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No. ECF2 033/2018

August 15, 2018

Subject: Management Discussion and Analysis of the 2nd quarter ended June 30, 2018To President
The Stock Exchange of Thailand

East Coast Furnitech Public Company Limited (“the Company”) would like to report on Management Discussion and Analysis from the separate and consolidated financial statements of the 2nd quarter ended June 30, 2018. The details are as follows;

Operating Performance1. Revenues

Unit: Million Baht

| Information of the 2 nd Quarter | Consolidated | | | | Separate | | | |
|--|---------------|---------------|-------------|-------------|---------------|---------------|-------------|-------------|
| | 3 months | | Change | | 3 months | | Change | |
| | 2018 | 2017 | Amount | % | 2018 | 2017 | Amount | % |
| Revenue from sale – net | 307.32 | 311.03 | -3.71 | -1.19 | 306.04 | 306.79 | -0.75 | -0.24 |
| Gain from exchange rate | 1.92 | 0.14 | 1.78 | 1,251.70 | 1.95 | 0.13 | 1.82 | 1,412.40 |
| Other income | 12.56 | 6.42 | 6.13 | 95.47 | 11.74 | 6.22 | 5.52 | 88.87 |
| Total Revenue | 321.80 | 317.60 | 4.20 | 1.32 | 319.74 | 313.14 | 6.60 | 2.11 |
| Sharing of gain (loss) from investment value of the associates | 2.26 | -1.65 | 3.91 | N.A. | | | | |

The overview of revenue for the 2nd quarter of the year 2018 by comparing to the same period of the last year, the revenue from sale decreased 3.71 percent from consolidated. The main revenue generated from furniture as the core business was approximate with the previous year. Other income increased significantly from interest, the waste of raw materials and also raw material of furniture.

Unit: Million Baht

| Information of 1H.2018 | Consolidated | | | | Separate | | | |
|--|---------------|---------------|----------------|---------------|---------------|---------------|----------------|---------------|
| | 6 months | | Change | | 6 months | | Change | |
| | 2018 | 2017 | Amount | % | 2018 | 2017 | Amount | % |
| Revenue from sale – net | 677.79 | 713.46 | (35.68) | (5.00) | 670.69 | 705.29 | (34.61) | (4.91) |
| Gain on exchange rate | 1.15 | (0.80) | 1.96 | (243.41) | 1.19 | (0.82) | 2.02 | (245.08) |
| Other income | 23.62 | 13.73 | 9.89 | 72.00 | 21.00 | 13.00 | 8.00 | 61.55 |
| Total Revenue | 702.56 | 726.39 | (23.83) | (3.28) | 718.30 | 717.47 | (24.59) | (3.43) |
| Sharing of gain (loss) from investment value of the associates | 2.52 | -2.02 | 4.54 | N.A. | | | | |

For the 6-months period ended June 30, 2018, revenue from sale-net of furniture products and revenue from sale-net of consolidated decreased about 5 percent. The main reason came from the revenue from furniture products decreased since the 1st quarter due to Thai baht strengthens from the fact that Company has the portion from export sales about 52 percent.

2. Cost of goods sold and expenses : Consolidated

Unit: Million Baht

| Information of the 2 nd Quarter | 3 months | | Change | |
|---|---------------|---------------|-------------|-------------|
| | 2018 | 2017 | Amount | % |
| Cost of goods sold | 210.47 | 216.62 | (6.17) | (2.84) |
| Cost of sales | 41.00 | 36.58 | 4.42 | 12.07 |
| Administrative expenses | 44.11 | 41.83 | 2.28 | 5.45 |
| Financial costs | 25.27 | 16.75 | 8.52 | 50.86 |
| Income tax expense | 1.05 | 0.76 | 0.28 | 37.04 |
| Total cost of goods sold and expenses | 321.88 | 312.54 | 9.34 | 2.99 |

| Information of 1H.2017 | 6 months | | Change | |
|--|---------------|---------------|--------------|--------------|
| | 2018 | 2017 | Amount | % |
| Cost of goods sold | 470.08 | 504.91 | -34.83 | -6.90 |
| Cost of sales | 80.44 | 77.08 | 3.36 | 4.36 |
| Administrative expenses | 91.35 | 85.55 | 5.80 | 6.78 |
| Financial costs | 48.25 | 33.16 | 15.09 | 45.49 |
| Income tax expense | 4.85 | 3.04 | 1.81 | 59.75 |
| Total cost of goods sold and expenses | 694.97 | 703.73 | -8.77 | -1.25 |

The overview of cost of goods sold and expenses of the 2nd quarter and 6 months of the year 2018 was in the same direction with the fact that the company was still managing the cost of goods sold efficiently. In this regard, the cost of sales increased from the expenses of domestic sales. However, the Company has the policy to reduce these expenses. The administrative expenses increased from feasibility study expenses of the relating furniture business such as Medium Density Fiber Board business and also energy business even some projects have already passed the approval for the Board of Directors but such projects are on the construction and have not been starting the commercial operation. For the financial cost increased significantly from the issuance and offering of debenture in the amount of 699.90 million baht since the 1st quarter of the year 2018 with the interest rate 6.5 percent per annum. However such issuance and offering of debenture caused from the objective to prepare the source of fund for the business expansion in the future.

3. Profit for the period

Unit: Million Baht

| Information of the 2 nd Quarter | Consolidated | | | | Separate | | | |
|--|--------------|-------|--------|--------|----------|-------|--------|--------|
| | 3 months | | Change | | 3 months | | Change | |
| | 2018 | 2017 | Amount | % | 2018 | 2017 | Amount | % |
| Gross Profit | 96.86 | 94.41 | 2.45 | 2.59 | 96.18 | 92.70 | 3.48 | 3.76 |
| Profit (Owners of the parent) | 3.52 | 4.90 | -1.38 | -28.22 | 4.56 | 11.09 | -6.53 | -58.88 |
| Total Comprehensive Income for the Period | 4.02 | 3.40 | 0.62 | 18.26 | | | | |

In sum, the profit of the 2nd quarter of the year 2018 (Consolidated) for profit (Owners of the parent) was Baht 3.52 million which decreased 28.22 percent from the same period of the last year. The main reason of such decreasing caused from the amortization expense from SAFE Energy Holdings Company Limited (SAFE) as the joint venture of the Company arranged the measurement of fair values of identifiable assets and liabilities at the acquisition date of three subsidiaries of such joint venture. This measurement was done by the independent appraiser and completed during 2018. Net fair values of identifiable assets and liabilities of the entire three subsidiaries differed from the cost of investment and the carrying amounts of net assets previously recorded by the joint venture and the Group through the investment in joint venture accounted for using the equity method in the consolidated financial statements in the net amount of approximately Baht 2.5 million.

| Information of 1H.2018 | Consolidated | | | | Separate | | | |
|---|--------------|--------|--------|--------|----------|--------|--------|--------|
| | 6 months | | Change | | 6 months | | Change | |
| | 2018 | 2017 | Amount | % | 2018 | 2017 | Amount | % |
| Gross Profit | 207.71 | 208.56 | -0.85 | -0.41 | 205.41 | 204.93 | 0.48 | 0.23 |
| Profit (Owners of the parent) | 13.00 | 23.53 | -10.53 | -44.76 | 17.14 | 34.25 | -17.11 | -49.96 |
| Total Comprehensive Income for the Period | 10.39 | 20.64 | -10.25 | -49.65 | | | | |

From consolidated financial statements, Profit (Owners of the parent) for the period of 6 months of the year 2018 was Baht 13 million which decreased from the last year 44.76 percent from the reason of the increase of administrative expenses, cost of sales and financial cost as above mentioned.

Since the Company is on business expansion to other businesses such as the relating furniture business such as Medium Density Fiber Board business that the Board of Directors has resolved to invest recently and also the investment to power plant in Myanmar that is under construction including the non stop entering into feasibility study process to create the opportunity to grow whereas at the present there is only furniture business generating the main revenue so the relating expenses and also financial cost is the responsibility of the Company under the period of waiting for the start of commercial operation of such projects.

Financial Position: Consolidated Financial Statements

1. Total Assets

| Statement of Financial Position | June 30, 2018 | | December 31, 2017 | | Increased / (Decreased) | |
|---------------------------------|-----------------|---------------|-------------------|---------------|-------------------------|--------------|
| | Million Baht | % | Million Baht | % | Million Baht | % |
| Current Assets | 1,797.74 | 56.61 | 1,428.27 | 51.37 | 369.47 | 25.87 |
| Non-Current Assets | 1,378.18 | 43.39 | 1,352.02 | 48.63 | 26.16 | 1.93 |
| Total Assets | 3,175.91 | 100.00 | 2,780.29 | 100.00 | 395.62 | 14.23 |

As of June 30, 2017, the Company's total assets was Baht 3,175.91 million, increased by Baht 395.62 million from the significant reasons of the increase of inventory, property, plant and equipment and also the investment in associates.

2. Total Liabilities and Shareholder's Equity

| Statement of Financial Position | June 30, 2018 | | December 31, 2017 | | Increased / (Decreased) | |
|---|-----------------|---------------|-------------------|---------------|-------------------------|--------------|
| | Million Baht | % | Million Baht | % | Million Baht | % |
| Current Liabilities | 1,151.04 | 36.24 | 1,695.06 | 60.97 | -544.02 | -32.09 |
| Non-Current Liabilities | 776.73 | 24.46 | 58.67 | 2.11 | 718.06 | 1,223.85 |
| Total Liabilities | 1,927.76 | 60.70 | 1,753.73 | 63.08 | 174.03 | 9.92 |
| Shareholder's Equity | 1,248.15 | 39.30 | 1,026.56 | 36.92 | 221.59 | 21.59 |
| Total Liabilities and Shareholder's Equity | 3,175.91 | 100.00 | 2,780.29 | 100.00 | 395.62 | 14.23 |

As of June 30, 2018, the Company's total liabilities was Baht 1,927.76 million, increased Baht 174.03 million from as of December 31, 2016 resulted from the increase of bank overdrafts and short-term borrowings, long-term loans and debentures.

Shareholder's Equity as of June 30, 2018 was Baht 1,248.15 million increased from 1,026.56 million as of December 31, 2016 due to the increase of premium on shares from the issuance and offering the new ordinary shares by Private Placement and the exercise of ECF-W2 No.2/6 and No.3/6 with the exercise price Baht 3 per share.

Kindly be informed accordingly,

Yours sincerely,

East Coast Furnitech Public Company Limited

-Signature-

(Arak Suksawad)

Managing Director