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November 14, 2024

Subject: Management Discussion and Analysis of the third quarter of 2024 as of September 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 third quarter ended September 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.

Business Overview

The Company is a manufacturer and distributor of household furniture products, covering bedroom sets, living room furniture, dining tables, and sofas. These are available in both self-assembly and pre-assembled forms. Currently, the Company's main customer base consists of domestic customers, accounting for approximately 60%, with exports making up about 40%. The primary domestic customers include large retail chains (Thai Hypermarkets), followed by small retailers across the country and sales through various online platforms. For international customers, the Company has major clients in Japan, India, the Philippines, and the United States.

Summary of Key Events and Developments

The Company has informed the Stock Exchange of Thailand about the resolution from the Company's Board of Directors meeting No. 7/2024, held on November 7, 2024. In this meeting, the Board approved the establishment of a joint venture with KYC Now Co., Ltd. (“KYC Now”), a company specializing in identity verification services and related identity verification services. The registration of this joint venture has been completed on November 13, 2024, and commercial operations are expected to begin within November 2024.

For the Minbu Solar Power Plant Project in Minbu, Myanmar, Green Earth Power (Thailand) Co., Ltd., a subsidiary in which the Company holds a 20% stake, signed a cooperation agreement earlier in November. This agreement designates China Triumph International Engineering Co., Ltd. as the contractor for the development of Phase 2 of the Minbu Power Plant, with an installed capacity of 50 megawatts. This marks a significant step in the commencement of construction for the Minbu Solar Power Plant Phase 2. China Triumph International Engineering Co., Ltd. is a highly specialized contractor in procurement, construction, planning, management, and quality control inspection and oversight.

Summary of Operating Results and Financial Position

Key highlights from the consolidated financial statements are as follows:

Revenue from sales in Q3 of 2024 increased slightly by 1% compared to the same period last year, with sales revenue reaching 379.59 million baht. This growth was primarily driven by export customers.

The cost of goods sold and distribution costs remained similar to those of the same period last year, while administrative expenses saw a significant reduction. Financial costs decreased as a result of recent bond redemptions. Key expense items in line with accounting standards include provisions for impairment losses on financial assets and income tax expenses.

Operating Results: Consolidated

1. Revenues

Unit: million baht

Revenue Structure	Consolidated			
	Amount		Change	
	Q3.2024	Q3.2023	Amount	%
Revenue from sales – net	383.28	379.59	3.69	0.97%
Others income	3.16	3.17	-0.01	-0.38%
Total Revenue	386.44	382.76	3.67	0.96%
Share of gain from investment value of the associates	3.02	4.57	-1.56	-34.06%

In Q3 of 2024, the Company recorded operating revenue of 383.28 million baht from its own business and subsidiaries, with total revenue amounting to 386.44 million baht. This represents a slight increase of approximately 1% year-over-year for both figures, driven primarily by a 6% increase in export revenue. The improvement in export revenue has been mainly due to stronger demand from customers in India and the Philippines.

The Company had a proportion of export sales and domestic sales in Q3 of 2024 representing 44 percent and 56 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 3rd quarter of 2024 amounted to 3.02 million baht, slightly decreased from 4.57 million baht compared to the same quarter of last year.

Unit: million baht

Revenue Structure	Consolidated			
	Amount		Change	
	9M.2024	9M.2023	Amount	%
Revenue from sales – net	1,103.20	1,008.76	94.44	9.36%
Others income	13.04	12.74	0.30	2.34%
Total Revenue	1,116.23	1,021.50	94.74	9.27%
Share of gain from investment value of the associates	17.04	14.91	2.13	14.29%

For the Nine-Month Period of 2024, the Company recorded revenue of 1,103.20 million baht from its own business and subsidiaries, with total revenue reaching 1,116.23 million baht. This

reflects an increase of 9.36% and 9.27%, respectively, compared to the same period last year. Overall, the company achieved growth in domestic sales of 11% and in exports of 8%, with exports continuing to show improvement and steady growth in Q3 of this year.

The profit share from investments in GEP was 17.04 million baht, up 14.29% from the same period last year due to improved efficiency in power plant management, which positively impacted the first and second quarters of 2024.

For 2024, the Company maintains a revenue growth target of no less than 10%, supported by the seasonal boost in Q4 sales and expanded market opportunities through new distribution channels. The Company's products have been well-received, which is expected to support further revenue growth in the future.

2. Cost of Goods Sold and Significant Expenses

Unit: million baht

Structure of Costs and Expenses	Consolidated					
	Amount		Change		Compared to Total Income	
	Q3.2024	Q3.2023	Amount	%	Q3.2024	Q3.2023
Cost of goods sold	326.27	320.48	5.79	1.81%	84.43%	83.73%
Cost of sales	25.99	26.44	-0.45	-1.69%	6.73%	6.91%
Administrative expenses	38.29	66.24	-27.95	-42.20%	9.91%	17.30%
Foreign Exchange Loss (Gain)	3.00	-1.75	4.76	N.A.	0.78%	-0.46%
Other expenses - losses from fire accident	-	-92.28	92.28	-100.00%	0.00%	-24.11%
Financial cost	45.01	46.73	-1.72	-3.68%	11.65%	12.21%
Reversal of Loss (Loss) from Impairment of Financial Assets	3.00	(3.59)	6.59	-183.57%	0.78%	-0.94%
Total cost and expenses	441.55	354.09	87.45	24.70%	114.26%	92.51%

Unit: million baht

Structure of Costs and Expenses	Consolidated					
	Amount		Change		Compared to Total Income	
	9M.2024	9M.2023	Amount	%	9M.2024	9M.2023
Cost of goods sold	928.88	816.75	112.13	13.73%	83.22%	79.96%
Cost of sales	77.10	69.32	7.78	11.22%	6.91%	6.79%
Administrative expenses	112.26	133.22	-20.97	-15.74%	10.06%	13.04%
Foreign Exchange Loss (Gain)	0.42	-2.36	2.78	N.A.	0.04%	-0.23%
Other expenses - losses from fire accident	-	16.27	-16.27	-100.00%	0.00%	1.59%
Financial cost	136.57	133.81	2.76	2.06%	12.24%	13.10%

Structure of Costs and Expenses	Consolidated					
	Amount		Change		Compared to Total Income	
	9M.2024	9M.2023	Amount	%	9M.2024	9M.2023
Reversal of Loss (Loss) from Impairment of Financial Assets	12.49	0.31	12.18	N.A.	1.12%	0.03%
Total cost and expenses	1,263.17	1,152.72	110.46	9.58%	113.16%	112.85%

The significant costs and expenses occurred during the 3rd quarter and 9-month period of 2024

In Q3, the cost of goods sold ratio was 84.43%, slightly higher than the 83.73% recorded in the same period last year. The distribution cost ratio remained comparable to last year. Notably, administrative expenses significantly decreased, from 17.30% to 9.91%. However, the company reported a foreign exchange loss of 3 million baht this quarter, contrasting with a foreign exchange gain in the prior year, reflecting recent shifts in the Thai baht's exchange rate.

Additionally, a key difference from the previous year was a one-time insurance compensation of 92.28 million baht, received due to a fire incident in April 2023, which was recognized in Q3 last year and offset total expenses as a special item. Financial cost ratios remained similar year-over-year. The Company also recorded an additional accounting expense this quarter, recognizing a 3 million baht loss from the impairment of financial assets.

However, when considering the 9-month period, the cost of sales ratio increased from 79.96% in the previous year to 83.22%. This is a continuing situation following the fire accident, combined with raw material costs rising by 4 – 5%, a greater variety of raw materials being utilized, and labor costs involved in the process of improving operations. The Company must consider adjusting product prices to align with current costs and production circumstances promptly. The distribution cost ratio remains close to the same period last year, while the administrative expense ratio has decreased from 13.04% to 10.06% due to cost control policies. The company incurred an exchange rate loss of 0.42 million baht, down from a previous exchange rate profit. As for special items occurring in the last 9 months, there has been an unclaimed amount from the insurance company related to the fire incident, which is categorized under other expenses – loss from fire amounting to 16.27 million baht. The financial cost ratio has slightly decreased due to the partial redemption of the Company's debentures, and in this 9-month period, the Company recorded a significant accounting standard expense, which is a loss of 12.49 million baht from the impairment of financial assets compared to the same period last year, which recorded this item at 0.31 million baht.

3. Profit for the period

Unit: million baht

Profit Information	Consolidated			
	Amount		Change	
	9M.2024	9M.2023	Amount	%
Gross Profit	174.31	192.01	-17.69	-9.21%
Loss (Owners of the parent)	-115.18	-85.54	-29.65	N.A.
Loss for the period	-114.96	-85.85	-29.11	N.A.
Loss ratio for the period (Owners of the parent) to total revenue (%)	-10.32%	-8.37%		
Loss ratio for the period to total revenue (%)	-10.30%	-8.40%		

For the overview of profits and losses during the 9 months of 2024, the Company experienced a decline in gross profit mainly due to increased selling costs. Additionally, in the third quarter, the company had increased tax expenses from 7 million to 15 million, resulting in a total tax income of 1 million over the 9-month period, compared to 25 million the previous year. Coupled with a provision for impairment losses on financial assets amounting to 12.5 million in the 9-month period and high financial costs, this led to a net loss for the period (attributable to the parent company) of 115.18 million, with a loss ratio (attributable to the parent company) to total revenue of 10.32%.

Financial Position: Consolidated Financial Statements

1. Total Assets

Unit: million baht

Statement of Financial Position	As of September 30, 2024		As of December 31, 2023		Increased / (Decreased)	
	MB	%	MB	%	MB	%
Current Assets	1,964.84	48.29%	1,877.65	46.55%	87.19	4.64%
Non-Current Assets	2,104.09	51.71%	2,156.28	53.45%	-52.18	-2.42%
Total Assets	4,068.93	100.00%	4,033.92	100.00%	35.01	0.87%

The Company had total assets as of September 30, 2024, which equaled 4,068.93 million baht increasing from December 31, 2023, equivalent to 35.01 million baht. This came from the increase in accounts receivable and land building and equipment.

2. Total Liabilities and Shareholder's Equity

Unit: million baht

Statement of Financial Position	As of September 30, 2024		As of December 31, 2023		Increased / (Decreased)	
	MB	%	MB	%	MB	%
Current Liabilities	2,811.18	69.09%	2,126.20	52.71%	684.98	32.22%
Non-Current Liabilities	226.48	5.57%	727.98	18.05%	-501.50	-68.89%
Total Liabilities	3,037.66	74.66%	2,854.17	70.75%	183.49	6.43%
Shareholder's Equity	1,031.27	25.34%	1,179.75	29.25%	-148.48	-12.59%
Total Liabilities and Shareholder's Equity	4,068.93	100.00%	4,033.92	100.00%	35.01	0.87%

As of September 30, 2024, the Company's total liabilities were 3,037.66 million baht increasing by 183.49 million baht from December 31, 2023. This was caused significantly by the increase in short-term loans from other parties.

The shareholder's equities as of September 30, 2024, amounted to 1,031.27 million baht, which decreased by a loss of performance.

As of September 30, 2024, the Company had a debt-to-equity ratio equivalent to 2.95 times, increasing when compared to as of December 31, 2023, which was 2.42 times.

Factors That May Affect Future Operations or Growth

- None -



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Please be informed accordingly,

Yours sincerely,
East Coast Furnitech Public Company Limited
-Signature-
(Ms.Pachanan Singphu)
Assistant Managing Director
and Acting Director of Accounting and Finance