings per share for the three-month and nine-month periods ended September 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)	<u>17,993</u>	<u>28,073</u>	<u>19,147</u>	<u>6,289</u>
Basic weighted average number of outstanding common shares (In thousand shares)	720,035	565,046	720,035	565,046
Effect from the assumed exercise of warrants (In thousand shares)	<u>-</u>	<u>29,672</u>	<u>-</u>	<u>29,672</u>
Diluted weighted average number of outstanding common shares (In thousand shares)	<u>720,035</u>	<u>594,718</u>	<u>720,035</u>	<u>594,718</u>
Diluted earnings per share (Baht)	<u>0.025</u>	<u>0.047</u>	<u>0.027</u>	<u>0.010</u>
	Nine-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>41,522</u>	<u>57,037</u>	<u>53,397</u>	<u>45,819</u>
Basic weighted average number of outstanding common shares (In thousand shares)	620,628	556,860	620,628	556,860
Effect from the assumed exercise of warrants (In thousand shares)	<u>-</u>	<u>30,171</u>	<u>-</u>	<u>30,171</u>
Diluted weighted average number of outstanding common shares (In thousand shares)	<u>620,628</u>	<u>587,031</u>	<u>620,628</u>	<u>587,031</u>
Diluted earnings per share (Baht)	<u>0.067</u>	<u>0.097</u>	<u>0.086</u>	<u>0.078</u>

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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Information on Products (Consolidated - Nine-Month Periods)

	In Thousand Baht	
	2017	2016
Net sales		
- Wood furniture and particle boards	966,558	918,252
- Other products	90,068	74,455
Total	<u>1,056,626</u>	<u>992,707</u>
Other income (including share of profit from investment in associates)		
- Wood furniture and particle boards	20,572	12,607
- Other products	5,424	34,735
Total	<u>25,996</u>	<u>47,342</u>
Cost of sales		
- Wood furniture and particle boards	683,940	634,061
- Other products	60,181	71,920
Total	<u>744,121</u>	<u>705,981</u>
Other expenses (including loss or gain on exchange rate)		
- Wood furniture and particle boards	260,247	232,406
- Other products	34,414	32,297
Total	<u>294,661</u>	<u>264,703</u>
Profit before income tax expense		
- Wood furniture and particle boards	42,943	64,392
- Other products	897	4,973
Net	<u>43,840</u>	<u>69,365</u>

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

	In Thousand Baht	
	2017	2016
Export sales - net		
- Japan	493,489	489,429
- Bahrain	19,392	32,168
- United Arab Emirates	10,294	5,750
- Philippines	7,960	-
- United States of America	8,229	1,262
- Malaysia	5,683	4,597
- Taiwan	5,502	5,240
- India	3,523	6,763
- Peru	2,358	3,375
- Other countries	3,264	4,148
Total	<u>559,694</u>	<u>552,732</u>
Domestic sales - net	<u>496,932</u>	<u>439,975</u>
Total sales - net	<u>1,056,626</u>	<u>992,707</u>

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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 - Nine-Month Periods	
	2017	2016
Net sales		
- Wood furniture and particle boards	23.08	45.91
- Other products	-	-
- Export	38.96	45.78
- Domestic	26.08	28.37
- Total	32.90	38.07

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, 2017.

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 September 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	29,346
Due for payments after one year but not exceeding five year	13,726
Total	<u>43,072</u>

- b. The Company had letters of guarantee issued by two local banks to a private company and a government agency totalling approximately Baht 29.4 million;

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- c. The Company had commitment on construction of its new office building amounting to approximately Baht 14.5 million (excluding value-added tax);
- d. The Company had the outstanding forward exchange contracts (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>
U.S. Dollar	284,613	9,421	9,446	December 2017 - March 2018

- e. 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 per annum 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 per annum 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 September 30, 2017.
 - Short-term credit facilities under promissory notes and trust receipt from the other local bank totalling Baht 100 million which bear interest per annum 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 September 30, 2017 and also guaranteed by certain directors of the Company.
- f. The Company registered the discontinuation of a branch located in each of Bangkok and Suphanburi province during the three-month period ended June 30, 2017,

15. EVENTS AFTER THE REPORTING PERIOD

At the extraordinary shareholders' meeting on October 2, 2017, the shareholders approved the significant matters relating to the Company's share capital as follows:

- a) Decrease in the Company's authorized share capital amounting to Baht 64,411,770 from previously Baht 259,349,716.50 to Baht 194,937,946.50 by eliminating the unissued 257,647,080 common shares, Baht 0.25 par value. The Company subsequently registered such decrease in share capital with the Ministry of Commerce on October 16, 2017.
- b) Issuance of the Company's free warrants for purchase of the Company's newly issued common shares no. 2 ("ECF-W2") of 194,937,946 units which will be allocated to the existing shareholders, in respect of their shareholding proportion, at the proportion of 4 existing common shares for 1 warrant whereby the exercise price per share is Baht 3. The Company subsequently allocated ECF-W2 to the shareholders on October 20, 2017.

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- c) Issuance of the Company's free warrants for purchase of the Company's newly issued common shares no. 3 ("ECF-W3") of 129,958,631 units which will be allocated to the existing shareholders, in respect of their shareholding proportion, at the proportion of 6 existing common shares for 1 warrant whereby the exercise price per share is Baht 5. The Company subsequently allocated ECF-W3 to the shareholders on October 20, 2017.
- d) Increase in the Company's authorized share capital amounting to Baht 159,199,322.50 from previously Baht 194,937,946.50 to Baht 354,137,269.00 by issuance of new 636,797,290 common shares, Baht 0.25 par value in order to accommodate the following schemes:
- (1) General mandate basis of the increase in share capital for offering to the existing shareholders (Right Offering) of 233,925,535 shares;
 - (2) General mandate basis of the increase in share capital for offering to specific persons (Private Placement) of 77,975,178 shares whereby the Board of Directors subsequently approved in their meeting (a) on October 3, 2017 to offer the first lot, not exceeding 40,000,000 shares, to Macquarie Bank Limited ("Macquarie"), who is foreign institutional investor incorporated and operates its finance and banking businesses in Australia. Macquarie shall purchase the Company's newly issued shares at once or occasionally at the price not less than 90% of the volume weighted average price of the Company's shares on the Market for Alternative Investment for the past 7 consecutive business days prior to the date on which the offering price is determined for Macquarie on each occasion whereby the subscription rights shall be subject to the success in execution of share subscription agreement between the Company and Macquarie as well as the conditions to be specified in such agreement and (b) on October 19, 2017 to offer the second lot, not exceeding 30,000,000 shares, to One Asset Management Limited ("ONEAM"), who is local institutional investor. ONEAM shall purchase the Company's newly issued shares on this occasion at Baht 5.58 per share, totalling Baht 167.4 million, which is the price not less than 90% of the volume weighted average price of the Company's shares on the Market for Alternative Investment for the past 7 consecutive business days prior to the date on which the offering price is determined for ONEAM, i.e. October 19, 2017. ONEAM purchased and paid-up for such shares, amounting to Baht 167.4 million, on October 25, 2017 and will allocate such shares to 22 mutual funds and 8 provident funds which are under their management. The Company registered this issued and paid-up share capital with the Ministry of Commerce on October 30, 2017;
 - (3) Exercise of the ECF-W2 for purchase of the Company's newly issued common shares of 194,937,946 shares; and
 - (4) Exercise of the ECF-W3 for purchase of the Company's newly issued common shares of 129,958,631 shares.

The Company registered such increase in share capital with the Ministry of Commerce on October 17, 2017 and will utilize the fund derived from the abovementioned increase in shares capital as working capital to support the Company's financial liquidity and/or expansion in core business and other businesses relevant to core business and/or several investment projects in the energy business.

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16. SHORT TERM LOANS FROM OTHER PARTIES

This account represented the unsecured loans under bill of exchange issued to several non-related persons and companies during the three-month period ended September 30, 2017. These loans bear interest ranging between 4.5% and 6.0% p.a. and have maturities not exceeding four months from issuance dates.

17. 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, 2017.