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No. ECF2 031/2024

August 14, 2024

Subject: Management Discussion and Analysis of the second quarter of 2024 as of June 30, 2024

To 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 Consolidated Financial Statements of the second quarter ended June 30, 2024. Since the Company has its main revenue from the furniture business, the information between the Consolidated Financial Statements and Separate Financial Statements does not differ significantly.

The key information for the Consolidated Financial Statements is shown in the details below;

Revenue from sales of the 2nd quarter of 2024 increased by 8.47 percent from the same period of the previous year. Revenue from sales equaled 342.56 million baht, which increased both export sales and domestic sales.

The cost of goods sold and the cost of sales have started decreasing. Administrative expenses increased from the economic situation and financial costs decreased from the repayment of debenture in the past.

Operating Results: Consolidated

1. Revenues

Unit: million baht

| Revenue Structure | Consolidated | | | |
|---|---------------|---------------|--------------|--------------|
| | Amount | | Change | |
| | Q2.2024 | Q2.2023 | Amount | % |
| Revenue from sales – net | 342.56 | 315.81 | 26.75 | 8.47% |
| Others income | 2.92 | 2.97 | -0.05 | -1.65% |
| Gain on exchange rate | 0.45 | 0.97 | -0.53 | -54.07% |
| Total Revenue | 345.93 | 319.76 | 26.18 | 8.19% |
| Share of gain from investment value of the associates | 4.92 | 5.72 | -0.80 | -14.01% |

For the 2nd quarter of 2024, the Company had income from the business of the Company and its subsidiaries at a value of 342.56 million baht and the total revenues were 345.93 million baht, increasing when compared to the same period of the last year equivalent to 8.47 percent and 8.19 percent respectively because of the increase of domestic sales and export sales which increasing by 9 percent and 8 percent respectively. Moreover, the direction of export sales has significantly improved for the customer groups of India and the Philippines.

The Company had a proportion of export sales and domestic sales in the 2nd quarter of 2024 representing 38 percent and 62 percent respectively.

The sharing of gain from the investment value of the associates comes from the realization of gain from investment in Green Earth Power (Thailand) Company Limited (GEP), which

is the investor in a solar power plant project with an installed capacity of 220 MW at Minbu District, Myanmar. ECF Power Company Limited (ECF-P), as the Company's subsidiary, holds 20 percent of the total shares of GEP. At present, the project operates commercially for the 1st phase with an installed capacity of 50MW. The project has been currently constructing the 2nd phase and will accelerate the construction for the remaining phases until completed all 4 phases accordingly.

At present, the electricity payment from the Myanmar Electricity Authority is in line with the applicable conditions.

The sharing of gain from the investment value of GEP for the 2nd quarter of 2024 amounted to 4.92 million baht, close to 5.72 million baht in the same quarter of the previous year.

Unit: million baht

| Revenue Structure | Consolidated | | | |
|---|---------------|---------------|--------------|---------------|
| | Amount | | Change | |
| | 1H.2024 | 1H.2023 | Amount | % |
| Revenue from sales – net | 719.92 | 629.17 | 90.76 | 14.42% |
| Others income | 9.88 | 9.57 | 0.31 | 3.24% |
| Gain on exchange rate | 2.58 | 0.60 | 1.98 | 328.19% |
| Total Revenue | 732.38 | 639.34 | 93.04 | 14.55% |
| Share of gain from investment value of the associates | 14.03 | 10.34 | 3.69 | 35.68% |

For the first 6-month period of 2024, the Company had income from the business of the Company and its Subsidiary at a value of 719.92 million baht and the total revenues were 732.38 million baht, increasing when compared to the same period of the last year equivalent to 14.42 percent and 14.55 percent respectively. Overall, the Company had growth from the domestic sales, accounting for 18 percent, and the export sales increased 9 percent. The export sales have better improved when compared to the first 6-month period of 2023 which decreased 39.47 percent from the first 6-month period of 2022.

The sharing of gain from the investment value of GEP amounted to 14.03 million baht increasing from the same period of last year equivalent to 35.68 percent due to the increase of power plant performance that has happened since the 1st quarter of 2024.

For the target growth rate for the year 2024, the Company still sets the goal of growth at the rate of 10 percent for the factor of coming to the sales seasons of the 3rd and 4th quarters which will help support the chance of growth from the orders that would come in the second half of this year.

2. Cost of Goods Sold and Significant Expenses

Unit: million baht

| Structure of Costs and Expenses | Consolidated | | | | | |
|---|--------------|---------|---------|----------|--------------------------|---------|
| | Amount | | Change | | Compared to Total Income | |
| | Q2.2024 | Q2.2023 | Amount | % | Q2.2024 | Q2.2023 |
| Cost of goods sold | 285.98 | 269.77 | 16.21 | 6.01% | 82.67% | 84.37% |
| Cost of sales | 24.58 | 25.07 | -0.49 | -1.97% | 7.11% | 7.84% |
| Administrative expenses | 43.79 | 32.55 | 11.25 | 34.55% | 12.66% | 10.18% |
| <i>Other expenses - losses from fire accident</i> | - | 108.55 | -108.55 | -100.00% | 0.00% | 33.95% |

Unit: million baht

| Structure of Costs and Expenses | Consolidated | | | | | |
|---------------------------------|---------------|---------------|---------------|----------------|--------------------------|----------------|
| | Amount | | Change | | Compared to Total Income | |
| | Q2.2024 | Q2.2023 | Amount | % | Q2.2024 | Q2.2023 |
| Financial cost | 45.17 | 45.93 | -0.76 | -1.66% | 13.06% | 14.37% |
| Total cost and expenses | 399.52 | 481.87 | -82.35 | -17.09% | 115.49% | 150.70% |

Unit: million baht

| Structure of Costs and Expenses | Consolidated | | | | | |
|---|---------------|---------------|--------------|--------------|--------------------------|----------------|
| | Amount | | Change | | Compared to Total Income | |
| | 1H.2024 | 1H.2023 | Amount | % | 1H.2024 | 1H.2023 |
| Cost of goods sold | 602.62 | 496.27 | 106.35 | 21.43% | 82.28% | 77.62% |
| Cost of sales | 51.11 | 42.88 | 8.23 | 19.18% | 6.98% | 6.71% |
| Administrative expenses | 73.97 | 66.99 | 6.99 | 10.43% | 10.10% | 10.48% |
| <i>Other expenses - losses from fire accident</i> | - | 108.55 | -108.55 | N.A. | 0.00% | 16.98% |
| Financial cost | 91.56 | 87.08 | 4.48 | 5.15% | 12.50% | 13.62% |
| Total cost and expenses | 822.36 | 802.98 | 19.38 | 2.41% | 112.29% | 125.60% |

The significant costs and expenses occurred during the 2nd quarter and 6-month period of 2024

The management of cost of goods sold and cost of sales, which occurred during the 2nd quarter getting better from more efficiency of management and beginning to return to normal after the fire accident from the last year, excluding the proportion of administrative expenses, still increased from the causes of economic situation, and from the estimation of impairment of inventory and employee benefit liabilities increased from employee benefits.

However, if consider the 6 months of 2024, the proportion of the cost of goods sold increased because the cost of raw materials increased by about 4 – 5 percent, the higher proportion of material usage which depends on the variety of products, the labor cost that has been in the working improvement process during the last 6 months. For all costs of production, the Company has to consider the price adjustment to be in line with the changing costs and the situation of production that has happened soonest.

The cost of sales increased when compared to the same period of the last year whereas the proportion of administrative expenses was close to the last year.

The significant cost or expense that occurred during the 2nd quarter and 6-month period of 2024 was the item "Other expenses - Losses from a fire accident," amounting to 108.55 million Baht. This is a one-time loss resulting from an incident of fire in April of the last year.

As for the financial costs, it occurred from the offering and issuance of debentures valued at 974.78 million baht as of June 30, 2024, when compared to as of December 31, 2023, which was 1,196.91 million baht decreased with the reason of debenture repayment in the past. Furthermore, the costs also came from borrowing from financial institutions and obtaining loans of various types. The financial costs for the 6 months of 2024 equaled 91.56 million baht increased by 4.5 million baht when compared to the last year with the reason of the higher interest rate of the latest issuance of the debenture.

3. Profit for the period

Unit: million baht

| Profit Information | Consolidated | | | |
|--|---------------|----------------|--------------|-------------|
| | Amount | | Change | |
| | 1H.2024 | 1H.2023 | Amount | % |
| Gross Profit | 117.31 | 132.90 | -15.59 | -11.73% |
| Loss (Owners of the parent) | -53.19 | -112.45 | 59.26 | N.A. |
| Loss for the period | -53.08 | -112.50 | 59.42 | N.A. |
| Loss ratio for the period (Owners of the parent) to total revenue (%) | -7.26% | -17.59% | | |
| Loss ratio for the period to total revenue (%) | -7.25% | -17.60% | | |

The overview of profit for the 6 months of the year 2024, the Company had gross profit to the net sales decreasing from the reasons of costs of goods sold and the 6-month of the year 2024, the Company has tax income equivalent 16.15 million baht whereas the same period of the last year equaled 32.02 million baht which decreased by 16 million baht. This part resulted in a loss (Owners of the parent) equivalent to 53.19 million baht and the proportion of Loss (Owners of the parent) to total revenues was 7.26 percent. This proportion is getting better when compared to the performance of the 6-month of the year 2023, in which such proportion was a loss of 17.59 percent.

Financial Position: Consolidated Financial Statements

1. Total Assets

Unit: million baht

| Statement of Financial Position | As of June 30, 2024 | | As of December 31, 2023 | | Increased / (Decreased) | |
|---------------------------------|---------------------|----------------|-------------------------|----------------|-------------------------|--------------|
| | MB | % | MB | % | MB | % |
| Current Assets | 1,935.72 | 46.66% | 1,877.65 | 46.55% | 58.07 | 3.09% |
| Non-Current Assets | 2,212.92 | 53.34% | ,156.28 | 53.45% | 56.64 | 2.63% |
| Total Assets | 4,148.64 | 100.00% | 4,033.92 | 100.00% | 114.71 | 2.84% |

The Company had total assets as of June 30, 2024, which equaled 4,148.64 million baht increasing from December 31, 2023, equivalent to 114.71 million baht. This came from the increase in investment is associates that increased by the exchange rate and accounts receivable.

2. Total Liabilities and Shareholder's Equity

Unit: million baht

| Statement of Financial Position | As of June 30, 2024 | | As of December 31, 2023 | | Increased / (Decreased) | |
|---------------------------------|---------------------|---------------|-------------------------|---------------|-------------------------|--------------|
| | MB | % | MB | % | MB | % |
| Current Liabilities | 2,738.71 | 66.01% | 2,126.20 | 52.71% | 612.51 | 28.81% |
| Non-Current Liabilities | 236.87 | 5.71% | 727.98 | 18.05% | -491.10 | -67.46% |
| Total Liabilities | 2,975.58 | 71.72% | 2,854.17 | 70.75% | 121.41 | 4.25% |

Unit: million baht

| Statement of Financial Position | As of June 30, 2024 | | As of December 31, 2023 | | Increased / (Decreased) | |
|---|---------------------|----------------|-------------------------|----------------|-------------------------|--------------|
| | MB | % | MB | % | MB | % |
| Shareholder's Equity | 1,173.06 | 28.28% | 1,179.75 | 29.25% | -6.69 | -0.57% |
| Total Liabilities and Shareholder's Equity | 4,148.64 | 100.00% | 4,033.92 | 100.00% | 114.71 | 2.84% |

As of June 30, 2024, the Company's total liabilities were 2,975.58 million baht increasing by 121.41 million baht from December 31, 2023. This was caused by the increase in short-term loans from other parties and accounts payable.

The shareholder's equities as of June 30, 2024, amounted to 1,173.06 million baht, which decreased by a loss of performance.

As of June 30, 2024, the Company had a debt-to-equity ratio equivalent to 2.54 times, slightly increasing when compared to as of December 31, 2023, which was 2.42 times.

Please be informed accordingly,

Yours sincerely,
 East Coast Furnitech Public Company Limited
 -Signature-
 (Pacharatanapong Suksawad)
 Managing Director