



East Coast Furnitech Public Company Limited (ECF)

HEADING TO THE BRIGHT FUTURE



Annual Report 2023 (Form 56-1 One Report)

EAST COAST FURNITECH





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“ECF is the manufacturer and distributor of home furnishings in Thailand, owns 2 factories in Rayong, and has focused on the production of self-assembled Particleboard/MDF furniture, and rubber wood furniture, with the main income from furniture sales accounting for more than 90% of total income and the rest income is from the sale of foil paper for decoration and dried rubber wood.”



Products manufactured and distributed by ECF include:

Particleboard /MDF furniture.



Rubber wood furniture.



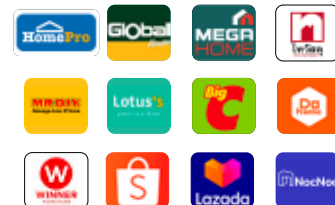
Foil paper for decoration.



Dried rubber wood.



- Sales distributions in country and online platforms channels



ECF distributes furniture products through 2 main channels: custom-made products for export and distribution through Modern Trade, almost all custom-made furniture is exported to leading furniture distributors and major modern retailers in Japan, India, USA, China, etc. In Thailand, ECF distributes furniture through well-known modern retailers such as Home Pro, Winner, Global House, Do Home, Thai Watsadu, Lotus's, and Big C, including small retail stores and wholesale stores nationwide, and online channels through many marketplaces such as Shopee, Lazada, NocNoc, etc.



In addition, ECF has also expanded its investment in the renewable energy business such as solar power plants in Myanmar, with the total production capacity of 220 megawatts, at present, the 50-megawatt first phase out of all four phases already started the Commercial Operation Date and Phase 2 is currently under construction.





MESSAGE FROM THE CHAIRMAN

In 2023, Thailand saw a resurgence in its economy following the COVID-19 crisis, leading to the gradual restoration of business activities to full capacity. Despite notable progress in the latter half of the year, the economy remains susceptible to fluctuations, primarily driven by persistent geopolitical tensions such as the ongoing conflict between Ukraine and Russia, which have contributed to the escalation of oil prices. Many central banks worldwide have reacted by increasing interest rates to tackle surging inflation, posing another challenge for households and businesses in borrowing. The inflationary pressures and escalating living expenses have led to a worldwide economic deceleration. Nonetheless, the economic trajectory and investment environment are anticipated to ameliorate in the forthcoming year. China has implemented numerous strategies to invigorate various sectors of its economy, while India boasts the highest growth rate globally, promising to be a significant catalyst for the global economy.

Despite facing numerous challenges, the management and functional teams at ECF have remained steadfast in their commitment to propel the business forward, ensuring sustainable profitability and meeting the expectations of customers, business partners, and stakeholders without falter. Despite an unexpected fire incident in the second quarter of 2023, adhering to prevention and management principles for potential risks enabled ECF to effectively address and mitigate its impact on the business. Consequently, the damage was satisfactorily managed, positively influencing the overall business outlook.

In 2023, the Company witnessed a downturn in its operational performance, with a total sales income of 1,374.50 million baht, marking at 3.13% decline from the previous year.

However, the direction of sales income of the Company has started to increase from the third quarter to the fourth quarter, due to the growth of domestic customers. At the same time, the direction of exports has also started to good trend and is expected to grow until 2024 continuously.

In 2023, the Company maintained its commendable performance in corporate governance, as evidenced by the "Corporate Governance Report of Thai Listed Companies 2023" issued by the Thai Institute of Directors, rating it as 'Excellent'. Additionally, it achieved a perfect score of 100 points (5 coins) in the quality evaluation of the 2023 Annual General Meeting of Shareholders (AGM Checklist), conducted by the Thai Investors Association. Now, the Company has developed a development plan to expand the business and become a part of sustainable development in other aspects, including social and environmental aspects. The Company will plan the work, set indicators, and the Board of Directors will supervise and monitor the performance results to ensure that they are in accordance with the established plan.

I extend heartfelt gratitude, on behalf of the Board of Directors, to the management team and all employees committed to working with unwavering determination. This includes our valued shareholders, customers, and business partners, as well as those who steadfastly support the Company's endeavors. Each individual plays a vital role in propelling the Company's resilience in navigating the challenges of 2023. We earnestly anticipate continued collaboration from everyone indefinitely.

On this occasion, I would like to extend my heartfelt wishes to all and their families for abundant happiness, prosperity, continuous progress, wealth, and success in all endeavors.

On behalf of the Board of Directors
East Coast Furnitech Public Company Limited

General Terdsak Marom
Chairman of the Board





MESSAGE FROM MANAGING DIRECTOR

In 2023, it was another year where both consumers and businesses grappled with economic fluctuations and confronted diverse financial challenges in the global economy. Although Thailand managed to overcome the crisis of the COVID-19 pandemic, the nation's economic and social landscapes continued to bear the brunt of the pandemic's aftermath, compounded by the reverberations of the Ukraine-Russia conflict. This global upheaval contributed to a widespread economic deceleration, underscoring the interconnectedness of economies worldwide. In response to these circumstances, ECF has rigorously adapted its management strategies, conducting business with meticulous care and vigilance, while diligently monitoring performance to ensure alignment with the plan. This principle is pivotal, serving to mitigate disruptions, foster operational fluidity, and facilitate adaptive responses to diverse situations.

However, from the perspective of the Company's business, there remain several positive factors across various aspects that contribute to bolstering its revenue. This includes the acquisition of new customer segments in South Asia, the Middle East, and the ASEAN region, characterized by their substantial purchasing power, resulting in a consistent influx of orders from these significant markets, as expected by the Company. In addition, this is considered a good opportunity for the Company that China has canceled its shutdown policy, from which Thailand will greatly benefit. This action creates liquidity in the market and improves the overall economy in Thailand. Furthermore, the Company has also released new products to complement and increase its income.

Partly as mentioned above, ECF has implemented strategies and goals that are continuously adjusted. Overall, the Company was still able to generate income from sales in 2023, and total income slightly decreased by approximately 3% compared to the previous year. This occurred during a time when every country in the world experienced the crisis of war, the economy, and the rising cost of living in 2022.

With the concept of Sustainable Development, including the notion of "Heading to a bright future," the crucial aspect is adjusting to handle any form of external factors that may arise and dealing with the situations that occur. Determination, intention, plans, inspections, monitoring, comprehensive risk planning, and a strong team are essential factors that will enable ECF to progress towards a bright future.

I would like to extend my gratitude for the cooperation of executives and employees, the understanding of business partners, the trust of customers, and the strong support from all stakeholders. These contributions enable the Company to face challenges with unity and overcome them together each time. ECF is committed to conducting business with honesty and integrity, with the aim of creating added value for all stakeholders. We are responsible for conducting business across every value chain, thus furthering our journey towards sustainable growth together.

Mr. Pacharatanapong Suksawad
Managing Director



FINANCIAL HIGHLIGHTS: CONSOLIDATED

Unit : Million Baht

Statements of Financial Position	Year 2021	Year 2022	Year 2023
Total Assets	3,756.20	3,988.10	4,033.92
Total Liabilities	2,429.59	2,621.49	2,854.17
Shareholder's Equities	1,326.61	1,366.61	1,279.75
Paid-up Capital	239.87	239.87	239.88

Unit : Million Baht

Statement of Comprehensive Income	Year 2021	Year 2022	Year 2023
Revenue from Sales-Net	1,549.41	1,418.93	1,374.50
Total Revenues	1,600.80	1,462.59	1,417.53
Cost of Goods Sold	(1,237.05)	(1,075.42)	(1,127.04)
Total Expenses	(1,433.22)	(1,289.55)	(1,424.32)
Corporate Tax	(1.67)	(1.12)	37.58
Profit for the Year	50.92	37.19	(145.98)
Profit Attributable to owners of the parent	50.85	37.46	(144.46)
Total Comprehensive Income for the Year	93.88	55.07	(150.74)
Total comprehensive Income for the Year – Attributable to owners of the parent	93.81	55.34	(149.22)

Unit : Million Baht

Financial Ratios	Year 2021	Year 2022	Year 2023
Return on Asset (%)	5.14	5.08	(0.05)
Return on Equity (%)	4.01	2.83	(11.43)
Gross Profit Margin (%)	20.16	24.21	18.00
Net Profit Margin (%)	3.20	2.54	(10.30)
Debt to Equity Ratio (times)	1.83	1.92	2.42
Earnings per share (Baht)	0.05	0.04	(0.15)
Book value per share (Baht)	1.38	1.42	1.23



**“COMMITTED TO MAINTAIN
THE STABILITY AND FIRMNESS
IN THE FURNITURE BUSINESS,
TOGETHER WITH CREATING
OPPORTUNITIES FOR BUSINESS
GROWTH, CONTINUOUSLY
SEEKING FOR OPPORTUNITIES
TO EXPAND INTO OTHER BUSI-
NESSES FOR SUSTAINABILITY.”**





BOARD OF DIRECTORS

As of 31 December 2023, the Company's Board of Directors had 8 Directors consisting of;



1 General Terdsak Marom

Chairman of the Board and Independent Director

2 Assoc. Prof. Dr. Montree Socratyanurak

Chairman of the Audit Committee
and Independent Director

3 Assoc. Prof. Songklod Jarusombat

Independent Director

4 Dr. Ekarin Vasanasong

Non-Executive Director



5 Mr. Paiboon Aroonprasobsuk
Independent Director

6 Mr. Kittiphat Suksawad
Vice Chairman

7 Mr. Wanlop Suksawad
Director

8 Mr. Pacharatanapong Suksawad
Director



AUDIT COMMITTEE

As of 31 December 2023, the Company had 3 Audit Committees consisting of;



**Assoc. Prof. Dr. Montree
Socratyanurak**

Chairman of the Audit Committee and
Independent Director



General Terdsak Marom

Audit Committee
and Independent Director



Assoc. Prof. Songklod Jarusombat

Audit Committee and
Independent Director

The scope of duties and responsibilities of Audit Committee is also comprehensive corporate governance.



RISK MANAGEMENT COMMITTEE

As of 31 December 2023, the Company had 4 Risk Management Committees consisting of;



**Assoc. Prof. Dr. Montree
Socratyanurak**

Chairman of Risk Management
Committee and Independent
Director



**Assoc. Prof. Songklod
Jarusombat**

Risk Management Committee
and Independent Director



Mr. Kittiphat Suksawad

Risk Management Committee



**Mr. Pacharatanapong
Suksawad**

Risk Management Committee



NOMINATION COMMITTEE

As of 31 December 2023, the Company had 3 Nomination Committees consisting of;



**Assoc. Prof. Songklod
Jarusombat**

Chairman of the Nomination Committee
and Director



Mr. Kittiphat Suksawad
Nomination Committee



Mr. Pacharatanapong Suksawad
Nomination Committee



REMUNERATION COMMITTEE

As of 31 December 2023, the Company had 3 Remuneration Committees consisting of;



**Assoc. Prof. Dr. Montree
Socratianurak**

Chairman of Remuneration Committee
and Independent Director



Mr. Kittiphat Suksawad
Remuneration Committee



Mr. Pacharatanapong Suksawad
Remuneration Committee



EXECUTIVE COMMITTEE

As of 31 December 2023, the Company had 3 Executive Committees consisting of;



Mr. Wanlop Suksawad

Chairman of Executive Committee



Mr. Kittiphat Suksawad

Executive Committee



Mr. Pacharatanapong Suksawad

Executive Committee



MANAGEMENT TEAM

As of 31 December 2023, the Company had 6 executives as the names consisting of;



Mr. Pacharatanapong Suksawad

Managing Director



Mr. Attaphol Tanapol

Assistant Managing Director
(Head Office)



Ms. Suphak Toaphonganan

Assistant Managing Director (Branch 1)



Mr. Poramedcharapol Chinnuvat

Assistant Managing Director (Branch 2)




Ms. Pachanan Singphu

Assistant Managing Director and
Act for Accounting and Financial Director
(Chief Financial Officer)

Part 1

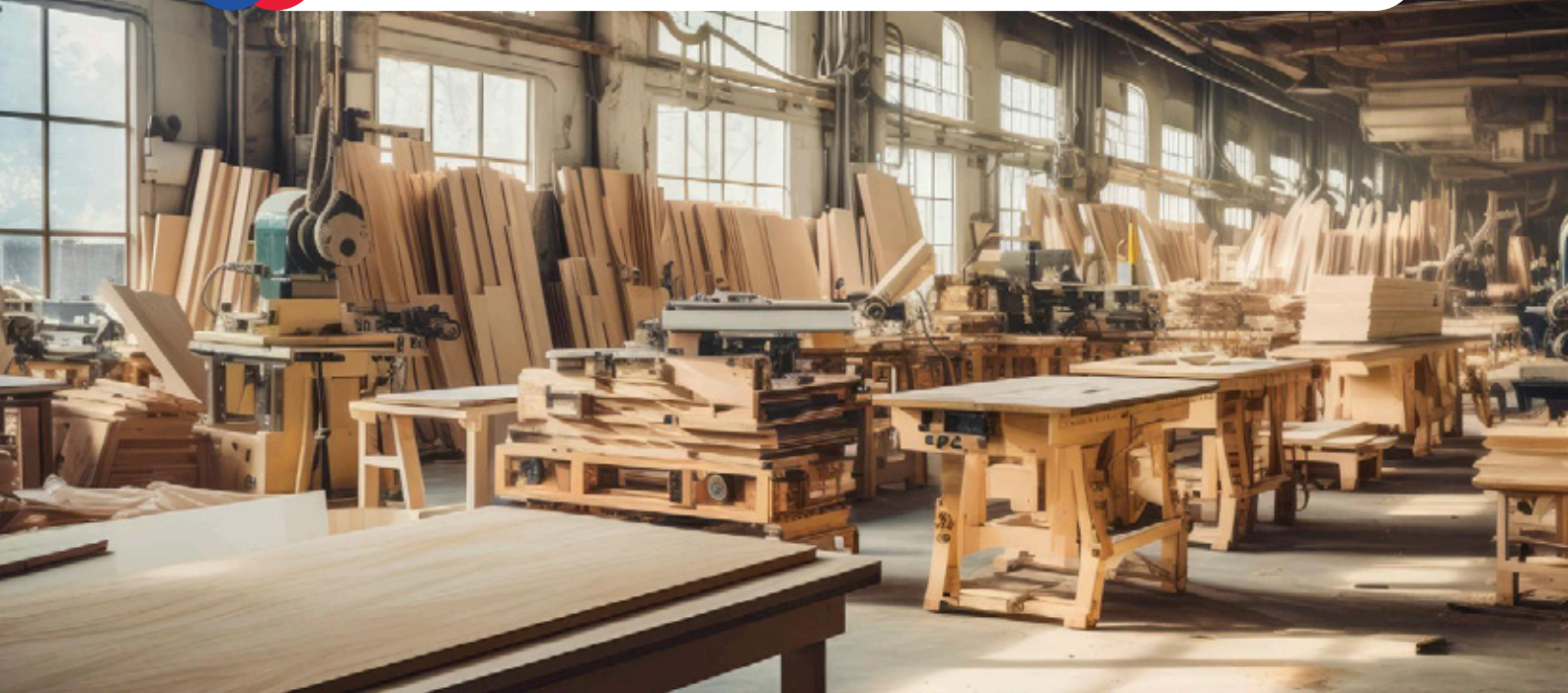
Business Operations and Performance


East Coast Furnitech Public Company Limited (ECF)
Annual Report 2023 (Form 56-1 One Report)





1. STRUCTURE OF OPERATIONS OF COMPANY GROUP



1.1 Policy and Overview of Business

Furniture Business

East Coast Furnitech Public Company Limited (“ECF” or “Company”) has established its vision for business operations “Committed to maintain the stability and firmness in the furniture business, together with creating opportunities for business growth, continuously seeking for opportunities to expand into other businesses for sustainability” under the objective “To lead the organization into the development and profits with sustainable growth along with social and environment responsibility, including good corporate governance.”

ECF is a manufacturer and distributor of self-assembled furniture made of particle board and MDF, rubber wood furniture, dried rubber wood products, foil paper for particle boards. Moreover, ECF has invested in energy business and agricultural crop business. The energy business is under the construction of remaining phase of solar power plant project so that its capacity will reach 220 megawatts, presently this plant generates the commercial revenue from 50-megawatt capacity, while the agricultural crop business is under the process to start the business and urged to generate the commercial revenue.

In terms of furniture manufacturing and distribution business, ECF has exported its products or its furniture products to sell in many countries around the world such as Japan, India, USA, Middle East, and Philippines.

In domestic market, another important distribution channel for domestic customers is Hypermarket such as Home Pro, Winner, Global House, Do Home, Thaiwasadu, Lotus, Big C, etc. ECF has distributed its products to hypermarket for OEM and house brands, including production under the Company’s current brand Hasta which has the brand of the company Currently used is Hasta.

In addition to the business overview in terms of sale revenue which was from the production and distribution of furniture, the Company generated its revenue from selling the foil paper including dried rubber wood which both were used as raw materials for furniture production.

For the foil paper distribution, on 11 May 2011, the Company registered the establishment of **VV Decor Co., Ltd.** (“V V-Décor” or “subsidiary company”) as its subsidiary with the

Company's shareholding ratio of 99.95%, its registered capital is 1,000,000 Baht (One Million Baht only), divided into 10,000 ordinary shares at a par value of 100 Baht, fully paid-up. V V-Décor is established to operate trading business for ECF as the foil paper distributor to some customers of the Company.

V V-Décor is a supplier of foil paper to customers engaged in the distribution business of furniture and home furnishing materials, and some manufacturers who contract the production for ECF. In the past, the direction of marketing performance has started to realize the results showing that V V-Décor is increasing the profits.

In addition to the business overview of **ECF Holdings Company Limited** ("ECFH" or "subsidiary company") as a subsidiary by the Company's shareholding of 94.44% at the present.

At present, ECFH's registered capital is THB 45,000,000 (Forty-five Million Baht only), divided into 450,000 ordinary shares (Four Hundred and Fifty Thousand shares) with a par value of THB 100 (One Hundred Baht) and fully paid up.

ECFH currently operates its business as a distributor of furniture product, which is the main product of ECF. The customers of ECFH are retailers and wholesalers nationwide, which are small shops, unlike ECF customers which are hypermarket including HomePro, Winner, Global House, Do Home, Thaiwasadu, Lotus's, and Big C, etc.

Alternative Energy Business

The Company registered the establishment of ECF Power Company Limited on 16 January 2017. East Coast Furnitech Public Co., Ltd. is holding 99.99% of total shares, the initial registered capital was Baht 1.00 Million and presently, its registered capital is Baht 909,282,500 divided into 90,928,250 shares with a par value of Baht 10.00 each, fully paid up.

Since 2017, the Company has expanded its investment in renewable energy business to solar power plant business. The total installed power generation capacity is 220 MW and the contracted power generation capacity is 170 MW of Green Earth Power (Thailand) Company Limited ("the Project" or "GEP"). GEP is the company investing in the solar power plant project located in Minbu City, Magway

Region, Republic of the Union of Myanmar ("Myanmar"), whereby the Company assigns ECF Power Company Limited ("ECF-P"), a subsidiary in which the Company holds 99.99% of shares, to invest in the shares of GEP, accounting 20% of total shares.

GEP's current registered capital is THB 2,252.72 million, consisting of 22,527,163 ordinary shares at a par value of THB 100, and registered and paid-up capital of THB 1,717.12 million, consisting of 22,527,163 ordinary shares with a par value of THB 100 (consisting of 10,806,478 ordinary shares, fully paid, 10,196,996 ordinary shares, paid-up THB 56.72 per share, and 1,523,689 ordinary shares, paid-up THB 38.13 per share), its office is located at 33/4, the 9th Towers Grand Rama 9, 36th Floor, Huai Khwang Sub-district, Huai Khwang District, Bangkok Metropolis.

GEP has one subsidiary which is GEP (Myanmar) Company Limited ("GEP-Myanmar"), it solely invests in GEP-Myanmar, and does not hold shares in any other company. GEP-Myanmar is registered as a Myanmar company with a registered capital of \$500 million, divided into 500,000,000 ordinary shares with a par value of USD 1 each, its paid-up registered capital is USD 104,357,425. GEP has a shareholding in GEP-Myanmar for 100.00% of the total paid-up capital in GEP-Myanmar and its objective is to operate a business in the development and management of solar power plant projects in Myanmar. The total installed power generation capacity is 220 MW and the contracted power generation capacity is 170 MW.

As for the investment in the renewable energy business for other additional projects, at present, the Company is considering the feasibility to invest if those projects are feasible with appropriate return on investment and worthiness to invest when considering together with various risks, the Company will consider with prudence and carefulness before making decision to invest.

The Investment in Wood-Based Panel Business

In October 2017, the Company establishment of one additional subsidiary which the Company shall hold 57.00% of total shares, namely, **Planet Board Co., Ltd.** Its registered capital is 50,000,000 Baht, divided into 10,000,000 ordinary shares with a par value of 5.00 Baht and its paid-up capital is 12,500,000 Baht, divided into 10,000,000 ordinary shares with a par value of 1.25 Baht. The objective is to establish a wood-based panel business such as MDF Board.

At present, Planet Board Co., Ltd. has a shareholding structure as following detail:

1.	East Coast Furnitech Public Co., Ltd.	57%
2.	Mr. Khomwit Boonthamrongkit	25%
3.	Mrs. Kunthong Udommahuntisuk	3%
4.	Ms. Kritchanok Patamasattayasonthi	3%
5.	Ms. Pichapim Patamasatayasonthi	3%
6.	Mr. Eakalak Patamasatayasonthi	3%
7.	Mr. Ekaridhi Patamasatayasonthi	3%
8.	Mr. Warattakrit Pomjamsai	3%

Mr. Khomwit Boonthamrongkit is currently an executive and a shareholder of Prize of Wood Industries Co., Ltd., a manufacturing business of timber processed products (CHALE'T Brand) and a subsidiary of SBP Timber Group, a timber trading group that started operating since 1981 starting the business from importing and distributing timber from every country around the world, in which does not conduct any business that is competitive to the Company.

No. 3 to No. 7 in the shareholder list of PLANET are presently the management group and shareholders of Index Living Mall Public Company Limited, which operates a retail business and is a subsidiary of Index Interfurn Group, the leader of the largest furniture industry in Thailand. However, even as a furniture business entrepreneur, the characteristic of business operation is different because Index Group manufactures products for selling in Index Stores to directly distribute to retail consumers, while the Company mainly manufactures and distributes furniture products for export to foreign customers and domestic selling to most of large retail stores (hypermarket) in a made-to-order basis, which does not directly compete.

Presently, Planet is delaying the investment in the project because the cost of timber is increasing, the demand for wood used for generating power in biomass power plant project in the area is under consideration about the procurement for the investment in the project. These events had a significant impact on previously considered return on investment figures, including the impacts of COVID-19 situation, war, inflation, higher oil prices resulting in currently higher costs and expenses that occurred along the way, the Management and the Planet team are under the process of considering an optimal solution for the feasibility to continue the PLANET business.

Investments in Online Business Platform

In June 2021, the Company has established one more subsidiary, currently holding 75.00% of total shares, its name is **SoMeWa Plaza Company Limited (SoMeWa)** with a registered capital of THB 2,000,000, divided into 200,000 ordinary shares with a par value of THB 10.00 per share, and its paid-up capital is THB 2,000,000, divided into 200,000 ordinary shares with a paid-up value of THB 10.00 per share. Its objective of establishment is to be an online platform service provider for selling furniture products of the Company, and other additional products in the future.

At present, the development of platform is under process and has not yet been completed, and Somewa Plaza Company Limited has no commercial revenue at this moment.

Investment in Agriculture and Crop Distribution Business

In December 2021, the Board of Directors' meeting had a resolution to approve the registration and establishment of one more subsidiary for the agriculture and crop distribution business. This is V.V. Rich Company Limited. The Company will be the major shareholder in the proportion of 99.97%, with the registered capital of THB 1,000,000, divided into 10,000 ordinary shares with a par value of THB 100 per share. In addition, the initial investment will be at a value of not more than THB 80 million. Currently, it is in the process of starting operations and has no commercial income at this time.

Investment in Furniture Product Distribution Business in Foreign Countries

An important resolution was passed during the Company's Board of Directors meeting on April 7, 2023, where they considered and approved the registration of a joint venture company with Homy Casa Inc., a prominent furniture distribution business based in California, United States. Additionally, the establishment of an additional subsidiary, ECF Design Company Limited, was registered and completed on July 27, 2023. ECF owns 50.9970% of the shares, while Homy Casa INC. holds 49%, with an initial registered capital of 7,000,000 baht, distributed among 70,000 common shares with par value at 100 baht each. The Company is currently initiating its operations and anticipates commencing the commercial income generation in the first quarter of 2024.

1.1.1 Vision, Objective, Strategy, Corporate Value and Target of the Company

Vision

“Committed to maintain the stability and firmness in the furniture business, together with creating opportunities for business growth, continuously seeking for opportunities to expand into other businesses for sustainability.”

Objective

“To lead the organization into the development and profits with sustainable growth along with social and environment responsibility, including good corporate governance.”

Strategy

Sustainability The organization is developed to grow with sustainability such as the cost and expense reduction of major raw materials for the Company’s furniture business, the expansion of business into the renewable energy business as an important tendency and a part of creation of energy stabilization, which would help to continuously generate revenue and profit for the business in overall, and seek for new businesses related to main business or new business opportunities that could generate income for secured growth, etc., and operate the business with responsibility to all stakeholders along the value chain, society, environment, and good corporate governance.

Diversification Risk diversification in business, such as incomes from selling products both domestically and internationally, a variety of customer groups from exporting, modern retail stores, sales showrooms, wholesale stores, retail stores for furniture throughout the country. Development of e-commerce selling model through online platforms and the business expansion to other types of businesses such as energy business, digital asset business, agricultural crop business, in order to diversify risks and not solely rely on furniture business.

Adaptation Ready for strategies of changes and continuously adapt itself for creating opportunities in business operations with stability and sustainability, such as starting from furniture business to become a para rubber furniture business, particle board furniture MDF and foil paper business, in order to reduce the production cost of furniture, etc.

Corporate Value

Be Passionate and Determined
Do More with Less
Pursue Growth and Learning
Build Open, Integrity, Honest relationships with
Communication

Target

The Company sets long-term target by maintaining the growth of sales volume and profit from the operation in furniture business group for continuous growth at least 10 - 15% per year, aiming to be the organization that develops the investment to reduce costs in the integrated furniture manufacturing business for strengthening competitiveness and operating business with ethics, respect of rights, and responsibility to shareholders and stakeholders, giving benefits to society and minimizing the impact on the environment, subject to maintain the gross profit margin of the furniture business for at least 25% per year. In addition, the Company’s products must obtain the customer’s satisfaction for at least 80%, based on the result of annual survey on customer’s satisfaction.

In terms of long-term goal, the Company has formulated that the return from renewable energy business is at least 30% of total net profit of the Company and all subsidiaries within 3 years, and also set the Company's sustainability goals in the next 3 - 5 years with following indicators:

1. Diversification of business risks to other types of businesses that have potential and opportunities for continuous growth.
2. Leadership in furniture manufacturing and distribution business for export and leadership in furniture distribution business for wholesale stores and retail stores nationwide and ASEAN region; in each year, it will generate a growth rate of sales revenue of not less than 10 — 15% and can reduce the cost of sales through efficient production management, which can be reduced by not less than 5% compared to previous year.
3. The Company could continuously reduce greenhouse gas emissions in the business value chain when proportionally calculating compared to previous year, with a decrease of at least 5%.

The Company will operate its business to achieve the goals in line with strategic directions in operations as established.

1.1.2 Significant Changes and Developments

1992 – 2009	<p><u>East Coast Industries Company Limited (ECI)</u> which is the first company of East Coast Group was registered to operate a sawmill and wood drying factory, and produce and sell rubber wood furniture, located at Ban Bueng - Klaeng Road, Thang Kwian Sub-district, Klaeng District, Rayong Province, and in subsequent years, 4 additional companies under the East Coast Group were registered, totaling 5 companies, namely, <u>East Coast Design Co., Ltd. (ECD)</u>, during this time, ECD was selected by the Department of Export Promotion to use the "Thailand's Brand" emblem to represent its high-quality export product.</p> <p>ECI received the "Prime Minister Award" from the Ministry of Commerce, an award granted to exporters with outstanding performance and excellent product quality.</p> <p>Subsequently, <u>East Coast Furnitech Company Limited (ECF)</u> was registered as the 3rd company to operate business as a manufacturer and distributor of self-assembled furniture made of particle board and MDF.</p> <p>Later, <u>V-Chats Decor Co., Ltd (VCD)</u> was established as the fourth company to operate the business as a manufacturer and distributor of foil paper because ECF manufactures a lot of particleboard furniture, resulting in the need to import foil paper, VCD was therefore established to produce foil paper, so that the quality of production could be controlled, the foil paper will be distributed to ECF and general furniture manufacturers, and the juristic person registered later was <u>V-Chats Industry Co., Ltd (VCI)</u> to restructure the operations within the Company Group.</p>
2010	<p>1 October: East Coast Group has started to re-structure its business structure from all 5 companies in the group to have only one company which is ECF, operated, the group restructuring process started from purchasing all the land used in the business operations in which at that time was privately owned by the directors of the company, to be owned by ECF, transferring production lines and selling finished products, products in process, raw materials, consumables, some of machinery and equipment from 4 companies to be possessed by ECF, and negotiating for a reduction of credit limit of companies in the group with financial institutions and transfer it to the ECF's credit line, this is the repayment of debts among companies in the group to eliminate connected transactions and conflict of interest.</p>
2011	<p>11 May: the Company established <u>VV Décor Co., Ltd. (V V-Décor)</u> as a subsidiary and the Company holds 99.95% of shares, to be a trading company for ECF as a supplier of foil paper.</p> <p>In the same year, the East Coast Group has restructured its business operations by remaining only ECF to solely operate business and prepared itself to transform into a public company.</p>
2012	<p>18 October 2012: the Company has registered to transform its status from a limited company to be a public limited company and changed its name to be <u>East Coast Furnitech Public Company Limited (ECF)</u>.</p>
2013	<p>26 March: the Company began trading in market for Alternative Investment (mai) as First Trading Day</p>
2015	<p>23 February: the Company established <u>ECF Holdings Company Limited (ECFH)</u> to operate the business of holding company. Presently, it operates business as a distributor of furniture products for ECF.</p>

2017	<p>12 January: ECF Power Co., Ltd., another subsidiary, was registered to invest in renewal energy business that the Company holds 99.99% of shares.</p> <p>3 April: The Company has invested in solar power plant with the total installed capacity at 220 MW of Green Earth Power (Thailand) Co., Ltd. ("Project" or "GEP") located in Minbu City, Magway Region, Republic of the Union of Myanmar ("Myanmar"), with the total installed capacity at 220 MW. ECF Power Co., Ltd. ("ECF-P"), at 99.99% subsidiary of the Company, invested to buy shares of the project in the portion of 20%, later in the extraordinary meeting of shareholders No. 1/2017 on 31 May 2017 had a resolution to approve the purchase of GEP's ordinary share.</p> <p>27 October: one additional subsidiary, Planet Board Company Limited, was established with the objective is to establish a wood-based panel business such as MDF Board, it is under feasibility study for the investment one more time under the circumstances and supporting factors that have changed. At present, the Company holds 57% of total shares in Planet Board Company Limited.</p>
2019	<p>27 September: the Solar Power Plant Project of Green Earth Power (Thailand) Co., Ltd. ("Project" or "GEP") located in Minbu City, Magway Region, Republic of the Union of Myanmar ("Myanmar"), could recognize the revenue of Phase 1, with a capacity of 50 MW, and the construction of Phase 2, 3 and 4 will be completed soonest.</p>
2021	<p>14 May 2021: the significant resolution was the approval on the registration of a subsidiary to operate online platform business, namely SoMeWa Plaza Company Limited (SoMeWa), in which the Company holds 75% of the shares and was successfully registered on 14 June 2021 with the initial registered capital of THB 2 million. At present, its commercial income is not yet recognized because it is in the development of platform.</p> <p>2 June: the Company issued and allocated warrants to purchase the Company's ordinary shares for the 4th time (ECF-W4) to existing shareholders, 191,894,988 units were allocated. The said warrants are valid for 3 years, ending on 2 June 2024, with the exercise ratio of 1 unit of warrant per 1 ordinary share to be purchased, with an exercise price of THB 2 per 1 ordinary share of the Company.</p> <p>23 December 2021: The Board of Directors had a resolution to approve the registration of an additional subsidiary to operate the business of agriculture and crop distribution. This Company is c. The Company will be the major shareholder in the proportion of 99.97%. At present, its commercial income is not yet recognized because it is still in the initial stage of investment.</p>
2022	<p>VV Rich Company Limited completed its registration with the Department of Business Development on February 10, 2022.</p>
2023	<p>ECF Design Company Limited completed its registration with the Department of Business Development on July 27, 2023. Its primary operation involves distributing furniture products overseas, with a registered capital of 7,000,000 baht distributed among 70,000 common shares, each with a par value of 100 baht. In accordance with a joint venture contract dated June 20, 2023, with Homy Casa Inc., a California-based company in the USA, this company emerged as a result of a joint investment. It operates as a prominent furniture distribution business operator overseas. The signing of the aforementioned joint investment contract was approved during ECF's Board of Directors Meeting No. 2/2023, held on April 7, 2023.</p>

1.1.3 Use of Funds

(1) Use of fund from each equity or offering of debt securities

Use of Fund	Approximate amount spent	Estimated spending period	Details/Progress of spending
Bonds			
1. The Company's Debentures No. 1/2022, Series 1, 2, and 3 are due for redemption in 2023, 2024 and 2025, respectively, with the issuer retaining the right to redeem the debentures before the maturity date			
1) To repay ECF226A debentures in the amount of THB 290.55 million, due on June 12, 2022.	THB 650 million	By 2022	Already spent funds for intended purpose
2) To exercise the right to redeem ECF231A debentures on July 25, 2022, in the amount of THB 225 million.			
3) To repay the loan in the amount of 200 million baht.			
4) To be used as working capital of the Company in the amount of THB 134.45 million.			
2. The Company's Debentures No. 1/2023, Series 1 are due for redemption in 2024, with the issuer retaining the right to redeem the debentures before the maturity date ('Debentures, Series 1')			

Use of Fund	Approximate amount spent	Estimated spending period	Details/Progress of spending
1) To repay ECF236A debentures in the amount of 200 million baht 2) To repay ECF23DA debentures in the amount of 60 million baht 3) To repay the loans of the Company and its subsidiaries 4) To be used as working capital of the Company	300 Million Baht	By 2023	Already utilized funds as the purpose
3. The Company's Debentures No. 2/2023, Series 1 are due for redemption in 2025, with the issuer retaining the right to redeem the debentures before the maturity date ('Debentures, Series 1')			
1) To repay ECF23DA debentures due for redemption on December 8, 2023	256.50 Million Baht	By 2023	Already utilized funds as the purpose
Equity Instruments			
Warrants to purchase ECF's ordinary shares No. 4 (ECF-W4)			
1. To be used in purchasing assets or investing in businesses related to current business operations	From the date of ECF-W4 issuance and offering until the present, no one presented the consent to exercise the right of converting the warrants to be ordinary shares.		
2. To be used in purchasing assets or investing in businesses not related to current business operations			
3. To repay the loan or debt from the issuance of bonds			

(2) Applicable Laws

The terms and conditions of the issuance and offering of debt securities shall be governed by and construed in accordance with Thai laws, and any laws or announcements that are legally applicable to the debentures.

1.1.4 Key Financial Terms

- The Company's Debentures No. 1/2022, Series 1, 2, and 3 are due for redemption in 2023, 2024 and 2025, respectively, with the issuer retaining the right to redeem the debentures before the maturity date

The bond issuer will maintain the ratio of "Interest-Bearing Debt" to "Equity Ratio" for not more than 4:1 (four to one) according to consolidated financial statements at the end of quarterly accounting period or the end of fiscal year of the bond issuer for the purposes of calculating this ratio as specified.

- The Company's Debentures No. 1/2023, Series 1, 2, and 3 are due for redemption in 2024, 2025 and 2026, respectively, with the issuer retaining the right to redeem the debentures before the maturity date

The Company will maintain the ratio of Interest-Bearing Debt to Equity Ratio as definition specified in entitlement terms for not more than 4:1 according to consolidated financial statements at the end of quarterly accounting period or the end of fiscal year throughout the life of bonds.

- The Company's Debentures No. 2/2023, Series 1, 2, and 3 are due for redemption in 2025, with the issuer retaining the right to redeem the debentures before the maturity date

The Company will maintain the ratio of Interest-Bearing Debt to Equity Ratio as definition specified in entitlement terms for not more than 4:1 according to consolidated financial statements at the end of quarterly accounting period or the end of fiscal year throughout the life of bonds.

1.1.5 General Information of East Coast Furnitech Public Company Limited

Company's name in Thai	:	บริษัท อีสต์โคสต์เฟอร์นิเทค จำกัด (มหาชน)
Company's name in English	:	East Coast Furnitech Public Company Limited (ECF)
Head Office Location	:	37/9, Moo 10, Banbueng — Klaeng Road, Thang Kwian Subdistrict, Klaeng District, Rayong Province, 21110 which is the Head Office used as a factory for the production and self-assembled furniture made of particleboard and MDF wood.
Branch Office Location		
Branch 1	:	No. 29/1, Moo 3, Soi Chongko — Chunnumnai, Wang Chan Subdistrict, Wang Chan District, Rayong Province, this branch is used as a factory for furniture manufacturing and assembly, sawmill for rubber wood and dried rubber wood, and production of foil paper using as a raw material furniture manufacturing
Branch 2	:	No. 25/28, Moo 12, Bueng Kham Phroi Subdistrict, Lam Luk Ka District, Pathum Thani Province 12150, this branch is used as a general management division and a warehouse.
Type of business	:	Manufacturer and distributor of self-assembled furniture made of particle board and MDF wood, rubber wood furniture, foil paper to be used in furniture manufacturing, production and distribution of dried rubber wood, distribution of furniture through websites, online platforms; and PVC trim cutting services, investment in solar power plant business, and agriculture and crop distribution business.
Registered company/ TAX ID	:	0107555000449
Date of registration	:	October 12, 1999 as the Limited Company Later as of October 18, 2012, the Company has registered and transformed into Public Company Limited and changed the name to East Coast Furnitech Public Company Limited (ECF).
Securities Symbol	:	ECF
Registered Capital	:	239,871,897.50 Baht which has been divided into 959,487,590 ordinary shares at a par value of 0.25 Baht
Paid-up Capital	:	239,876,397.50 Baht which has been divided into 959,505,590 ordinary shares at a par value of 0.25 Baht per share
Telephone Number	:	+66 38-675-181-4, +66 2-152-7301-4
Fax Number	:	+66 38-678-220, +66 2-152-7305
Home Page	:	www.eastcoast.co.th

1.2 Nature of Business

1.2.1 Revenue structure

1. The revenue structure is classified by type of product and profits from investments in associated companies.

Product Groups	2021		2022		2023	
	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%
1.Furniture	1,495.38	93.41	1,372.24	93.82	1,337.49	94.35
2. Other products such as foil paper, dried rubber wood, PVC for the edge of wood.	54.03	3.38	46.68	3.19	37.01	2.61
Net sales revenues	1,549.41	96.79	1,418.93	97.01	1,374.50	96.96
Others Revenues ^{1/}	51.40	3.21	43.66	2.99	43.03	3.04
Total revenue	1,600.80	100.00	1,462.59	100.00	1,417.53	100.00
Profits from investments in associated companies and joint ventures	32.42		28.20		16.61	

Note: ^{1/} Other revenue includes sales of waste and residue from production, interest receivable, profit from sales of non fixed assets and others.

2. Revenue structure categorized by domestic and overseas distributions

Distribution Channels	2021		2022		2023	
	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%
1. Domestic distribution	599.51	38.69	712.47	50.21	820.53	59.70
2. Overseas distribution	949.90	61.31	706.46	49.79	553.97	40.30
Net sales revenue	1,549.41	100.00	1,418.93	100.00	1,374.50	100.00

1.2.2 Product Information

Furniture Manufacturer and Distributor

The business operated by East Coast Furnitech Public Company Limited, VV Decor Company Limited and ECF Holdings Company Limited as subsidiaries in which the Company holds 99.95% of shares, and 94.44% of shares, respectively.

East Coast Furnitech Public Company Limited (ECF) is a manufacturer and distributor of self-assembled furniture made of particle board and MDF, rubber wood furniture, foil paper, dried processed rubber wood to be used as raw materials for furniture production and providing PVC trim cutting services to be used as raw materials to produce particleboard furniture.

The Company has 2 subsidiaries is VV-Décor Co., Ltd. is of which the company holds 99.95 percent of the registered capital. It has registered capital of 1,000,000 Baht with fully paid-up. It operates its business as trading of foil paper to become a distributor of foil paper, mainly for use in covering particleboard sheets for some of the Company's customers.

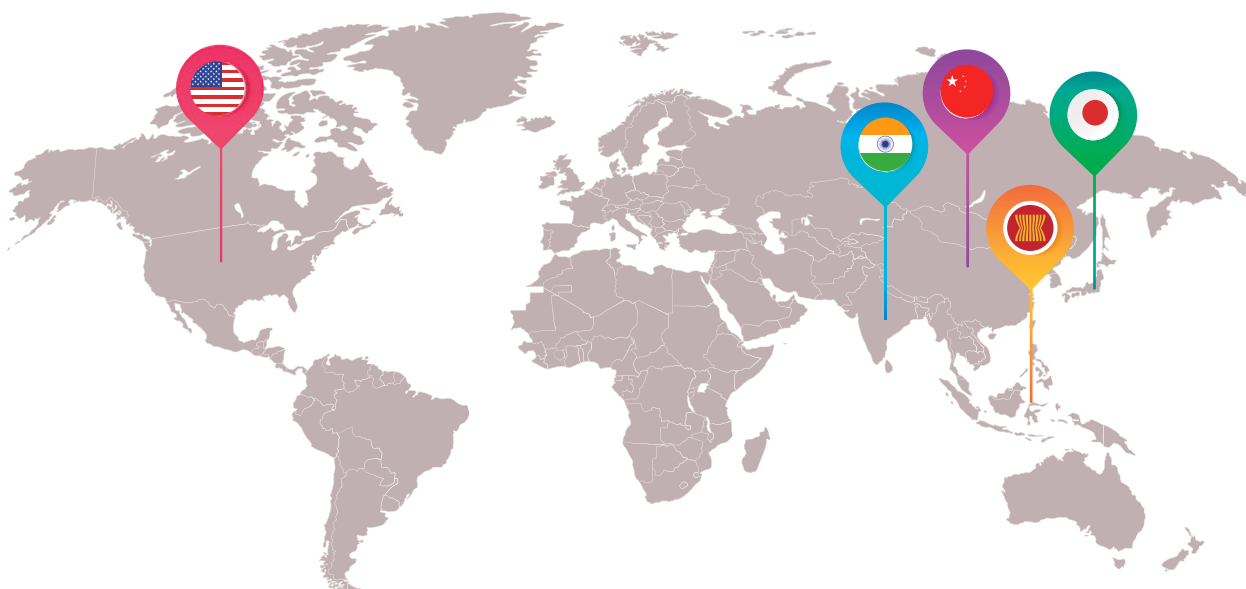
Additionally, ECF Holdings Company Limited (ECFH), currently the Company holds 94.44% of shares with a registered capital of THB 45,000,000 (forty-five million baht only) in it, which is fully paid up. At present, the Company operates business as a distributor of furniture products, which is the main product for some of customers in retail and wholesale stores nationwide.

Product line of ECF and its subsidiaries can categorize into 4 types which are related to Furniture:

1. Rubber wood furniture
2. Self-assembled furniture made of particle board and MDF
3. Foil paper
4. Dried rubber wood

Most of the Company's revenue comes from the manufacturing and distribution by order or made to order, such as self-assembled furniture made of particle board and MDF wood, and rubber wood furniture, for both domestic and foreign customers. In case of some domestic customers, the Company will manufacture by using its brand, domestic customers are Hypermarket stores such as Home Pro, Winner, Global House, Do Home, Thaiwasadu, Lotus, and Big C, etc.

Oversea customers are made-to-order customers who are various furniture distributors and large hypermarket companies in Japan. Revenue from sale is mostly from Japan consisting of 21.43 % of total sale revenue. However, the Company is well aware of the customer proportion that relies on customers in Japan. In the past, the Company has focused on expanding its international customer base to other countries and the result has been realized since the 4th Quarter of 2019 with the increasing orders from new customers in India, USA, Middle East, and Philippines as well.



The following proportion of revenue is the revenue from domestic manufacturing and distribution, which is mostly 'made to order' under the customer's brand, while fewer remaining will be the production by using the Company's current brand, Hasta.

Domestic customers hiring the Company to produce products by using the Company's brand are Hypermarket stores such as Home Pro, Winner, Global House, Do Home, Thaiwasadu, Lotus, and Big C, etc.

In addition to the distribution channels mentioned above, the Company also has income from selling furniture to wholesalers and retailers (Dealers) who distribute furniture throughout the country, and selling through online channels, websites and platforms such as Lazada, Shopee, NocNoc, etc.

Company's Brands

Brands	Symbol	Distribution Channel
Hasta		Used for selling self-assembly furniture for customers in Modern Trade stores.

(1) Product or service characteristics and business innovation development

Main 4 products of ECF started from the beginning of business operations as a rubber wood sawmill in which the rubber wood shall be dried and lumbered to rubber wood plate as a raw material for ECF's furniture manufacturing while some portions shall be sold to other furniture manufacturers or general customers. For self-assembled furniture made from particle board and MDF wood, which generates main revenue for the Company, raw materials shall be purchased from suppliers who are not all with connected transactions. All purchased particle board shall be finished with foil paper which was manufactured by the Company. Most foil papers shall be utilized internally with only some portions for sale. Finishing particle boards MDF shall then enter the manufacturing process. Moreover, some parts are outsourced to be sold in distribution channels such as wholesale stores and retail stores nationwide.

Details of each product are as follows:

1. Dried rubber wood

Rubber wood is a wood with many physical qualities similar to teak such as beautiful pattern, dyeable, easy to decorate on wood, light weight and cheaper price when compared to other types of wood used to produce furniture. With such good properties, rubber wood is popular among people around the world in short time under the name of “White Teak”. Presently, rubber plantation trees are generally harvested for wood after they complete the latex producing cycle, when they are old. After the latex yields become extremely low, the trees are then fell, and new trees are usually planted in accordance with the natural cycle of rubber tree farmers. According to Office of the Rubber Replanting Aid Fund's regulations, rubber farmers must request for approval to cut rubber trees down and be approved by the Office of the Rubber Replanting Aid Fund before taking the rubber wood into lumbering process. The process starts from sending woods to sawmill for chopping them into desired size, then dipped into soluble wood preservatives, causing high water contents in wood and requiring to adjust the moisture level to be balanced with weather condition by drying to maintain wood shape to prevent the problem of wood stretch or shrinkage which may cause the problem of cracking, splitting or warping, such problems shall make product damaged. Additionally, the decrease of wood moisture process will minimize the opportunity of fungus. Therefore, lumbered rubber wood is necessary to have moisture level which is appropriate to the standard criteria, then it can be further used to produce furniture.

Lumbered rubber wood is an important raw material for rubber wood furniture manufacturing and ECF has complete lumbering process before supplying them into the production process of rubber wood furniture.

The first step is purchasing the rubber timber for sawing before having them dried. ECF plans to purchase the rubber wood in each cycle to avoid the shortage which may cause interruption in the manufacturing process.

Experience and expertise are significant in the manufacturing process, starting in the sawmill, timber will be sawn at a specific size then impregnated by water solution then adjusted the moistness by drying to avoid the shrinkage or stretch which may cause cracking, splitting or warping. Moistness reduction with high pressure also protects the wood against fungal and insect attacks so that the rubber wood is standardized and ready for furniture manufacturing. Sawing rubber wood is different than other woods as the timbers are usually curved as well as there are many joints and flaws so automatic sawing cannot be applied.

95% of lumbered rubber wood shall be forwarded to ECF's manufacturing process while the remaining shall be sold to general customers or small rubber wood manufacturers.

Lumbered rubber wood and dried rubber wood



2. Rubber Wood Furniture

Rubber wood furniture is strong furniture as it is built from real wood. Main raw materials are rubber and other woods which are 35% of the cost structure but this percentage varies according to the market price of rubber wood.

Due to its durability, strength and beautiful pattern & line, dyeable and easy to decorate with properties suitable to the function which need durability to environment or application outside the building, rubber wood furniture is popular for outdoor usage or customers who live in fluctuating climate areas. When compared to particle board furniture/MDF, the rubber wood furniture's price is more expensive due to raw material price and the trend to use real wood furniture, therefore, the popularity of rubber wood furniture is for niche market only, it is not

popular big group of consumers. Such niche target group will consider the appropriateness of properties in using rubber wood furniture and its niceness, additionally there is no any other products with similar properties to suitably replace this rubber wood furniture.

ECF's rubber wood furniture is categorized into 3 groups as follows:

Category	Product Type
1	Dining Table
2	Living Room
3	Bedroom

Sample pictures of furniture products



Sample of Dining Set (Some pieces of furniture in the set are made from rubber wood)



Sample of Living Room (Some pieces of furniture in the set are made from rubber wood)



Bedroom Products

(Some pieces of furniture in the set are made from rubber wood)

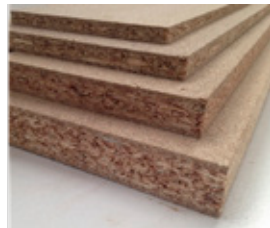
For the rubberwood furniture, the Company will produce and sell to foreign customers based on made to order, main customers include furniture dealers and hypermarket stores in Japan, and production for distribution to retail stores and dealers nationwide.

3. Self-assembled particle board and MDF furniture

Self-assembled particle board and MDF furniture is a modern furniture, its main raw materials used in production are Particleboard and MDF, accounting for approximately 50% of the production cost structure of self-assembled furniture made of particle board and MDF wood, followed by foil paper for approximately 10%, in which the proportion will depend on the prices in each period.

Particle board is made of crushed rubber and other wood then packed with urea formaldehyde resin. The up and down layer is fine wood chips while the middle layer is rough wood chips. Consequently, the particle board cannot be attached with nails or surface or edge decorated. Most particle board size is 4 x 8 feet with the thickness from 6 - 35 millimeters

Particle Board



Particle board is the lightest board in fiber boards and with less strength to MDF board and other hard woods. Moreover, particle board will expand easily when exposed to the moistness. However, particle board is popular for interior usage as it has light weight, cheap and easy to move. In addition, particle board is environmental-friendly as no hard woods in the forest shall be cut down.

Particle board manufacturing process is easier as most process is done via machines and it requires less time when compared to hard woods furniture manufacturing. Therefore, the lower production cost is the main advantage.

If comparing the process of hardwood furniture or real wood furniture manufacturing, it will consist of sawing, dipping of preservative, cutting, assembling, polishing, painting, and wood coating, each process requires a lot of workers for production to obtain more elaborate and time-consuming work in each production step. The Company then focuses on the increase of production capacity for particle wood furniture by adding modern semi-automatic machine to the production in order to reduce labor costs, increase efficiency and effectiveness to the production.

Product of self-assembled furniture made of particle board/ MDF can be categorized into 7 types and each type will be categorized by the product model as follows:

Type	Product
1.	Multi-purpose shelves
2.	Multi-purpose cabinet/showcase
3.	Wardrobe
4.	Computer desk/working desk
5.	Television cabinet
6.	Shoes cabinet
7	Dressing table, Bed



Sample of self-assembled furniture made of particle board/MDF products

For self-assembled furniture made from particle board and MDF wood, ECF will manufacture and sell to these customers by classifying as follows:

1. Made-to-order for overseas customers. They are mainly furniture distributors and large hypermarket in Japan, India, USA., Middle East, and Philippines .
2. Manufacturing and distribution for domestic customers by using house brands for selling at Home Pro, Winner, Global House, Do Home, Thai Watsadu, Lotus's, and Big C. In addition, the Company has used its brand "Hasta", for furniture manufacturing for some customers.
3. Manufacturing and distribution to domestic customers who are wholesale shops and retail stores nationwide.



Samples of furniture made from rubberwood and particleboard/MDF
to be sold to domestic customers under House Brand

4. Foil Paper

ECF produces and sells foil paper which is used in coating the particle board for fine looking and ready for furniture manufacturing. Foil paper can be designed in various paints such as hard wood, cartoon, graphic or by order. The hard wood style is suitable for fiber board due to easy production with low cost although its weaknesses are low resistant to moisture. However, its properties are suitable for some functions which are not required of durability. Therefore, particle board furniture's price has more advantage than general hard wood furniture. All particle board purchased from manufacturers shall be coated with foil paper in ECF's factory for cost reduction when compared to ordering foil paper from outside. In addition to the use in the production process of the Company, ECF also sells foil paper to general customers and some shall be sold through VV-Décor Co., Ltd (VV-Décor) as ECF's subsidiary held by ECF total 99.95% of registered capital. At present, 40% of foil papers are sold to general customers.



All characteristics of the products mentioned above will be operated by East Coast Furniture Public Company Limited ("the Company" or "ECF"), ECF Holdings Company Limited and VV Decor Company Limited, subsidiaries in which the Company is holding 94.44% and 99.95% of shares, respectively, all three companies have a current nature of business involving furniture.



Samples of Foil Paper manufactured and distributed by the Company

Renewable Energy Business

The business operated by ECF Power Company Limited as a subsidiary in which the Company holds 99.99% of shares.

Solar Power Plant

Solar Power Plant Project sized 220 megawatts in Myanmar

During 2017, the Company expanded its investment in solar power plants with the total installed capacity at 220 MW and has a capacity of 170 MW for Green Earth Power (Thailand) Co., Ltd. ("Minbu Power Plant Project" or "GEP") located in Minbu City, Magway District, and Republic of the Union of Myanmar ("Myanmar"). ECF Power Co., Ltd. ("ECF-P"), a 99.99% subsidiary of the Company, invested to buy shares of this project in the portion of 20%, the Company purchased the existing ordinary shares of GEP for 51,512 shares or representing 20% of GEP's total paid-up shares, as approved by the Extraordinary General Meeting of Shareholders No. 1/2017 held on 31 May 2016, with value of USD 9 Million.

GEP's current registered capital is THB 2,252.72 million, consisting of 22,527,163 ordinary shares at a par value of THB 100, and registered and paid-up capital of THB 1,171.12 million, consisting of 22,527,163 ordinary shares in total with a par value of THB 100 (consisting of 10,806,478 ordinary shares, fully paid, 10,196,996 ordinary shares, paid-up THB 56.72 per share and 1,523,689 ordinary shares, paid-up THB 38.13 per share).

GEP has one subsidiary namely GEP (Myanmar) Company Limited ("GEP-Myanmar"), which is the sole investment in GEP-Myanmar, and does not hold shares in any other company. GEP-Myanmar is registered as a Myanmar company with a registered capital of \$500 million, divided into 500,000,000 ordinary shares with a par value of USD 1 each, consisting of paid-up registered capital at USD 104,357,425

GEP holds 100% of total shares in GEP-Myanmar, which the capital in GEP-Myanmar is all paid-up, its objective is to operate the business in developing and managing solar power plant project in Myanmar with a total installed power generation capacity of 220 MW, and the contracted power generation capacity is 170 MW. The project will be ended on 26 September 2049, totaling 30 years.

At present, the Phase 1 started the commercial operation date (COD) on 27 September 2019 with a capacity of 50

megawatts from the total capacity of 220 megawatts. The construction has been divided into 4 phases and currently, the solar power plant Phase 2 with a capacity of 50 megawatts is under construction, while Phases 3 and 4 will have a capacity of 50 and 70 megawatts, respectively, all four phases will be complete by 2024 - 2025. However, the project has resumed its construction as usual after COVID-19 situation and political unrest situation in Myanmar become better. For the latest progress of Phase 2 construction project, now the soil work to prepare the site ground is almost complete, while some tools and equipment installed have been tested under the collaboration with the manufacturer, and is preparing to deliver for further installation.

The total project value of Minbu Power Plant is approximately USD 250 million, including the cost of contractor under the Engineering, Procurement and Construction (EPC) contract, consultancy cost, insurance premium, loan financing fee, financial costs during the construction and other expenses in project development, one part will be the loan from financial institutions, and shareholders' equity. Presently, GEP/GEP-Myanmar is negotiating a loan for 4 phases with Chinese financial institution and at present, the Indicative Term Sheet is provided by the said financial institution, indicating the loan amount at 85% of the Engineering, Procurement and Construction (EPC) contract, which is still a preliminary figure and has not yet been finalized. The project is currently under review for presentation to the Board of Directors of a Chinese financial institution. This stage is ongoing and has not concluded. It is anticipated that the loan will become available for the 2nd phase of the project's construction between the second and third quarters of 2024.

Each shareholder has an obligation to pay the remaining shares in 2023 and ECFP has an obligation to increase its capital in GEPT for approximately THB 101.45 million (as of 30 September 2023, ECFP gives loan to GEPT in an amount of THB 98.50 million, which will be converted from debt to equity in the future; therefore, the capital increase for ECFP will remain approximately THB 2.95 million) (the amount after the capital increase in all 4 phases may slightly differ from the capital increase projection at the exchange rate on the date of capital increase).

GEP-Myanmar entered into the Power Purchase Agreement (PPA) with Electric Power Generation Enterprise (“EPGE”) (previously, Myanmar Electric Power Enterprise) which is an organization under the Ministry of Electricity and Energy of Myanmar. Main content of agreement is to develop, construct, seek for fund source, manage and administer, maintain and transfer of business, EPGE will purchase electricity from the solar power plant project with install production capacity of 220 MW or the ratio of maximum power purchase at 170 MW, the plant is located in Minbu City, Magway District, Myanmar, for 30 years from the Commercial Operation Date (“COD”) of the Phase 1 project from total 4 phases. The rate of power price is fixed at 0.1275 USD per unit throughout the term of PPA including the renewal of PPA which may be occurred. The power generation will be divided into 4 phases based on the maximum ratio of power generation which will be generated in each phase as follows:

- **Phase 1** Maximum trading ratio: 40 MW (alternating current) from installed production capacity of 50 MW.
- **Phase 2** Maximum trading ratio: 80 MW (alternating current) from installed production capacity of 100 MW.
- **Phase 3** Maximum trading ratio: 120 MW (alternating current) from installed production capacity of 150 MW.
- **Phase 4** Maximum trading ratio: 170 MW(alternating current) from installed production capacity of 220 MW.

The Power Plant Project in Minbu has been approved for the investment proposal and the investment permit, or known as the “MIC Permit” is also issued by the Myanmar Investment Commission (MIC) from the meeting No. 5/2017 on 13 March 2017. The said permit is dated 12 April 2017. Any foreign investor wishing to directly invest in Myanmar is required to obtain a MIC Permit, the privileges can be summarized as follows:

- Privilege in long-term land lease with a maximum lease term of 50 years, depending on the type and size of investment. The contract can be renewed for 10 years at a time for 2 times, a total land lease term is up to 70 years. (Note: Foreign investors are not entitled to own land but can rent land from the Myanmar government and private sector in the long term);
- Exemption of income tax for 5 consecutive years starting from the year starting business operation;
- Permission to hire foreign experts or technicians;
- Guarantee by the Myanmar government that the business authorized by the Board of Investment (MIC) will not be suspended before the expiration of the permitted period; without proper reason;
- Guarantee by the Myanmar government that there will be no nationalization on the private assets throughout the investment period.

The key points of the Power Purchase Agreement can be summarized as follows:

Contract Date:	20 March 2016 and the amendment dated 9 January 2017 and the amendment dated 19 December 2018.
Contract Parties	Buyer: Electric Power Generation Enterprise (“EPGE”) Seller: GEP (Myanmar) Company Limited (“GEP-Myanmar”) as a subsidiary of GEP
Electricity Purchase Rate	The electricity purchase rate is USD 0.1275 per kilowatt-hour.
Electricity Purchase Volume	<ul style="list-style-type: none"> • EPGE will purchase the net amount of electricity that GEP-Myanmar can actually produce and send into the system, the capacity is up to 105% of the net amount of energy expected to be produced under the contract. • In case whenever the Power Plant in Minbu can generate electricity more than 105% of the net amount of energy expected to be generated under the contract, EPGE will take all such net surplus energy into the system without payment for such surplus amount.
Purchase Period	30 years from the Commercial Operation Date of the Power Plant Project in Minbu Phase 1.
Commercial Operation Date (COD)	27 September 2019, Phase 1, with capacity of 50 megawatts
Contract Termination	In case GEP-Myanmar fails to comply with any provision in the contract within a period of 90 days (except the case of non-compliance with the Commercial Operation Date, the period will be extended to 240 days.) EPGE can notify GEP-Myanmar to take corrective action. If the correction is not completed, EPGE is entitled to terminate the contract.

The Minbu Power Plant Project is located at the north-west of Nay Pyi Taw Capital City about 150 kilometers or 199 km by car in about 4 hours. The project area approximately 836 acres (equivalent to 2,113.38 rais) is located on the leased area, which is sufficient for the construction of all 4 phases of Minbu power plant project, the term of lease right for this area is equal to or more than the term of Power Purchase Agreement. The leased space of 700 acres is located inside AVA Capital Trading Company Limited (“AVA Capital”) and this area is under the supervision of Ministry of Agriculture, Livestock and Irrigation (MOALI). GEP-Myanmar will lease from AVA Capital but the lease right of 136-acre space will be under GEP-Myanmar. Such area is under the supervision of the Ministry of Natural Resources and Environment (MONREC).

Technology used for Power Generation

The Minbu Power Plant Project is a solar power plant project that utilizes solar cell technology or photovoltaics method which directly converts solar energy to be electricity by using solar cells or photovoltaic cells (PV) and major equipment for production process as follows:

1. Solar Panel
2. Inverter
3. Transformer
4. 230 kV Substation Equipment

When sunlight falls on solar panel, it will produce electricity carrier to generate DC Power, after that, solar energy in the form of DC Power will be transmitted to an inverter that converts DC Power to be AC Power. Such AC Power will be passed to the transformer to increase the voltage to the appropriate level for the power plant which will supply power into transmission line of national grid line. In this project, the AC Power from the inverter will be gathered by 33 kV-sized transformer, switchgear and distribution systems. Such electric current will be increased of voltage to be 230 kV by four 230 - 33 kV-sized step-up transformers to supply power into transmission line of national grid line. The construction of main line of 1.3 mile (or 2.1 km) is completed and is connected to the national grid line.



Solar Power Plant Project at Minbu City, Myanmar , Phase 1, size 50 megawatts



Solar Power Plant Project at Minbu City, Myanmar , Phase 2, size 50 megawatts - under construction

Wood-Based Panel Manufacturing and Distribution Business

Planet Board Company Limited ("Planet"), The objective of Planet establishment is to manufacture and distribute wood-based panels i.e. MDF Board. Planet Board Company Limited completely registered its establishment on 19 December 2017.

However, Planet is now in the process of postponing investment in the project because the cost of timber is increasing, the demand for wood used for generating power in biomass power plant project in the area is under consideration about the procurement for the investment in the project. These events had a significant impact on previously considered return on investment figures, as well as the impact of COVID-19 situation that has occurred in the past., the Management and the Planet working team are under the process of considering an optimal solution for the feasibility to continue the PLANET business.

Online Platform Business

SoMeWa Plaza Company Limited (Somewa), as a subsidiary in which the Company holds 75% of shares, has the objective to provide online platform services for the Company's distribution of furniture products and other products that will be added in the future.

At present, the development of platform is under process and has not yet been completed, and Somewa Plaza Company Limited has no commercial revenue at this moment.

Agriculture and Crop Distribution Business

At present, a newly established subsidiary for the agriculture and crop distribution business is V.V. Rich Company Limited, in which the Company will hold 99.97% of the shares. Because it's a farming venture, it necessitates a lengthy setup phase, encompassing careful investment planning amidst the current economic climate. At present, the Company is in its initial phases, eagerly anticipating the launch of operations to begin generating revenue.

Investment in Furniture Product Distribution Business in Foreign Countries

Currently, ECF Design Company Limited, a subsidiary, was founded with the aim of investing in the distribution of furniture products in foreign countries. The Company holds a majority stake of 50.9970%, while Homy Casa INC. holds 49%. It was established with an initial registered capital of 7,000,000 baht, distributed among 70,000 common shares with a par value of 100 baht each. Operations are underway, and the company anticipates generating commercial income in the first quarter of 2024.

For research and development in the field of being a manufacturer and distributor of furniture of the Company, which happened in the year 2023, the Company has started to develop various innovations to adjust the new production strategy with the machinery and equipment currently used. The production line has been adjusted to respond to demand and customer ordering patterns. This is to reduce time, costs, and the number of laborers in production to be in line with the improved production line.

In addition, the Company has also developed cooperation with trading partners such as corrugated box manufacturers by taking the innovation of machinery used in box production to be more modern, reduce costs, and reduce waste, such as the production of molded blocks. That is left only a digital design that could be printed from a file so that it will help reduce the amount of waste in the environment, including reducing the cost of ordering the company's products. Furthermore, the Development will focus on how to find ways to reduce product packing costs, such as reducing the use of foam in production that could make it happen.

The above development guidelines are to create sustainable development guidelines in the company's production process, together with helping to reduce environmental impacts. In the year 2023, the company had expenses for such operations of approximately 0.18 million baht.

Furthermore, in 2023, the Company has further developed to diversify the investments, look for opportunities to continuously grow in business overview from 2021. Presently, the online business platform and agricultural crop planting and distribution business are in beginning stage and have no commercial revenue in 2023, the problems of war, inflation, higher oil cost and higher cost of living have also caused the Company to carefully consider the investments in new projects. If the aforementioned situations become better,

In 2023, the Company ventured into a joint partnership with Homy Casa Inc., a California-based company in USA, renowned for its leadership in furniture distribution internationally. Concurrently, it formally established a new subsidiary, ECF Design Company Limited, aimed at seizing growth prospects in furniture exportation. Leveraging seasoned operators, an established customer base, and a widespread warehouse network, the company anticipates commencing revenue generation in the 1st quarter of 2024.

ECF will consider accelerating investments in approved projects and may expand into new projects that can quickly generate returns with low risk and not high investment in order to find a way to continuously develop to meet the needs of stakeholders and be prepared to cope with economic, social and environmental changes. This will lead to increasing the Company's opportunities and competitiveness.

(2) Markets and Competitions

Marketing

1. Product

In 2023, ECF has maintained the policy to develop new products that can respond to more needs of foreign customers, including Hypermarket stores, which are major domestic customers. ECF has focused on expanding the product market by acknowledging the needs of customers in the market, the changing demand for products, product design under the collaboration with customers and introducing new products that can meet the needs of customers in modern era for further consideration.

In starting each production of furniture, there are 2 patterns as follows: the 1st pattern is the drawing of product is proposed by customer, the Company will consider whether it can be produced or not, the pricing, possibility of gross profit setting and distribution as desired after negotiation with customers; and the 2nd pattern is the design of product is proposed by the Company's designer team to customers, most customers requiring the Company to design are Hypermarket such as Home Pro, Winner, Global House, Do Home, Thaiwasadu, Lotus, and Big C.

The Company will present new furniture styles to customers for consideration and decision of ordering

for production and distribution. Our design team will work with the production planning team, which will be the team analyzing what kind of materials is required for production, the difficulty in production, and details of costs including the selling price can be determined according to the preset margin or not. Once the selling price is obtained, the Marketing Department will be coordinated to propose the price to customer for conclusion until receiving the order from customers. At present, the proportion between the 1st pattern and 2nd pattern accounted for 80% and 20%, respectively, the Company aims to expand the proportion of the 2nd pattern, and also aims to add values for the products designed and manufactured by the Company. In addition, the Company has also emphasized the development of new product models in compliance with the changing trend at that time.

Later, when the product model is ready for production, the Company will send the molded sample of model for testing at the Department of Industrial Promotion, Furniture Industry Development Section, to test the durability, functional quality, vertical and horizontal load testing according to the given standards, stand strength testing, bearing capacity testing of cushion, etc. every model of products to be manufactured for export must pass all the aforementioned testings, but in case of Japanese customers, at present, they will directly test the new product samples by themselves. Every pieces of furniture will be carefully manufactured by the Company from the beginning of the production process, choosing quality raw materials, until controlling the production quality from the first step to the last step, with following details:

- Rubber wood furniture: starting from buying timbers from distributor who will gather woods from the rubber plantation and deliver to the factory, the woods must be of the specified size and quality. After obtaining timbers as specified quality and size, they will be taken into the process of sawmill and drying plant. the Company has experience in this production process since 1992 and it is considered the beginning of the Company's business operations. With the accumulation of knowledge and experience, the Company could obtain quality processed rubber woods to be used for further processing of rubberwood furniture, and

in the production of rubber wood furniture. The Company has focused on the technology used in production by investing in semi-automatic machines including machines for cutting, woodturning, drilling, which are controlled by a computer program, with high precision (CNC) to increase the ability in controlling the quality of products and help reduce the problem of reliance on skills of workers in production. However, every step of production process must pass the inspection of product quality before sending to next step of production in order to obtain products with quality as standards.

- Self-assembled Furniture made of Particleboard/MDF wood: starting with selecting a quality particleboard supplier, the particleboards must be mainly made from chips of rubber woods, which are the best quality wood comparing to particleboard made of other types of wood chips, and the rubber wood has white color which can be covered with light colored foil paper so that the color of woods will not contrast with the color of foil paper. In addition, the Company has selected the high-quality and environment-friendly glue used to cover the foil paper, which is more expensive than other glues from general manufacturers. In addition, the Company also has a strong point in the framing joints which are all manufactured to export to Japan, there are few factories capable of producing framing joints in Thailand because it requires experience and expertise. The advantages of framing joints are the use of particleboard and MDF in forming the frames for furniture manufacturing, the products will be lightweight and easy to assemble. The Company has invested in technology used in the production by purchasing semi-automatic machines including machines for cutting, woodturning, drilling, which are controlled by a computer program, with high precision (CNC) to be separately used in the particleboard furniture factory. The Company's particleboard furniture has additional advantage on cost-saving because the Company is the manufacturer of foil paper for particleboard, resulting in reducing approximately 40% of foil paper cost when comparing to purchasing it from other manufacturers.

Nevertheless, some times the Company obtained a lot of orders for particleboard/MDF furniture, causing the company to outsource other factories to produce for keeping up with orders and product delivery. However, the Company has emphasised the quality control on outsourced products to ensure the standard and quality equivalent to the Company's production. Most of outsourced products are mainly for the distribution through dealers nationwide because the factory production is focused on large-volumed orders or large order with same model in order to optimize cost management and production costs in the factory.

- Foil paper: starting from selecting the paper suppliers, in which the Company will plan and place the orders every 6 months in advance to major paper supplier in Japan. In case that paper supplier could not sell paper to us, we still have paper suppliers in both domestic and international markets, but the disadvantage is the higher purchase price than the major paper supplier. The limitations also include a variety of colors and coating materials used in the production process, The conclusion is that we have paid attention to the use of quality raw materials, modern machines in production, as well as every step of production process, emphasized on quality control and testing of every piece of products. In addition, the Company must pass the final consideration and inspection of the customer representative to obtain the quality certificate. Then, the Company will be able to schedule delivery date and coordinate with the transport company. It can be seen that every step must continuously pass the inspection and quality control of production standards to ensure that furniture products and foil paper manufactured and distributed by the Company are not only beautiful, but also durable, strong and functional; therefore, the Company's products are manufactured with high quality and acceptable standards. Our products have always received great attention and good response from both domestic and international customers.

2. Price

ECF has a pricing policy based on cost-plus margin, where the price calculation components include “Raw Material Cost + Overhead Cost + Selling and Administrative Expenses + Margin”, the competitiveness is an important factor to determine the competitiveness and product pricing.

3. Place

Most of the Company’s revenue comes from the manufacturing and distribution by order or Made to order, by receiving orders from both domestic and foreign customers. At present, the Company’s proportion of sales between foreign customers and domestic customers is approximately 60% and 40% respectively, the Company has targeted the sales proportion between foreign customers and domestic customers at a similar proportion of 50% to reduce the risk of reliance on particular group of customers.

As of 31 December 2023, Made-to-order customers consisted of Japanese customers including major furniture dealers and hypermarket which are accounted for approximately 21.43% of the total sales revenue.

However, none of any customer in Japan places orders exceed 30% of total sales revenue, the Company has focused on the export and Japan is the country the Company exports the most, they have accepted the furniture products of Thailand, and purchased our products for ten years.

The production and distribution to Hypermarket is accounted for approximately 44% of total sales revenue.

The income from the sale of self-assembled furniture made of particle board/MDF and rubberwood furniture in the country is divided into:

1. The revenue from production and distribution of products to Hypermarket, under the Company’s brands and house brands of customers.
2. The revenue from distribution through dealers.
3. The revenue from distribution through online platforms such as Lazada, Shopee, NocNoc, etc.

In production and distribution to each customer in case of Made to order and under the Company’s brands, the Company has never entered into any contracts for sale with customers.

4. Promotion

- The Company has made public relations through the Company’s website www.eastcoast.co.th as a channel to help customers find information, get to know the products and help facilitate more product selection and viewing, it is also a channel for foreign customers to access and contact the Company more easily.

- The Company has regularly made public relations via email to customers and target customers in each period and when the new and interesting product is launched, to present as alternatives to customers and target customers.

- The Company has participated in many exhibitions every year to make customers acquaint with and provide opportunities in expanding customer base, the annual exhibitions we participate in are as follows:

- Participate in trade shows organized by the Company’s customers such as BNB HOME Expo etc.;
- Participate in trade fairs organized by associations and cooperations between organizations such as the Thai Furniture Association, etc.;
- Between November and December in each year, the annual sales event will be organized to clear stocks to return profits to customers at the Head Office Branch 2 located in Bueng Kham Phroi District, Lam Luk Ka Klong 5, Pathum Thani Province, and at warehouse inside the factory located at Head Office, Klaeng District, Rayong Province.

- The Company has made promotion campaign or given discounts to customers such as the annual sales event, promotion on the Company’s anniversary occasion and promotions during important occasions throughout the year, such as Father’s Day, Mother’s Day, New Year’s Day, Songkran Festival, etc.

In addition to the promotion and public relations as mentioned above, the Company has emphasized the participation in international trade fairs to keep track

of the movements of the furniture industry annually, such as trade shows in China, Malaysia, etc., in each year, the Company will schedule business trips to meet foreign customers, follow up on business progress, survey the satisfaction in order to open up opportunities for additional marketing channels, and participate in the entrepreneurship promotion events organized by government agencies for international trade negotiations, etc.

5. Control and Consideration of Customer's Credit

At present, the Company considers giving credit terms to customers, only for customers who have been continuously contacted with. In case of new customer, the credit term will not be granted. Typically, the Company will consider credit terms to customers with their trading business information and make a customer profile. The credit terms provided to domestic customers is ranged from 60 days to 90 days only for hypermarket. The expansion of distribution channels and marketing strategies to increase dealers nationwide has resulted a longer debt collection period, the Company has accelerated the issuance of policies to reduce the risk of debt collection from this group of customers, and put in place strict and appropriate debt collection measures to prevent the risk of bad debt or uncollectible debt at a minimum or acceptable level when comparing to the increasing opportunity for market expansion.

Presently, foreign customers who are continuously purchasing our products must use Letter of Credit, both at sight credit term and T/T prior to the Shipment Date. In case of new customers, they are required to open a Letter of Credit at sight with a reliable overseas bank only to prevent potential trade risks.

The Company has encountered uncollectible debts or bad debts in a very small proportion.

Competition

Competition Situation in Furniture Industry

In terms of market value of furniture industry, based on data as of 2023, when considering the top five listed furniture manufacturers of 2023, entrepreneurs focusing on domestic distribution of furniture products have increased sales revenue from the same period of previous year.

However, since the nature of the Company's business operations has most of revenue from the export of furniture products, the Company has been affected by the outbreak of COVID-19, Russo-Ukrainian War which began in February 2022 affecting fuel prices, production cost, cost of living, and inflation which begun and has affected every country in the world. These factors have resulted in more than 22% decrease in the Company's export revenue in 2022; however, the Company's revenue from domestic sales was increased by approximately 15% in line with the growth direction of other entrepreneurs whose main revenue is from domestic sales.

Top 5 Entrepreneurs in the Stock Exchange of Thailand	Revenue (Million Baht)				%YoY
	2021	2022	2023	difference	
Index Living Mall Pcl.	8,317.14	8,888.86	8,617.36	366.51	4.44
Modernform Group Pcl.	2,376.66	2,395.18	2,525.18	130.00	5.43
East Coat Furnitech Pcl.	1,549.41	1,418.93	1,374.50	(44.43)	(3.13)
Siam Steel International Pcl.	1,731.11	1,919.09	2,246.14	327.05	17.04
Rockworth Pcl.	381.68	609.3	636.43	27.13	4.45

Source: www.set.or.th

The information from the Department of Business Development, Ministry of Commerce, indicates that at present, legal entities submitting financial statements include entrepreneurs in the manufacturing businesses of furniture, wooden furniture, metal furniture, furniture made from other materials (except stone, concrete, or ceramic), and wholesalers of household furniture (as per the latest information available on the website of the Department of Business Development, Ministry of Commerce as of January 29, 2024). Significant details from legal entities submitting financial statements for the year 2022 are as follows:

1. In comparison to 2021's figure of 4,058 legal entities, there has been a rise to 4,215 registered entrepreneurs.
2. The total registered capital has risen to 41,467.36 million baht, marking an increase from the 2021 figure of 39,413.20 million baht.
3. Out of the aforementioned legal entities, the total income amounted to 127,398.50 million baht, marking a significant rise from the preceding year's total income of 42,896.83 million baht. During that period, the net profit stood at 2,992.92 million baht, indicating a net profit to total income ratio of 2.35%.

The aforementioned information indicated that for legal entities that submit financial statements for the year 2022 to the Department of Business Development in the furniture industry, there is still opportunity and potential for overall growth stemming from an increase in the number of registered entities. There has been a significant increase in total income, including profits from business operations, indicating ongoing profitability within the industry.

Information from legal entities submitting financial statements in 2022

Business Type Code		Number of Legal Entities (companies)	Total registered capital (Baht)	Total income (Million Baht)	Net Profit (Million Baht)
31000	Furniture Manufacturing	3	2,000,000.00	-	
31001	Wooden Furniture Manufacturing	845	10,486,226,000.00	24,898.44	251.41
31002	Metal Furniture Manufacturing	179	2,763,920,200.00	7,889.65	170.29
31009	Manufacturing of furniture made from other materials (except stone, concrete, or ceramic)	1,937	19,046,482,059.00	60,858.76	1,661.73
46494	Wholesale of household furniture	1,251	9,168,731,100.00	33,751.65	909.49
	Total Amount	4,215	41,467,359,359.00	127,398.50	2,992.92
	Ratio of Net Profit to Total Income				2.35%

In the group of furniture manufacturers and distributors, there are at least 10 major entrepreneurs who are key players in the industry. If comparing the target customers of such major players with the Company, it was found that they are not the same customer group as the Company, that is, some entrepreneurs operate their business as furniture manufacturers and deliver products to sell in large furniture retailers who sell products under their house brands, and the products will be directly sold to end users, these entrepreneurs are not the Company's direct competitors due to different groups of target customers.

While some entrepreneurs will focus on the production of integrated furniture products covering almost all types of furniture, to be sold through showrooms and real estate project customers. Some entrepreneurs mainly produce furniture as orders from single large retailer. In addition, some of them are furniture manufacturers, but in other types of furniture which are not produced from other material such as steel furniture, attan furniture, plastic furniture, etc.

It can be said that most of entrepreneurs in large retailer group in Thailand is not a direct competitor of the Company due to different groups of target customers.

Considering furniture manufacturers and distributors whose customers are Hypermarket stores, similar to the Company's customers, at present, there are only 4 manufacturers selling products in hypermarket stores,; however, since all these 4 manufacturers are medium to small furniture factories with limited capacity in accepting orders, none of entrepreneurs have sales volume close to the Company's. Additionally, most or 50% of the Company's sales revenue comes from the

manufacturing for sale to foreign customers; therefore the Company has mainly considered foreign competitors, we are currently predicting that there may be only one competitor whose nature of business is similar to the Company's, and located in ASEAN region, and having the same group of overseas target customers, this competitor is HEVEA PAC Malaysia SDN BHD, Malaysia.

In 2023, ECF's situation and competitiveness of the Company are not disadvantage compared to competitors. In addition, the Company could maintain the revenue level without losing any market share, although we have been under various situations in 2023 including war, inflation, cost of living, rising oil prices, and Covid-19 outbreak situation which still exists, the orders placed by foreign customers are considered at an acceptable level. Despite the order volume is not increased, the trading is continued. Considering the market share of both exports and domestic sales in 2023, ECF did not lose any significant market shares.

Furniture Export Situation in 2022

Based on the data from the Department of International Trade Promotion, Ministry of Commerce, it was found that in 2023, an overall export figures of furniture products and parts consisting of wooden furniture, metal furniture, mattress, other furniture and furniture parts was 1,358.15 million USD, representing a lower rate compared to 2022 which was 15.58 %, type of products exported can be divided as follows:

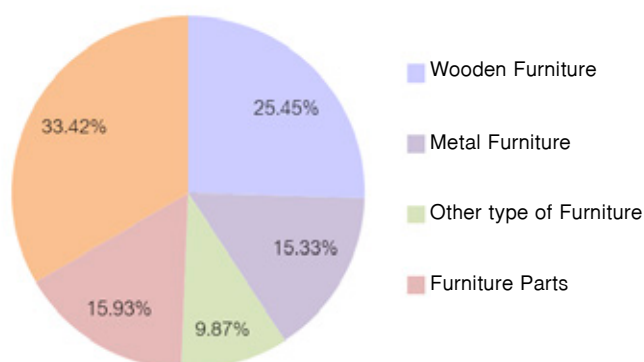
Unit: Million USD

Export	Value: Million USD			Growth rate	Proportion : Percentage
	2021	2022	2023	2023	2023
Furniture & Parts	1,672.99	1,608.84	1,358.15	-15.58%	100.00%
1. Wooden Furniture	510.02	487.41	345.60	-29.09%	25.45%
2. Metal Furniture	265.19	252.81	208.17	-17.66%	15.33%
3. Mattresses	136.68	132.52	134.07	1.17%	9.87%
4. Other types of furniture	323.66	294.86	216.4	-26.61%	15.93%
5. Furniture Parts	437.45	441.24	453.91	2.87%	33.42%

Proportion compared to the total export value of furniture and parts

The value of of wooden furniture export is ranked in No. 1 compared to the export value of all other products and has 29.09 % drop in exports compared to the export of wooden furniture in 2022. Products to be exported by the Company are wooden furniture based on orders from foreign customers in line with and in the same direction as the Company's performance in 2023, with 21.58% decrease of furniture product export value compared to 2022.

Diagram of Value and Proportion of Furniture and Parts Export Sales of 2023



Source: Department of International Trade Promotion, Ministry of Commerce

The export value of furniture and parts is relied on USD currency, where the United States is the No. 1 country for Thailand's export. In 2023, the export rate to USA was declined by 24% with the proportion of export at 42.41%, followed by Japan, the 2nd top country where Thailand exports to, with export rate similar to previous year or slightly increased by only 9.77% and the export proportion was 12.47%. Considering the export to foreign countries in 2023, it was found that the proportions of the Company's export revenues from Japanese customers and USA customers decreased when compared to the previous year, in line with the overview of Thailand that the export direction to these two countries has decreased and has no significant growth.

In addition, if considering the export values from Department of International Trade Promotion, Ministry of Commerce, it was also found that among top 15 countries where Thailand exports to, there are 5 trading partners in the ASEAN Economic Community (AEC), namely Malaysia, Indonesia, Vietnam, Philippines, and Lao with export values of 173.37 million USD in total, or decreasing approximately 0.40% compared to 2022, and accounted for 12.77% of the total export value of furniture products and parts.

The Company, therefore, has planned the policy of confidence creation for the existing customer groups, particularly customers in Japan, most of them have dealt with the Company for several years, the Company will aim at the development of product design, product quality and punctual delivery period. These are the key of joint business operation, most customer groups in Japan are the large hypermarket retail store entrepreneurs that distribute products, particularly furniture and interior decorations; and big retail stores that distribute a variety of products. All customers, which trade with the Company, are classified as top large entrepreneurs of Japan. In 2023, the Company seized the chance to showcase its product samples to Japan's leading Hypermarkets, aiming to present products and find additional opportunities to become business partners. Success could lead to a surge in sales from a broader customer base. Moreover, alongside its existing customers in India, the Company anticipates a rise in orders fueled by India's burgeoning economy.

However, the Company is aware of the risk of reliance on any particular major customer, especially relying on Japanese customers who are our main customer from previously more than 50% of total sales revenue, to be gradually decreased. At present, the Company has planned to continuously expand new customer groups, the result has been seen from the year 2021 due to the achievement in expanding its customer base to India or other countries, and the proportion of dependence on customers in Japan in 2023 is likely to continuously decrease, mainly due to the expansion of foreign customer base and the increasing sales from domestic customers.

The Thai furniture industry boasts robust performance, having achieved sales of 167 billion baht, with a significant surge in exports.

26 September 2023 (Source: <https://www.thaipost.net/economy-news/455167/>)

The Department of Business Development revealed that the 'Thai furniture business' has shown continuous growth. This positive trend is supported by several factors, including the resurgence of tourism, the booming hotel bedroom business, and an improving real estate market. As a result, the total production and sales of furniture within the country reached 167 billion Baht in 2022. Additionally, the sophisticated preferences of international customers have propelled exports to an impressive 81.2 billion Baht.

On September 26, 2023, Mr. Thotsapon Thansubut, Director-General of the Department of Business Development at the Ministry of Commerce, revealed that the Business Analysis Team of the Business Information Division, Department of Business Development, had analyzed business trends worth keeping an eye on in the 3rd quarter of 2023. This analysis indicated that the 'furniture business,' among businesses with ongoing prominence in terms of income, profit, and future growth tendency, including the attraction of both Thai and foreign investors, stood out with more prominence than many other currently popular businesses. An important contributing factor is the economic rebound in both the service and tourism sectors, particularly driven by the resurgence of foreign tourists and the improving trends in the real estate market. There's a heightened demand for residences and second homes to accommodate hybrid workplaces, catering to both affluent locals and expatriates relocating to Thailand. Government initiatives, such as the reduction of transfer and mortgage fees, further bolster this trend. Moreover, the residential market in key regional provinces, like Chonburi and Rayong, has experienced notable sales growth, buoyed by the development of the Eastern Economic Corridor (EEC). This surge has prompted real estate developers to swiftly expand their operations to support urban expansion and job creation. Additionally, Phuket Province is witnessing an influx of foreign investors purchasing properties for investment purposes, signaling a positive shift in the real estate landscape. In 2022, there was a notable 14.3% surge in residential ownership transfer units nationwide, reaching a total of 392,858 units. This increase also encompassed the development and enlargement of hotel enterprises, aimed at catering to the influx of tourists entering the country.

Considering the performance of the furniture business over the past 3 years, it was found that in 2020, the business had a total income of 151,533.16 million baht and a profit of 3,203.34 million baht. In 2021, the income increased to 164,844.29 million baht (an increase of 13,311.13 million baht or 8.79%), with a profit of 2,928.07 million baht (a decrease of 275.27 million baht or 8.60%). In 2022, the income reached 166,576.23 million baht (an increase

of 1,731.94 million baht or 1.05%), and profit surged to 4,563.82 million baht (an increase of 1,635.75 million baht or 55.87%). The overall performance of the furniture business in 2020–2022 indicated that the income is likely to continue to increase, with an average annual income of more than 160,000 million baht. Although the income has not increased significantly, the market value is considered to be high. If considering the profit performance in 2020–2022, there was some fluctuation. In 2021, the value slightly decreased.

The Director-General emphasized that, from the overall picture of exports, Thailand, currently ranked as the 25th largest furniture exporter globally, possesses inherent strengths such as abundant domestic raw materials like wood, rattan, and rubber, along with a skilled and meticulous labor force. The information from the Information and Communication Technology Center, the Office of the Permanent Secretary, Ministry of Commerce, indicates that the overall value of Thai furniture exports continues to increase. In 2022, the total export amount was 81,179 million baht, marking a 5% increase from the previous year. The top 5 main markets include the United States, Japan, China, Malaysia, and Indonesia, with significant expansion observed in countries across Asia and within ASEAN countries such as South Korea, Malaysia, and Indonesia. When considering the value of furniture exports worldwide, Thailand holds a market share of only 0.7%, indicating ample room for expansion in the export market.

As for the growth in the furniture business of Thai and foreign investors, it was found that in 2020, there were 399 businesses registered with a total capital of 1,225.11 million baht. In 2021, there were 382 businesses registered (a decrease of 17 businesses or 4.26%) with a capital of 1,052.56 million baht (a decrease of 172.55 million baht or 14.09%). Moving to 2022, there were 368 businesses registered (a decrease of 14 businesses or 3.67%) with a capital of 1,362.47 million baht (an increase of 309.91 million baht or 29.45%). In 2023 (January – August), there were 315 businesses registered (an increase of 42 entities or 15.39% compared to 2022 (January – August) with 273 businesses registered) with a capital of 759.42 million baht (a decrease of 319.60 million baht or 29.62% compared to 2022 (January – August) with a capital of 1,079.02 million baht).

The majority of investments in the furniture business originate from Thai individuals, with investment amount to 48,017.18 million baht, representing 98.00% of the overall investment in this sector. In comparison, the highest foreign investments come from China, totaling 5,606.99 million baht (0.89%), followed by Singapore with 2,238.51 million baht (0.32%), Japan with 479.56 million baht (0.31%), and other countries contributing 4,628.19 million baht (0.48%).

As of August 31, 2023, Thailand hosts 6,292 furniture businesses, constituting 0.71% of the total active businesses, with a collective capital value of 60,970.43 million baht, representing 0.28% of all businesses in the country.

In Bangkok, there are a total of 2,377 businesses (37.77%), followed by the Central Region with 1,971 businesses (31.32%), the Northern Region with 532 businesses (8.46%), the Eastern Region with 478 businesses (7.60%), the Southern Region with 415 businesses (6.60%), the Northeastern Region with 381 businesses (6.06%), and the Western Region with 138 businesses (2.19%).

However, furniture business operators should adjust themselves to align with customer needs and trends in demand for various types of furniture in the global market, especially at present when consumer behavior and various business sectors are turning to be more environmentally conscious, leading to a trend of ‘Green Furniture.’ In addition, various environmental regulations for furniture products provide an important opportunity for businesses to adapt and develop their products to meet the needs of customers so that they can compete in the global market and sustain their businesses. The Thai furniture business has the opportunity to grow continuously in the long term,” the Director-General concluded.

From the information of the Office of Life Style Trade Promotion, Department of International Trade Promotion, the strengths/opportunities, problems/obstacles, and strategies for the export entrepreneurs of furniture products have been analyzed as follows.

Strengths/Opportunities

1. Have domestic raw materials, for instance, rubber wood, rattan, etc.
2. Have the products with good styles and quality, well-known and accepted by foreign countries.
3. Thai skills are neat and proficient.
4. The manufacturer is flexible for adjusting the production based on the customers’ purchase orders.
5. The United States of America has determined tax rate of furniture products from China at 25% (Trade War US-China). The importers may obtain more purchase orders of furniture products from Thailand, resulting in increase in export value, respectively.

Problems/Obstacles

1. Very higher total cost of furniture industry, for instance, labour cost, raw material cost, overhead of Thailand, than the competitors, for instance, China, Vietnam, and Malaysia.
2. Trade War Impact that may result in a reduction of China’s import of goods in type of furniture part raw materials from Thailand.

3. Lack of understanding by Thai entrepreneurs on serious marketing and global level marketing and proactive marketing, as well as branding
4. Existing inadequate efficiency of supporting Industries, such as veneers, steel, fabric, leather, fitting, and mirror.

Strategies

1. Use the advantage in the existing raw materials and the wooden raw materials in foreign countries, which are cheaper and used as alternative of domestic woods as the new option.
2. Create the difference and add value for the products focusing on quality, neatness, and outstanding styles to be consistent with lifestyles of the overseas customers.
3. Focus on the penetration of potential markets, for instance, USA, China, India, and ASEAN, etc.
4. Support the entrepreneurs to receive works in the nature of Contract Project.
5. Simultaneous support the branding of Thai entrepreneurs and manufacturing agreement in the nature of OEM.
6. Promote image for Thai furniture in the aspect of environmental care, and support the sustainability
7. Create image of the Thailand Furniture Export Market Center in Asia through Exhibition in the country and foreign countries, and other marketing promotion media/activities.
8. Utilize from liberalizing Free Trade Area (FTA) with the foreign countries, for instance, Australia, New Zealand, China, India, Japan, and South Korea.
9. Publicize and invite Buyer from real estate business both within the country and foreign countries to order Thai furniture instead of importing from other sources.
10. Promote the entrepreneurs to manufacture the products with expense saving design for transportation in order to reduce the cost of product price to be competitive.
11. Promote online trade negotiation between the manufacturer and importer.

Power Consumption of the Republic of the Union of Myanmar

The information from <https://www.trade.gov/country-commercial-guides/burma-energy>

It was found that Myanmar's energy sector is currently ranked as the country with lowest electricity generation rate in ASEAN region, or just 50% of the population with access to the country's electricity sources; as reference from the Myanmar Information Management Unit (MIMU), 80% of rural population could not access domestic energy sources, most of rural population relies on kerosene, candles, batteries and generators for their daily lives. The lack of electricity has threatened not only the country's economic growth, but also hindered the expansion of infrastructure and industrial development.

Based on the report of the Myanmar government's Ministry of Electric Power (MOEP), the annual energy demand in Myanmar has been annually increased from 15% to 17% to fulfill those energy demands. The government has also planned to use energy mixture of hydropower, natural gas, coal and renewable energy so that about 10 million households could get electricity, this is a part of the National Electricity Plan (NEP), which is set of 100% access to electricity nationwide by 2030.

Mixed-Energy Installed Capacity in Myanmar (Year 2020)

Source of Supply	Hydro	Natural Gas	Coal	Diesel	Solar	Total
Total Installed Capacity (In MW)	3,262 (54%)	2,496 (41%)	120 (2%)	116 (2%)	40 (1%)	6,034 (100%)

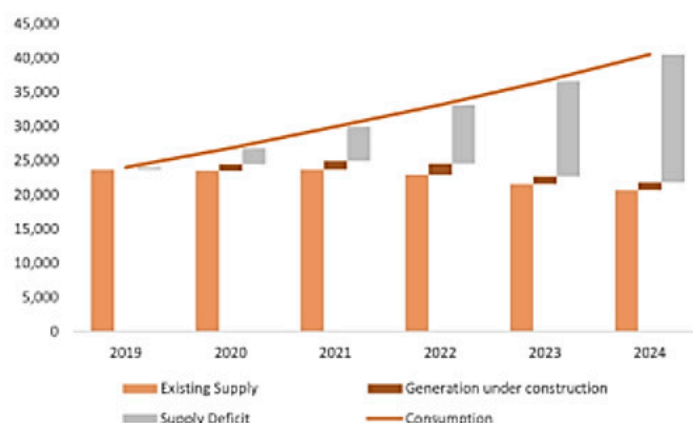
Source: Ministry Of Energy and Ministry of Electric Power

Power Generation Data in Myanmar (Year 2020)

Source of Generation	Hydro	Natural Gas	Coal	Solar	Total
Total Generation Mix (MW)	1,990 (52%)	1,722 (45%)	76 (2%)	40 (1%)	3,828 (100%)

Source: Ministry of Energy and Ministry Of Electric Power

Data on the gap between electricity demand and production capacity in Myanmar (2019 to 2024)



Source: World Bank

Therefore, it can be considered that the demand for electricity in Myanmar has continued to increase when compared to the amount of electricity that can be used at present, where the demand for electricity is still less than the amount of electricity to be produced. The alternative energy power plant projects, in particular, a solar power plant spending less than one year for construction, are significant alternatives in increasing the amount of electricity generated in Myanmar.

(3) Product Provision

In terms of furniture production, the Company has 2 production bases including Head Office and Branch 1 as follows:

1. Head Office: located at No. 37/9, Village No. 10, Ban Bueng- Klang Road, Thang Kwian Sub-district, Klang District, Rayong Province. This factory comprises 9 buildings for production process as follows:

1. Six furniture manufacturing buildings (Increased from last year by 1 building)
2. Three warehouse buildings (Increased from last year by 1 building)
3. One small showroom building (temporary)
4. One raw material warehouse building (small)

This Head Office will have production lines related to self-assembled particleboard/MDF furniture only.

2. Branch 1: located at No. 29/1 -2, Village No. 3, Soi Chongko- Chumnumnai, Wangchan Sub-district, Wangchan District, Rayong Province. This factory has 7 buildings for production process as follows:

1. Two buildings for furniture production (Decreased from last year by 2 buildings)
2. One building for sofa production (Increased from last year)
3. One building as processed rubber wood sawmill and drying plant;
4. One warehouse for preparing raw materials (store) (Increased from last year)
5. One warehouse to stock ready-made products
6. One bulding for foil paper production.

This factory will use for the production lines related to sawmill, rubber wood drying plant, rubber wood furniture production and assembly plant as well as foil paper factory only.

The Company has daily operated machine production line as follows:

- Nomal working time (1st shift) from 8.00 AM.-5.00PM. is 1 shift with OT from 6.00 PM. onwards.
- Nomal working time (2nd shift) from 6.00 PM.-2.00AM. is 1 shift with OT from 2.00 AM. onwards.

Presently, the Company has not operated the production for 24 hours.

Current full production capacity and actual capacity

Production capacity	Production capacity of dried rubber wood (cubic meter/ year)	Production capacity of Self-assembly particle board / MDF furniture (cubic meter/ year)	Production capacity of rubber wood furniture (cubic meter/ year)	Production capacity of foil paper (meter/ year)
Full capacity	8,700	160,000	7,900	24,000,000
Actual capacity (approximately)	7,280	109,440	7,353	12,980,660
Rate of current capacity use (approximately)	83.68%	68.40%	93.08%	54.09%

Remark: For production capacity of self-assembled particleboard/MDF furniture and rubberwood furniture, the machines are run with full effectiveness and workforce at this moment, while the production capacity of dry processed rubber wood and rubber wood furniture, there is an increase in production capacity utilization rate following customer orders.

Details of machines and equipment for production categorized by production steps

1) Processed rubberwood production consists of;

Machine and equipment for production	Production capacity
1. Log sawing table	Approximately 900 - 1,000 cubic foot / day for production period from 8.00 – 17.00 Hrs.
2. High-pressure fumigation tank to prevent weevil and termites	Approximately 70 - 80 cubic foot for 45-minute drying opeartion / round and there will be 8 -9 rounds / day
3. Oven	ovens that can contain 850 - 1,000 cubic foot / day
4. Boiler with firewood and wood scraps from production process as fuel	

2) Rubber wood furniture production consists of;

Machine and equipment for production	
1.	Wood cutting table for raw material preparation
2.	CNC machine to cut wood in specified pattern and size to prepare for forming with technology from Japan and Taiwan
3.	Wood planner and roller
4.	Paint spraying equipment

Rubber wood furniture production volume in the past

Unit : piece

Product type	Production Volume		
	2021	2022	2023
Dining Table	8,473	32,399	39,143
Dining Chair	93,823	60,933	143,649
Bench	300	1,390	2,320
Bed	170	1,424	397
Center	2,200	2,293	1,330
Buffet + Hutch	1,184	945	0
Wagon	13,061	3,450	400
Shelf	24,412	7,102	1,700
Other components	36,949	45,091	42,946
Sofa	-	300	2,570
Total production volume	180,575	155,327	234,455

3) Self-assembled particleboard/MDF furniture production consists of;

Machine and equipment for production	
1.	Wood cutting table for raw material preparation
2.	Machine for covering particle board surface
3.	CNC machine to cut wood in specified pattern and size to prepare for forming with technology from Germany

Production volume of self-assembled particleboard/MDF furniture in the past

Unit : piece

Product Type	Production Volume		
	2021	2022	2023
Multifunctional shelf	2,479,509	1,761,432	1,486,657
Multifunctional cabinet/ showcase	235,113	268,916	264,356
Shoe cabinet	39,440	61,380	77,457
Wardrobe	50,215	59,615	119,816
TV Stands	175,541	76,895	88,017
Computer table/ working desk	87,533	49,217	53,043
Dressing table/ bed	43,529	31,556	35,590
Total production volume	3,110,880	2,309,011	2,124,936

4) Foil paper production consists of;

Machine and equipment for production	Production capacity
1. Machine for patterning foil paper with technology from Japan and China for totally 2 production lines	Machine can be operated for patterning for 24,000,000 meters/ year
2. Foil paper quality checking machine	

Records of Foil Paper Production Volume

Unit : meter

Paper size	Production volume		
	2021	2022	2023
30 grams	13,887,750	9,796,500	10,490,350
45 grams	1,571,400	1,238,450	1,529,000
60 grams	387,000	305,750	370,000
Total production volume	15,846,150	11,340,700	12,389,350

Raw materials for production

The Company's main raw materials for production are as follows:

Raw materials for production	Proportion of order compared to value of total raw material order (%)	Origin of raw material
1. Particle board	35.88	Domestic order
2. Paint	9.87	Domestic order
3. Materials (fitting) (such as handle, hinge, drawer rail, lock key and mirror)	14.77	Domestic order
4. Box	11.30	Domestic order
5. Rubber wood timber	4.31	Domestic order
6. Other equipment (such as foam, foam sheet, sandpaper and consumable materials)	7.60	Domestic order
7. Paper	3.60	Mostly imported
8. Edge-closed PVC material	3.54	Domestic order
9. Glue	4.52	Domestic order
10. Wood sheet/ wood top/ veneer wood/ wood board	3.31	Domestic order
11. Sponge	0.92	Domestic order
12. Artificial leather (PVC)	0.36	Domestic order
13. Cushion	0.00	Domestic order
Total	100.00	

Source : Information from the Company by actual calculation proportion in 2023

In 2023, the Company had a proportion of raw material orders by domestic order per import for 96.96%: 3.04%. The Company did not make any purchase agreement with any domestic manufacturer or distributor for the purchase of raw materials, the Purchasing Department will prepare data to compare the conditions of manufacturers and distributors twice a year (December and June), the data preparation and review for comparison in December will be used as a database for ordering from January to June; where are the data preparation and review for comparison in June will be used as database for ordering from June to December. The Company has a policy to diversify orders and reduce the proportion of purchase orders if any distributor is found of gaining excessive orders. At present, the Company has not relied on any manufacturer or distributor and the Company has not purchased raw materials with any persons who may have conflicts with the Company.

(4) Assets Used in Business Operation

4.1 Fixed assets with the Company and subsidiaries used in business operation

Type of Asset	Nature of Asset	Nature of Ownership	Obligation	Net Asset Value As of December 31, 2023 (Million Baht)	Asset Utilization
1. Land	<ul style="list-style-type: none"> - Land of Title Deed No. 22357, 29832, 47836, 55949, 61964, and 55306 located at Thang Kwian Sub-district, Klaeng District, Rayong Province, in total area of 43-0-37 rai - Land of Title Deed No. 78, 542, and 743, located at Wang Chan Sub-district, Wang Chan District, Rayong Province, in total area of 54-2-11 rai - Land of Title Deed No. 138570 and 138571, located at Bueng Kham Phroi Sub-district, Lam Luk Ka District, Pathum Thani Province, in total area of 1-0-3 rai 	Owner	Collateral of credit facility with the creditors which are financial institutions 2 locations, total mortgage limit of 482.96 million baht.	217.54	<ul style="list-style-type: none"> - Location of head office, building and warehouse buildings - Location of factory and warehouse buildings - Location of showroom and warehouse of the Company
2. Improvement of Land		Owner	- None -	41.36	Location of head office, factory and warehouse buildings
3. Building	<ul style="list-style-type: none"> - Head office, factory, and warehouse buildings, located at No. 37/9 Village No. 3, Ban Bueng-Klaeng Road, Thang Kwian Sub-district, Klaeng District, Rayong Province - Office, factory and warehouse buildings, located at No. 29/1 Village No. 3, Chong Ko-Choomnoom Nai Alley, Wang Chan Sub-district, Wang Chan District, Rayong Province - Office, showroom and warehouse buildings, located at No. 25/28 Village No. 12, Bueng Kham Phroi Sub-district, Lam Luk Ka District, Pathum Thani Province 	Owner	Collateral of credit facility with the creditors which are financial institutions 2 locations, total mortgage limit of 450 million baht.	171.29	Use for office, factory, showroom and warehouse buildings
4. Improvement of Building		Owner	- None -	93.76	For factory / office use

Type of Asset	Nature of Asset	Nature of Ownership	Obligation	Net Asset Value As of December 31, 2023 (Million Baht)	Asset Utilization
5. Machines and Equipment of the Factory		Owner	Some parts of machines are collateral of credit facility with the creditors which are financial institutions, total mortgage limit of 166.63 million baht.	44.46	For factory use
6. Electrical System		Owner	- None -	16.30	For factory / office use
7. Furniture and Fixtures and Office Equipment		Owner	- None -	7.84	For factory / office use
8. Vehicle		Asset under hire-purchase agreement	- None -	0.50	For contact and transportation use
9. Work in Construction and Machines under Installation		Owner	- None -	226.28	On the process of construction and installation, all of which are machines for the manufacture of furniture.
Total				819.33	

4.2 Assets under the category of ordinary shares of subsidiaries

Type of Assets	Nature of Assets	Nature of Ownership	Obligation	Net Asset Value As of 31 December 2023 (Million Baht)	Asset Utilization
Ordinary shares of ECF Power Company Limited (ECF-Power)	A total of 90,928,250 ordinary shares with a par value of THB 10 per share.	The Company holds 99.99% of total shares in ECF-Power.	As of December 31, 2023, the Company used 26,922,711 ordinary shares of ECF-Power out of a total of 90,928,250 ordinary shares as a collateral for the issuance and offering of debentures.	The appraisal report dated November 10, 2023, values 962.02 million baht from the total shares of ECF-Power at 10.58 baht per share, as determined by an independent financial advisor.	Used as a collateral for the issuance and offering of debentures for the Company

4.3 Intangible Assets Used for Business Operation

As of 31 December 2023, ECF's intangible assets is THB 2.72 million, consisting of computer programs, and ECF's right-of-use assets is THB 37.83 million consisting of machines rented by the Company.

Change in Accounting Policy

With the effect from 1 January 2020, the Company has changed its accounting policy for the appraisal of lands, buildings and machineries from revaluation method to cost method (approved by the Board of Directors' Meeting on 30 March 2020) which can be applied under the Announcement of the Federation of Accounting Professions Announcement No. 18/2554 dated 12 April 2011 on "Accounting Guidance on Revaluation of Assets". The main reason of this change in accounting policy relates to: 1. the practical feasibility and elimination of complexity and significantly excessive cost of accounting closure under the same accounting policy of businesses under the Company Group; and 2. the Company's management deems that the accounting recording by means of cost method is consistent with the same industry practice and also reflects the Company's business management and performance that is clearer and more appropriate than the revaluation method. The Company has restated the previous financial statements applied for comparison as if the Company has recorded and presented the values of lands, buildings and machineries by means of cost method from the beginning.

Asset Impairment

Asset balance in accordance with the account book of the Group of the Companies is reviewed every day of reporting whether there is an indicator of impairment. In case of indicator, recoverable asset is valued (fair value deducted with cost necessary for sale of asset or value from use of asset at whichever amount is higher). Each transaction of asset or asset unit that generates cash will be reviewed as the case may be.

In the event that the book value of assets is higher than its recoverable value, the Group will recognize an impairment loss by reducing the book value to be equal to its recoverable amount to be expected for return and recognition in the statement of comprehensive income and the losses on impairment will be recorded back as other incomes when there is an indication that the said impairment no longer exists or exists but reduces. The reversal of an impairment loss will not

be greater than the book value of that asset, net value of depreciation or amortization as if no impairment loss was recognized in previous years.

Measurement of Fair Value

Fair value is the price received by the Group of the Companies from sale of asset or paid for transfer of liability in the transaction occurred in normal condition between market participants as of the value measuring date. The liquid market is the market where transactions of asset and liability occur in sufficient frequency and volume to continuously provide price information. The market participants include buyers and sellers in main market or market that avails maximum benefits for that asset or liability. The market participants must be independent from each other, all-around, and reasonably understand, enable to enter into transaction for that asset or liability, and willing to enter into transaction for that asset or liability.

For regular and comparable measurement of fair value and disclosure of related value in financial statements, hierarchy of fair value shall be determined into three levels based on type of information applied in valuation technique for measurement of fair value. However, the hierarchy of fair value in the first priority is offering market price that must not be adjusted in the liquid market for the same asset or liability ("Information Level 1"). The secondary hierarchy is other observable information ("Information Level 2") and the lowest hierarchy is non-observable information ("Information Level 3").

Information Level 1 includes offering market price that must not be adjusted in liquid market for the same asset and liability and the business can access as of the value measurement date.

Information Level 2 includes other information other than offering market price including in Level 1 that is directly or indirectly observable for that asset or liability.

Information Level 3 includes unobservable information used with that asset or liability.

Investment Fund in Associates and Joint Ventures

The investment fund in associates and joint ventures in financial statements records account using interest method. The associates is the business substantially influenced by the Company or the Group of the Companies by having power to participate in decision making on financial and

operating policy but not up to the level to control such policy. Joint ventures is the joint of undertakings in the business under common control of the Company or the Group of the Companies and other joint venture party in that business. The consolidated financial statements of the Group of the Companies include share of profit or loss of the associates and joint ventures based on interest method from substantial influence or common control date until termination of substantial influence or common control date. When the amount of share of loss of the Company in associates and joint ventures exceeds investment fund in associates and joint ventures, investment fund is recorded to write down the amount to zero, and stop recognizing share of loss unless the case that the Company or the Group of the Companies incurs obligation according to law or by analogy or agrees to pay obligation of the associates and joint ventures.

Investment Policy in Subsidiaries and Associates

As of December 31, 2023, seven subsidiaries of the Company are as follows.

1. VV — Decor Company Limited
2. ECF Holdings Company Limited
3. ECF Power Company Limited
4. Planet Board Company Limited
5. Somewa Plaza Company Limited
6. V.V. Rich Company Limited
7. ECF Design Company Limited

In addition, one associates to be invested by ECF Power Company Limited for investment transaction is Green Earth Power (Thailand) Co.,Ltd.

In considering investment in subsidiary or associates, and each investment project, the Company gives precedence to consideration on investment in the business that mainly supports and promotes business operation of the Company by prudently taking into account return on investment, risks, and financial liquidity of the Company. Such investment must be considered by the Board of Directors, and the Shareholders' Meeting under the determined scope of approval authority, and must be executed in accordance with the requirements and notifications of the Capital Market Supervisory Board, and the Stock Exchange of Thailand, including other related laws. The Company will control through delivery of director and/or executive of the Company to be the director for control of the management direction and policy in consistency with the business operation of the Company.

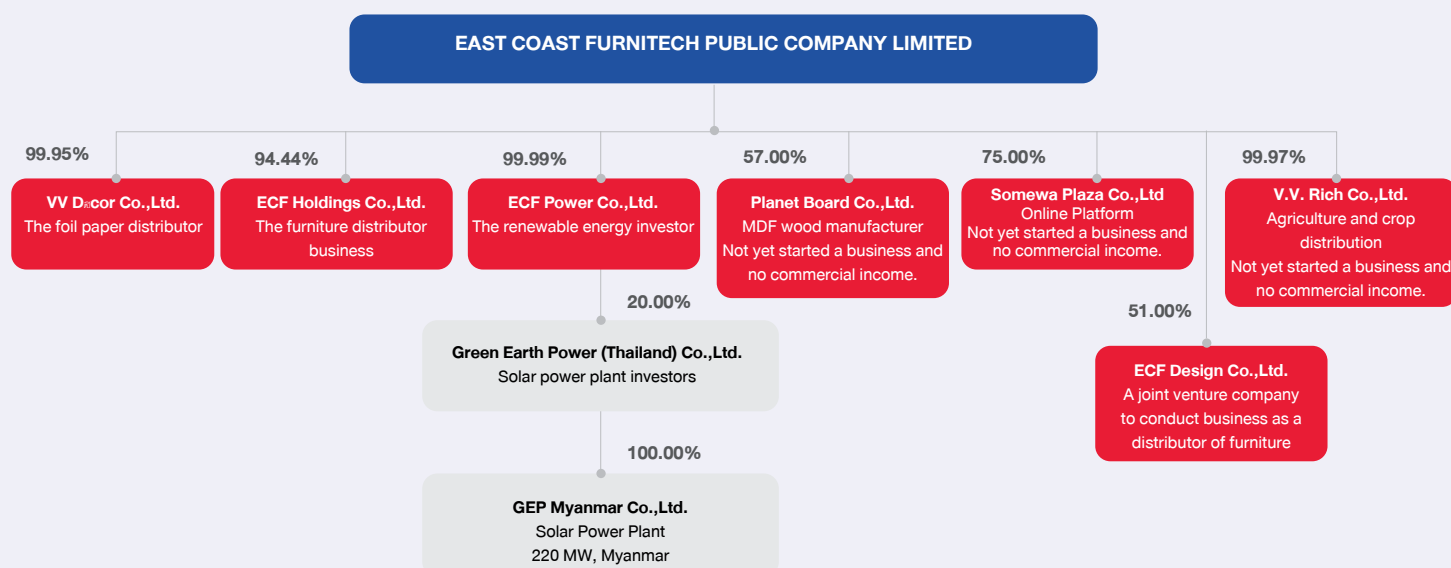
(5) Undelivered Works

—None—

1.3 The Company Group's Shareholding Structure

1.3.1 The Company Group's Shareholding Structure

As of December 31, 2023 the shareholding structure of East Coast Furnitech Group can be summarized as follows:



Planet Board Company Limited ("PNB"), a subsidiary in which the Company holds 57% of the shares, and another 43% of the shares consisting of:

1. Mr. Khomwit Boonthamrongkit shares, or 25.00%
2. Ms. Kritchanok Patamasattayasonthi shares, or 3.00%
3. Ms. Pichapim Patamasattayasonthi shares, or 3.00%
4. Mr. Eakalak Patamasattayasonthi shares, or 3.00%
5. Mr. Ekaridhi Patamasattayasonthi shares, or 3.00%
6. Mrs. Kunthong Udommahuntisuk shares, or 3.00%
7. Mr. Warattakrit Pornjamsai shares, or 3.00%

ECF Power Company Limited ("ECF-P"), a subsidiary in which the Company holds the shares, is holding 20% of the shares in Green Earth Power (Thailand) Co., Ltd., and another 80% of shares consists of:

1. Scan Inter Public Company Limited shares, or 40.00%
2. Mata Corporation Company Limited shares, or 12.00%
3. Noble Planet PTE. Ltd. shares, or 11.50%
4. Molin Energy Company Limited shares, or 5%

5. Allied Technologies International Company Limited shares, or 3.342%

6. Thanont Property Company Limited shares, or 4.829%

7. Allied Technologies International Company Limited shares, or 3.342%

8. Aquarius Estate Company Limited shares, or 3.329%

SoMeWa Plaza Company Limited ("SoMeWa"), a subsidiary in which the Company holds 75% of the shares, and another 25% of shares consisting of:

1. Mr. Teerawut Kannibhakul shares, or 12.50%
2. Mrs. Isareeya Warapakornkit shares, or 12.50%

ECF Design Company Limited ("ECFD"), a subsidiary of the Company, owns 51% of the total shares, while the remaining 49% is held by Homy Casa Inc., a California-based company in the USA. Homy Casa Inc. is a prominent furniture distribution business in foreign countries.

General Information of the Company, Subsidiaries and associated company

General Information of East Coast Furnitech Public Company Limited

Company's name in Thai	:	บริษัท อีสต์โคสต์เฟอร์นิเทค จำกัด (มหาชน)
Head Office Location	:	37/9, Moo 10, Banbueng — Klaeng Road, Thang Kwian Subdistrict, Klaeng District, Rayong Province 21110
Type of business	:	manufacturer and distributor of self-assembled particleboard/MDF furniture, rubber wood, foil paper to be used in furniture manufacturing, production and distribution of dried rubber wood, distribution of furniture through , websites, online platforms and service of PVC trim cutting services, investment in solar power plant business, and agriculture and crop distribution business.
Telephone Number	:	+66 38-675-181-4, +66 2-152-7301-4
Fax Number	:	+66 38-678-220
Registered Capital	:	287,846,277 Baht which has been divided into 1,151,385,108 ordinary shares at a par value of 0.25 Baht
Paid-up Capital	:	239,876,397.50 Baht which has been divided into 959,505,590 ordinary shares at a par value of 0.25 Baht

Name of the 1st Subsidiary	:	VV Decor Co.,Ltd.
Location	:	No. 25/28, Moo 12, Bueng Kham Phroi Subdistrict, Lam Luk Ka District, Pathum Thani Province 12150
Business type	:	Trading business as the distributor of foil paper for customers
Telephone Number	:	+662-152-7301-4
Fax Number	:	+662-152-7305
Registered Capital	:	1,000,000 baht
Paid-up Capital has been divided	:	1,000,000 baht Ordinary shares 10,000 shares, par value of 100 baht per share.
Proportion in which the company holds shares	:	99.95% of registered and paid-up capital.

Name of the 2nd Subsidiary	:	ECF Holdings Co., Ltd.
Location	:	37/4, Moo 10, Banbueng — Klaeng Road, Thang Kwian Subdistrict, Klaeng District, Rayong Province 21110
Business type	:	Trading business as the distributor of furniture for ECF
Telephone Number	:	+66 38-675-181-4, +66 2-152-7301-4
Fax Number	:	+66 38-678-220
Registered Capital	:	45,000,000 baht
Paid-up Capital has been divided	:	45,000,000 baht Ordinary shares 450,000 shares, par value of 100 baht per share
Proportion in which the company holds shares	:	94.44% of registered and paid-up capital.

Name of the 3rd Subsidiary : **ECF Power Co., Ltd.**

Location : 37/7, Moo 10 Banbueng — Klaeng Road, Thang Kwian Subdistrict, Klaeng District, Rayong Province 21110

Business type : Holding Company

Telephone Number : +66 38-675-181-4, +66 2-152-7301-4

Fax Number : +66 38-678-220

Registered Capital : 909,282,500 Baht

Paid-up Capital has been divided : 909,282,500 baht
Ordinary shares 90,928,250 shares, par value of 10 baht per share.

Proportion in which the company holds shares : 99.99% of registered and paid-up capital.

Name of the 4th Subsidiary : **Planet Board Co., Ltd.**

Location : No. 25/28, Moo 12, Bueng Kham Phroi Subdistrict, Lam Luk Ka District, Pathum Thani Province 12150

Business type : MDF manufacturer, now, the project has not started and has no commercial income.

Telephone Number : +662-152-7301-4

Fax Number : +662-152-7305

Registered Capital : 50,000,000 baht
Ordinary shares 10,000,000 shares, par value of 10 baht per share.

Paid-up Capital has been divided : 12,500,000 baht
Ordinary shares 10,000,000 shares, par value of 1.25 baht per share.

Proportion in which the company holds shares : 57% of registered and paid-up capital.

Name of the 5th Subsidiary : **Somewa Plaza Company Limited**

Location : No. 25/28, Moo 12, Bueng Kham Phroi Subdistrict, Lam Luk Ka District, Pathum Thani Province 12150

Business type : Online Platform and e-commerce, at present, there is no commercial revenue.

Telephone Number : +662-152-7301-4

Fax Number : +662-152-7305

Registered Capital : 2,000,000 baht
Ordinary shares 200,000 shares, par value of 10 baht per share.

Paid-up Capital has been divided : 2,000,000 baht
Ordinary shares 200,000 shares, par value of 10 baht per share.

Proportion in which the company holds shares : 75% of registered and paid-up capital.

Name of the 6th Subsidiary : **V.V. Rich Company Limited**

Business type : Agriculture and crop distribution, at present, there is no commercial revenue.

Registered Capital : 1,000,000 baht

Ordinary shares: 10,000 shares, par value of 100 baht per

Paid-up Capital has been divided : Under the process of company registration

Proportion in which the company holds shares : 99.97% of registered and paid-up capital.

Name of the 7th Subsidiary : **ECF Design Company Limited**

Business Type : The main business is as a distributor of furniture products abroad.

Registered Capital : 7,000,000 baht

Ordinary shares: 70,000 shares, par value of 100 baht per

Paid-up Capital : 100% of registered and paid-up capital.

Proportion in which the company holds shares : 50.9970% of registered and paid-up capital.

Associated Companies : **Green Earth Power (Thailand) Co.,Ltd.**

Location : 33/4, The Nine Tower Grand Rama 9, Floor 36, Huai Khwang Subdistrict, Huai Khwang District, Bangkok 10310.

Business Type : Investment in a 220-megawatt solar power plant project in Myanmar through the acquisition of 100% shares in GEP Myanmar Co., Ltd. only

Telephone Number : +662-168-8168

Fax Number : +662-168-8169

Registered Capital : 2,252,716,300 baht

Ordinary shares 22,527,163 shares, par value of 100 baht per share.

Paid-up Capital : THB 1,1717.12 million, consisting of 22,527,163 ordinary shares with a par value of THB 100 (consisting of 10,806,478 ordinary shares, fully paid; 10,196,996 ordinary shares, paid-up of THB 56.72 per share and 1,523,689 ordinary shares, paid-up of THB 38.13 per share)

Proportion in which the company holdsShares : 20% of registered and paid-up capital.

1.3.2 The Company does not have a case in which a person who may have a conflict of interest holds shares in a subsidiary or associated company more than 10% of the number of shares with voting rights of that company.

1.3.3 Relationship with the business group of the major shareholders

Related companies

1. East Coast Industry Company Limited (ECI)

It was established on 17 December 1992, initially for business of sawmill, drying factory for processed rubberwood, and manufacturing and distribution of rubber wood furniture. Subsequently, the business was changed to a trading of furniture manufactured by the Company and furniture imported for sale, its registered capital and paid-up capital is THB 20,000,000. ECF's directors and major shareholders become directors and major shareholders of ECI. However, ECI held the Board of Directors Meeting No. 1/2012 on 17 September 2012 with a resolution from the meeting to "consider and approve the establishment of a business operation policy that will not compete with East Coast Furnitech Company Limited". In order to prevent the potential conflicts of interest, at present, it has no more business operation and is under liquidation process and then closed the business.

2. East Coast Design Company Limited (ECD)

It was established on 12 July 1996 to engage in the business of manufacturing and distributing furniture both domestically and internationally, and engage in the business of importing or exporting furniture of all kinds, as well as related materials and equipment, its registered capital and paid-up capital is THB 14,000,000. ECF's directors and major shareholders become directors and major shareholders of ECD. However, ECD held the Board of Directors Meeting No. 1/2012 on 13 September 2012 with a resolution from the meeting to "consider and approve the establishment of a business operation policy that will not compete with East Coast Furnitech Company Limited". In order to prevent the potential conflicts of interest, at present, it has no more business operation and is under liquidation process and then closed the business.

3. V-Chats Decor Co., Ltd. (VCD)

It was established on 19 April 2002 to operate its main business as a manufacturer and distributor of foil paper and provide PVC trim cutting services for distribution to general furniture factories, its registered capital and paid-up capital is THB 27,000,000. ECF's directors and major shareholders become directors and major shareholders of VCD. However, VCD held the Board of Directors Meeting No. 1/2012 on 12 September 2012 with a resolution from the meeting to "consider and approve the establishment of a business operation policy that will not compete with East Coast Furnitech Company Limited". In order to prevent the potential conflicts of interest, at present, it has no more business operation and is under liquidation process and then closed the business.

4. V-Chats Industry Co., Ltd. (VCI)

It was established on 26 June 2002 to operate its main business as a manufacturer and distributor of dried processed rubber wood with a registered capital and paid-up capital of THB 14,000,000. ECF's directors and major shareholders become directors and major shareholders of VCI. However, VCI held the Board of Directors Meeting No. 1/2012 on 14 September 2012 with a resolution from the meeting to "consider and approve the establishment of a business operation policy that will not compete with East Coast Furnitech Company Limited". In order to prevent the potential conflicts of interest, at present, it has no more business operation and is under liquidation process and then closed the business.

5. B.V. Parawood Company Limited (BV)

It was established on 25 October 2002 to engage in the business of distributing lumbers, sawmill, wood drying plant with the registered capital and paid-up capital of THB 2,000,000. ECF's directors and major shareholders become directors and major shareholders of BV. However, BV held the Board of Directors Meeting No. 1/2012 on 11 September 2012 with a resolution from the meeting to "consider and approve the establishment of a business operation policy that will not compete with East Coast Furnitech Company Limited". In order to prevent the potential conflicts of interest, at present, it has no more business operation and is under liquidation process and then closed the business.

The related companies No. 1 to 5, East Coast Furnitech

Public Company Limited, as the “Promisee” entered into a memorandum of understanding on 26 December 2012 with East Coast Industry Company Limited, East Coast Design Company Limited, V-Chats Decor Co., Ltd., and B.V. Parawood Co., Ltd., each company is a “Promisor”, the main points of the memorandum of understanding are as follows:

1. The Promisor agrees to not undertake any business in the way of disposing, transferring, mortgages, pledges, exchanges of assets which are the same type, model and kind in any goods or products with the Promisee in which the Promisee has previously operated or operates the business after the Promisor.
2. The Promisor agrees to not produce processed wood, dried wood, veneer and other woods, as well as to make furniture, appliances made of particleboard, rubber wood and other materials of all kinds, including to domestically sell the products or export.
3. The Promisor agrees to not produce foil paper, PVC cover, including to domestically sell the products or export.
4. The Promisor agrees to not import or export dried processed rubber wood, veneer, other wood, particleboard furniture, and rubber wood furniture, foil paper, PVC cover of all kinds, including related materials of all kinds.
5. The Promisor agrees to not undertake any business for the purpose of East Coast Furnitech Public Company Limited, and not conduct any business related to all types of businesses of East Coast Furnitech Public Company Limited or any other acts to make trade competition.
6. In case the Promisor fails to comply with the memorandum of understanding given to the Promisee according to Clauses 1 to 5, the Promisor agrees to pay a fine of THB 5 million (worth THB 5 million, the Promisee considered it is appropriate and acceptable because these 4 companies currently do not have income from the business operation) with the interest rate of 7.5% per annum from the date the Promisor fails to comply with the memorandum of understanding given to the Promisee. In case of any damages happened to the Promisee due to the non-compliance with the memorandum by the Promisor, the Promisor

agrees to indemnify the Promisee and agrees to allow the Promisee to take legal action in all cases.

6. Index Living Mall Public Company Limited

It was established on 15 February 1994 to engage in the business of manufacturing and distributing furniture, with the registered capital and paid-up capital of THB 2,525,000,000. Miss Kridchanok Patamasatayasonthi, who is the spouse of Mr. Pacharapong Suksawad (Original name : Mr. Arak Suksawad), a shareholder, director, authorized director, and the management of ECF, is a director and major shareholder in this company.

7. Index Interfurn Company Limited, a company under the Group of Index Living Mall Company Limited

It was established on 1 July 2009 to engage in the business of manufacturing and distributing furniture, with the registered capital and paid-up capital of THB 960,000,000. Miss Kridchanok Patamasatayasonthi, who is the spouse of Mr. Pacharapong Suksawad (Original name : Mr. Arak Suksawad), a shareholder, director, authorized director, and the management of ECF, is a director and major shareholder in this company.

In order to prevent the potential conflicts of interest in case of Mr. Arak Suksawad and his spouse, Miss Kridchanok Patamasatayasonthi, each are serving as a director, executive and major shareholder in the businesses of same nature. Therefore, Mr. Pacharapong Suksawad (Original name : Mr. Arak Suksawad), as the Promisor, has entered into a contract with East Coast Furnitech Public Company Limited, as the Company, the main points of the contract are as follows:

1. *The Promisor agrees that while the Promisor is an authorized director, executive director and managing director of ECF and/or is an employee of ECF, the Promisor must perform duties in accordance with the law, objectives and Articles of Association of the Company, as well as the resolutions of the shareholders' meeting, with honesty and maintain the interests of the Company.*
2. *The Promisor further agrees that while the Promisor holds the positions under Clause 1 and/or is an employee of the Company, the Promisor will not engage in the business of same nature and in competition with the business of the Company or become a shareholder in a company or be a partner in an ordinary partnership, or be a partner with*

unlimited liability in a limited partnership or be a director of a company or other companies operating in the same nature and/or is competing with the Company's business, whether doing it for the benefit of him/herself or for the benefit of others according to the regulations of the Company, the Public Company Limited Act, the Securities and Exchange Act, and related laws, unless notifying the shareholders' meeting before the resolution of appointing the Promisor to be the Company's director, or with the consent of the Company's Board of Directors, or of the shareholders' meeting of the Company, as the case may be, in accordance with the regulations and/or relevant laws.

In the event that the Promisor fails to comply with the above terms and conditions, the Company is entitled to claim damages caused by the act of the Promisor, provided that the lawsuit must be filed within 1 year from the date the Company or the shareholders as mentioned in the next paragraph become aware of the violation, and not more than 2 years from the date of violation.

In the event that the Company does not exercise its right to claim for damages as mentioned above, the Promisor consents to any one or more shareholders holding a total of not less than 5% of the total issued shares to notify in writing to the Company for claiming. If the Company does not take action as informed by the shareholder within 1 month from the date of notification or the prescription under paragraph two having less than 1 month left, the said shareholder may exercise his/her right to claim on behalf of that company.

3. If in the future, the Promisor obtains any information or is provided by someone with any information about the business of manufacturing and distributing furniture that has potential and interest for the investment. The Promisor agrees to propose to the Board of Directors only for consideration, and although the Board of Directors will not consider the investment in the business of manufacturing and distributing for such furniture, the Promisor will not invest with any person, jointly invest or hold any shares, regardless of whether the investment conditions are inferior.

1.3.4 Major Shareholders

The name list of major shareholders as of December 31, 2023; the total number of shareholders is 5,789 people as following details.

Name-Surname	Shareholding data as of December 31, 2023	
	Number of shares (shares)	Proportion (% of paid-up capital)
1. Suksawad Group	440,426,550	45.9014
1.1 Miss Tippawan Suksawad	147,560,550	15.3788
1.2 Mr. Chalee Suksawad	139,982,750	14.5890
1.3 Mr. Pacharatanapong Suksawad	121,727,750	12.6865
1.4 Mr. Wanlop Suksawad	23,538,800	2.4532
1.5 Mrs. Waraporn Suksawad	6,283,100	0.6548
1.6 Miss Kridchanok Pattamasuttayasonthi	1,330,000	0.1386
1.7 Mr. Sitthichock Chinnurat	600	0.0001
1.8 Mr. Wantana Suksawad	600	0.0001
1.9 Miss Warisara Suksawad	600	0.0001
1.10 Miss Supichaya Suksawad	600	0.0001
1.11 Mstr. Nopparut Suksawad	600	0.0001
1.12 Mstr. Peerawut Suksawad	600	0.0001
2. Mr. Natthaphat Keschaimongkol	43,000,000	4.4815

Name-Surname	Shareholding data as of December 31, 2023	
	Number of shares (shares)	Proportion (% of paid-up capital)
3. Arun Ngamwong Group	24,100,000	2.5117
3.1 Mr. Thikhamphon Arun Ngamwong	9,950,000	Arun Ngamwong
3.2 Mr. Thikhamphon Arun Ngamwong	9,650,000	Arun Ngamwong
3.3 Mrs. Atcha Arun Ngamwong	4,500,000	Arun Ngamwong
4. Mr. Arut Thanasuwanditthi	24,000,000	2.5013
5. Thai NVDR Co.,Ltd.	18,926,085	1.9725
6. Mr. Jakkapol Thongjaroen	18,414,500	1.9192
7. Pattamasuttayasonthi Group	13,060,300	1.3611
7.1 Mrs. Kunthong Udommahuntisuk	9,910,300	1.0329
7.2 Mr. Pisit Pattamasuttayasonthi	3,150,000	0.3283
8. Wiriyatorphan Group	11,181,500	1.1653
8.1 Mrs. Wassana Wiriyatorphan	9,384,500	0.9781
8.2 Mr. Vitthaya Wiriyatorphan	1,661,900	0.1732
8.3 Miss Weeraya Wiriyatorphan	135,100	0.0141
9. Mrs. Thitaree Utamamongkolchai	9,000,000	0.9380
10. Thepphusawatana Group	7,222,600	0.7527
10.1 Mr. Sakchai Thepphusawatana	6,600,000	0.6879
10.2 Mr. Saksit Thepphusawatana	212,900	0.0222
10.3 Miss Wimon Thepphusawatana	199,700	0.0208
10.4 Mr. Chowarit Thepphusawatana	120,000	0.0125
10.5 Miss Wilawan Thepphusawatana	90,000	0.0094
11. Miss Tassanee Wongjirat	7,204,000	0.7508
12. Mr. Khanungnit Jinda	5,050,000	0.5263
13. Wannawisut Group	4,897,000	0.5104
13.1 Mr. Namchai Wannawisut	4,892,000	0.5098
13.2 Mr. Namphon Wannawisut	5,000	0.0005
14. Other shareholders (5,755 people)	308,923,055	32.1961
Total Shares	959,505,590	100.0000

Foreign shareholders: As of December 31, 2023, there are 2 foreign shareholders with total shares of 109,500 shares or 0.01 percent of total shares.

Note: The Company has a limitation on the percentage of equity shares held by foreign shareholders stated in the article 11 of that “the Company’s shares can be transferred without restriction unless 49 percent of paid-up stock is held by foreign shareholders”.

1.4 Registered Capital and Paid-up Capital

At Present, the Company has registered capital of 287,846,277 Baht (Two Hundred Eighty-Seven Million Eight Hundred Forty-Six Thousand Two Hundred Seventy-Seven Baht) which has been divided into 1,151,385,108 ordinary shares at a par value of 0.25 Baht (Twenty-Five Satang). The paid-up capital is equivalent to 239,876,397.50 Baht (Two Hundred Thirty-nine Million Eight Hundred Seventy-six Thousand Three Hundred Ninety-Seven Baht and Fifty Satang) which has been divided into 959,505,590 ordinary shares at a par value of 0.25 baht per share (Twenty-Five Satang)

1.5 Amount of registered and paid-up capital

1.5.1 Convertible Securities

ECF has issued and offered warrants to purchase the Company's newly issued ordinary shares (ECF-W4) by allocating to ECF's existing shareholders in a proportion manner, the details of ECF-W4 are as follows:

Type of Securities	:	Warrants to purchase ordinary shares of East Coast Furnitech Public Company Limited No. 4 for the existing shareholders ("Warrants" or "ECF-W4")
Type	:	Holders' name-specified and transferable Warrants
Numbers of Warrants issued	:	191,894,988 unit
Accommodated Shares	:	191,894,988 shares
Offering price	:	Baht 0.00 No valuation is calculated
Exercise Ratio	:	1 (one) unit of the Warrant will entitle its holder the right to purchase 1 (one) ordinary share of the Company, unless there is an adjustment of the exercise ratio pursuant to the right adjustment conditions.
Exercise Price	:	Baht 2.00 (two) per 1 (one) new ordinary share,
Issuance Date	:	2 June 2021
Term of the Warrants	:	3 (three) years from the issuance date of the Warrants
Exercise Date	:	The Warrant Holders can exercise their rights to convert into the Company's ordinary shares as according to the following scheduled date: <ol style="list-style-type: none">1. The first exercise date is 20 July 20212. 20 November 20213. 20 March 20224. 20 July 20225. 20 November 20226. 20 March 20237. 20 July 20238. 20 November 20239. 20 March 202410. and the last exercise date will be on the same date as the expiration date of the Warrant, which is 2 June 2024.

In the event that any exercise date does not fall on a Business Day of the Company, such date shall be moved to the Business Day prior to such exercise date. The Company will not extend the term of the Warrants and there is no requirement demanding the Warrant Holders to exercise their rights prior to the expiration. (Please see details stated in Clause 2.3 Procedures of Exercise of Warrant Rights).

Number of warrants that have not been exercised at present	191,894,988 Units
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1.5.2 Debt Securities

ECF issued and offered debt securities on 31 December 2023, with following details:

Objectives of debt securities issuance	: To increase the liquidity and/or be used to repay debts and/or used for additional investment in renewable energy business and/or as an investment in buying additional furniture manufacturing machines and/or as working capital for the business operations.
Outstanding amount of debt securities	<p>: As of 31 December 2023, the Company has the outstanding debt securities which have not yet matured, for totally THB 1,206.50 million, as following details:</p> <ul style="list-style-type: none"> - <u>"The Company's bonds No. 1/2565, Lot 1, Lot 2 and Lot 3 with the redemption due in 2023, 2024 and 2025, respectively, in which the bond issuer is entitled to redeem bonds before redemption date</u> The outstanding value is THB 650 million with the redemption due on 9 June 2023, and 2024, respectively. <p>The issuance and offering to institutional investors or large investors is pursuant to the Notification of the Capital Market Supervisory Board No. Thor.Jor. 17/2561 (including amendments).</p> <p>The Company will maintain the Interest-Bearing Debt to Equity Ratio for not more than 4: 1 according to the consolidated financial statements at the end of quarterly accounting period or the end of fiscal year throughout the life of bonds</p> <ul style="list-style-type: none"> - <u>"The Company's Debentures No. 1/2023, Series 1 are due for redemption in 2024, with the issuer retaining the right to redeem the debentures before the maturity date ("Debenture, Series 1")", outstanding value is 300 million baht, due for redemption on May 11, 2024.</u> <p>: The issuance and offering to institutional investors or large investors is pursuant to the Notification of the Capital Market Supervisory Board No. Thor.Jor. 17/2561 (including amendments).</p> <ul style="list-style-type: none"> - <u>"The Company's Debentures No. 2/2023, Series 1 are due for redemption in 2025, with the issuer retaining the right to redeem the debentures before the maturity date ("Debenture, Series 1")", outstanding value is 256.50 million baht, due for redemption on May 17, 2025.</u> <p>The issuance and offering to institutional investors or large investors is pursuant to the Notification of the Capital Market Supervisory Board No. Thor.Jor. 17/2561 (including amendments).</p> <p>The Company will maintain the Interest-Bearing Debt to Equity Ratio for not more than 4: 1 according to the consolidated financial statements at the end of quarterly accounting period or the end of fiscal year throughout the life of bonds</p>
Registrar of Debenture	<ul style="list-style-type: none"> - <u>"The Company's bonds No. 1/2565, Lot 1, Lot 2 and Lot 3 with redemption due in 2023, 2024 and 2025 respectively."</u> Bond Registrar is Siam Commercial Bank Public Company Limited. Head Office is located at 9 Ratchadaphisek Road, Chatuchak, Bangkok 10900. Telephone 02-544-2923 - <u>"The Company's Debentures No. 1/2023, Series 1 are due for redemption in 2024."</u> Bond Registrar is Siam Commercial Bank Public Company Limited. Head Office is located at 9 Ratchadaphisek Road, Chatuchak, Bangkok 10900. Telephone 02-544-2923 - <u>"The Company's Debentures No. 2/2023, Series 1 are due for redemption in 2025."</u> Bond Registrar is Siam Commercial Bank Public Company Limited. Head Office is located at 9 Ratchadaphisek Road, Chatuchak, Bangkok 10900. Telephone 02-544-2923

Debenture holder
representative

- “The Company’s bonds No. 1/2565, Lot 1, Lot 2 and Lot 3 with tht redemption due in 2023, and 2024 respectively.”
The cond holder’s representative is Pi Securities Public Company Limited. Head office is located at 132 Sindhorn Building Tower 1, 2nd and 3rd floors, and Tower 3, 17th, 18th and 20th floors, Wireless Road, Lumpini Sub-district, Pathum Wan District, Bangkok 10330.
Telephone 02-205-7000
- “The Company’s Debentures No. 1/2023, Series 1 are due for redemption in 2024.”
The cond holder’s representative is Pi Securities Public Company Limited. Head office is located at 132 Sindhorn Building Tower 1, 2nd and 3rd floors, and Tower 3, 17th, 18th and 20th floors, Wireless Road, Lumpini Sub-district, Pathum Wan District, Bangkok 10330.
Telephone 02-205-7000
- “The Company’s Debentures No. 2/2023, Series 1 are due for redemption in 2025.”
The bond holder’s representative is Siam Wealth Securities Company Limited. Head Office is located at No. 10/39, The Trendy Plaza Building, 1A Floor, Soi Sukhumvit 13, Sukhumvit Road, Khlong Toei Nuea Sub-district, Watthana District,
Bangkok 10110
Telephone 02-430-6543

1.6 Dividend Payment Policy

Company’s Dividend Payment Policy

The Company’s policy is to declare dividend payments to the shareholders at a rate not less than 40% of its net profit after corporation tax, financial statements and legal reserves. The annual and interim dividend payments might be subject to change, depending on the Company’s operations, financial position, future projects and overall economic conditions. The Company’s Board of Directors shall be empowered to consider the option. Moreover, the Board of Directors’ resolution approving dividend payment shall be proposed for final approval with shareholders’ meeting. Exemption is on interim dividend payment which the Company’s Board of Directors shall be authorized to make decision and report the decision at the next shareholders’ meeting.

Data showing the comparison on dividend payment records for the years 2021, 2022 and 2023.

Details of Dividend Payment	2021	2022	2023
Net profit of separate financial statements (THB Million)	12.40	10.66	0.00
Allocate 5% of legal reserve (THB million)	None	None	None
Number of shares (million shares)	959.49	959.49	959.51
Dividend paid per share (THB)	0.0157	0.011	-
Total dividends paid, approximately (THB million)	15.06	10.55	-
Proportion between dividend payment and net profit after deducting reserve (Dividend payout ratio)* (%)	121.53%	99.05%	-

- Note:
1. ECF has a dividend payment rate based on the dividend payment policy of the years 2021, and 2022.
 2. Consider omitting the dividend payment for the year 2023 to the shareholders due to the economic situation and the Company’s performance at this moment. The Company is waiting for the resolution of the 2024 Annual General Meeting of Shareholders accordingly.

Dividend Payment Policy for Subsidiaries

The Board of Directors of subsidiaries may consider the annual dividend payment of subsidiaries and the approval from the shareholders' meeting of the subsidiaries is required, unless it is an interim dividend payment which the board of directors of subsidiaries may, from time to time, approve the payment of dividend when it deems that the subsidiary has sufficient profits to pay dividends. The Board of Directors of subsidiaries will report to the shareholders' meeting of the subsidiaries in following meeting. The Board of Directors of subsidiaries will consider the dividend payment after mainly taking into account many factors for the benefit of the shareholders, such as profit from the operations and financial status of subsidiaries, reserves for future investments, reserves loan repayment or as the working capital within the subsidiaries. The dividend payment must not significantly affect the normal operations of the subsidiaries as deemed appropriate by the Board of Directors.

Dividend Payment Policy for Associated Companies

The dividend payment of ECF's associated companies will be in accordance with the agreement among shareholders, and vary according to the terms of each contract, the dividend will be paid to shareholders in proportion to the shareholding by each shareholder. The details are in accordance with the agreement among shareholders. In case of Green Earth Power (Thailand) Company Limited (GEP) in which a subsidiary of ECF (ECF Power Company Limited) is holding 20% of shares in GEP, there is an agreement stipulating the policy and approval for the dividend payment of GEP and its operating company (GEP Myanmar Co., Ltd.) for not less than 90% of net profit after deducting annual budget, reserves, and advance borrowing expenses under the loan agreement of the operating company.



2. RISK MANAGEMENT

2.1 Risk Management Policy and Plan

The Company's risk management policies and plans are prepared for executives, and employees to use for responding and operating their tasks under the critical situations or circumstances that may prevent the organization from continuing to operate or may affect the Company's overall performance result and the operating result so that the Company can continuously and effectively operate, minimize the impact, damage or loss that may occur in order to efficiently and systematically operate. Risk management is to work in such a way that all workloads shall assess the risks before operating, considering the risk countermeasures in advance to perform main duty to watch out the risks in advance together. Risk management is part of routine responsibilities in the recognition and acceptance from those involved in a pre-decision manner. If the organization by all levels, from the level of the Board of Directors, the Risk Management Committee, executives, and employees, is aware of the duty of risk management in advance before any risky incident of all areas shall occur. This means that the risk management will be an important approach to reduce the impact on the damage that shall be occurred to the organization in terms of operating results, image, maintaining benefits to all stakeholders, society and communities, supporting the business guidelines to ultimately create sustainability for the organization.

The main objectives are:

1. To be used as a guideline in managing the continuity of the Company in various crises that may arise.
2. To enable the Company to prepare itself in dealing with any crisis or emergency that may arise.
3. To reduce the impact of interruption in the Company's operations.
4. To mitigate the damage to an acceptable condition and reduce the severity of the impact that shall occur.

5. To provide guidelines for the audit, monitoring and assessment of risks that may affect the achievement of the Company's vision, operational objectives, goals or strategies to strengthen the guidelines for organization development with continuous sustainability.

Risk Management Policies

- Assign the risk management as the responsibility of directors, executives, and employees at all levels, aware of existing or potential risks within their functions and to the overview of organization by focusing on managing risks in various areas to be at sufficient and appropriate level.
- Provide an enterprise the Company's risk management process that meets good standards in line with international practices to effectively manage risks that may affect the operations of the organization, to develop and implement risk management throughout the organization in the same direction by using the risk management system as part of the decision making, strategic planning, plans, and performance of the Company's executives and employees, as well as to focus on the achievement of given objectives, goals, vision, mission, and strategies for creating the operational excellence and building confidence among the Company's stakeholders.
- Establish the guidelines to prevent the Company's operations from risks and mitigate risks to avoid any damage or loss that may occur, as well as to regularly monitor and evaluate risk management results; apply the information technology systems in the Company's risk management process, and thoroughly encourage personnel at all levels to have access to news and information about risk management, as well as arrange the risk management reporting system for the Risk Management Committee, executives, and staff of the internal control audit unit to ensure the efficiency and consistency.

The Company's risk management plan consists of 8 steps as follows:

1. Control Environment
2. Objective Setting
3. Event Identification
4. Risk Assessment
5. Risk Response
6. Control Activities
7. Information and Communication
8. Monitoring

Risk Management Structure

In order to effectively and efficiently implement the risk management, the Company has established the risk management unit to coordinate with internal control system auditors including the Company's Risk Management Committee with following duties and responsibilities:

1. The risk management unit has overall responsibility for overseeing the risk management within the organization.
2. The Secretary of the Risk Management Committee is responsible for auditing and supporting the Risk Management Committee to their performance of risk management duties, in order to ensure that the risk management system is appropriate and effective.
3. The scope of duties and responsibilities of the Risk Management Committee are as follows:
 1. Systematically perform their duties in accordance with the risk management policy set by the Board of Directors, risk assessment, risk prevention and monitoring in the furniture industry, to reduce the likelihood of damage to the organization to an acceptable level by focusing on the creation of risk management culture in the organization.
 2. Provide advice and support to the Board of Directors in formulating risk management policies, risk appetite and risk tolerance.
 3. Screen and review the risk management report to ensure that the risks are adequately and appropriately responded to at an acceptable level for the organization.
 4. Perform any other tasks as assigned by the Board of Directors.

5. The meetings of the Risk Management Committee shall be held at least twice a year and reported to the Audit Committee and the Board of Directors for acknowledgement.

Review of Policy

Executives and teams responsible for the internal risk management must annually review the risk management policy, and propose to the Risk Management Committee for review and approval, if there is any change.

However, the investors or shareholders who are interested could learn more about the policy of risk management on www.eastcoast.co.th Topic: Sustainable Development and Corporate Governance, respectively.

2.2 Risk Factors towards the Company's Business Operations

2.2.1 Risks towards the Company's Business Operations

1. Business Risks

1.1 Risk from Industrial competition

According to the information from the Department of Business Development, Ministry of Commerce, as of 29 January 2024, there are a number of legal entities that submit financial statements and are engaged in the furniture manufacturing business. This includes businesses involved in the production of wooden furniture, metal furniture, and furniture made from other materials (except stone, concrete, or ceramic). Additionally, this category encompasses entities that act as wholesalers of household furniture. According to information from legal entities that submitted financial statements for the year 2022, there are significant details to note: The total number of legal entities registered as entrepreneurs increased to 4,215, up from 4,058 in 2021. The total registered capital rose to 41,467.36 million baht, an increase from the 39,413.20 million baht registered in 2021. The total income reported was 127,398.50 million baht, marking a substantial increase from the previous year's total income of 42,896.83 million baht. The net profit for the year was 2,992.92 million baht, a net profit to total income ratio of 2.35 percent.

From the information provided, it was found that legal entities in the furniture industry that submitted financial statements for the year 2022 to the Department of Business Development show signs of opportunity and potential for overall growth. This is evidenced by an increase in the number of registered entities, a significant rise in total income, and the ability to generate

profits from business operations across the industry. These indicators suggest a positive direction for businesses involved in manufacturing and distributing furniture products.

However, if considering in terms of competition in the group of furniture manufacturers and distributors, there are at least 10 major entrepreneurs who are key players in the industry. If comparing the target customers of such major players to ECF, it was found that they are not the same customer group as ECF, that is, some entrepreneurs operate their business as furniture manufacturers and deliver products to sell in large furniture retailers who sell products under their house brands, and the products will be directly sold to end users, these entrepreneurs are not the Company's direct competitors due to different groups of target customers.

While some entrepreneurs will focus on the production of integrated furniture products covering almost all types of furniture, to be sold through showrooms and real estate project customers. Some entrepreneurs mainly produce furniture as orders from single large retailer. In addition, some of them are furniture manufacturers, but in other types of furniture which are not produced from other material such as attan furniture, plastic furniture, etc.

It can be said that most of entrepreneurs in large retailer group in Thailand are not direct competitors of ECF due to different groups of target customers.

Considering furniture manufacturers and distributors whose customers are Hypermarket stores, similar to the Company's customers, at present, there are only 4 manufacturers selling products in hypermarket stores; however, since all these 4 manufacturers are medium to small furniture factories with limited capacity in accepting orders, none of entrepreneurs have sales volume close to the Company's. Additionally, most or 50% of ECF's sales revenue comes from the manufacturing for sale to foreign customers; therefore ECF has mainly considered foreign competitors, the Company is currently predicting that there may be only one competitor whose nature of business is similar to the Company's, and located in ASEAN region, and having the same group of overseas target customers, this competitor is HEVEA PAC Malaysia SDN BHD, Malaysia.

In 2023, ECF's situation and competitiveness of the Company are not disadvantage compared to competitors. In addition, the Company could maintain the revenue level without losing any market share, although we have been under various situations in 2023 including war, inflation, cost of living, rising oil prices, outbreak situation which still exists, the orders placed by foreign customers are considered at an acceptable level.

Despite the order volume not increasing, the trading continued. Considering the market share of both exports and domestic sales in 2023, ECF did not lose any significant market share.

However, with good buyer relationship creation and emphasis on product quality together with manufacture that can fulfill customer needs based on the needed quantity, resulting in the continuous product ordering of most overseas customers with the Company for long time over ten years. However, the Company realizes on the strength of the foreign competitors. The key competitors are the group of manufacturing factories in Malaysia and Vietnam. Malaysia is advantageous by focusing on made-to-order production, and mass production and sales using modern technology to support production process, under low labor and transportation cost. In meanwhile, Vietnam also focuses on made-to-order production under low labor cost. However, its weakness is the reliance of raw materials imported from foreign countries. The Company can create our advantages through proper awareness on building standpoint of the Company's products by ongoing monitoring the changing consumer behavior trend, and adapting toward the product manufacturing pattern that supports such needs, seeking ways to continuously minimize costs and expenses, including finding channels to create added value for products in order to be competitive with advantages on many areas compared to competitors.

1.2 Operational Risk

The Company has held the weekly meetings between the Head Office which is part of manufacturing plant, and Marketing Department located in the branch, to follow up on problems arising from operations, coordinate and recognize the problems arising from working together in a timely manner, the daily and weekly follow-ups on the operations at the function, department and unit levels is also provided.

1.3 Compliance Risk

The Company has established a unit to supervise the Company's operations, it is a joint operation between the Company Secretary Unit and Finance & Account Unit to be responsible in ensuring that the Company has properly complied with laws, SET requirements, or the regulations of relevant government agencies & regulators, in which the past operation is still in accordance with the given plans.

1.4 Risk of Finance and Exchange Rate

The current important issue of financial risk is the receivables management, because during 2022 until 2023, the war, inflation, cost of living and economic problems occurred may affect the financial situation of some groups of ECF's customers, especially dealers nationwide. In this issue, responsible agencies are requested to accelerate the

planning of debt collection management system to be prudent, concise and timely with situations that may occur to each customer to enter the correct and appropriate system with the objective to reduce the debt collection period and continuously reduce the value of long overdue debts as soon as possible.

ECF has distributed the products to foreign customers with the condition of payment in USD, during 2021, 2022 and 2023, the Company had a proportion of sales to foreign countries at 61.31%, 49.79% and 40.30% of sales revenue, respectively. In addition, the Company imported raw materials for the production of foil paper. During 2021, 2022, and 2023, the Company has the proportion of purchasing such raw materials at 2.44%, 2.85% and 3.04% of the total purchase number of raw materials. Therefore, the Company may be exposed to the risk of exchange rate fluctuation which may affect the Company's net profit. However, we have prepared financial instruments to hedge against such potential risks. As of 31 December 2023, The Company has forward contracts with financial institutions in the country to utilize and mitigate the impact of volatility of exchange rates that may occur in the future to a certain extent. Still, the Company has a policy to use the credit line of foreign currency forward trading to be sufficient to the level that we think it is sufficient to hedge the risk without opening the credit limit for foreign exchange speculation, and the movement is monitored to know the tendency of exchange rate fluctuations in a timely manner.

In terms of preventing other financial risks, the Company has considered to find a way to reduce the financial cost from borrowing for business operation and investment expansion in many projects, it has continuously decreased as well.

1.5 Risk of New Customers and Reliance on Existing Customers

At present, the Company reduces the risk of new customers by checking their identity and financial credibility through the information from the Department of Business Development, Ministry of Commerce, and checking from other reliable sources before considering and giving credit term for new customers.

For the risk of reliance on existing customers, the Company can reduce its reliance on foreign customers, at present, the Company's proportions between foreign customers and domestic customers are similar, and the Company's Marketing Department could expand more customer base such as customers in India, the United States, Middle East, and Philippines, and has continued to seek ways to expand to other customer groups in other countries, resulting in lesser reliance on customers in Japan which currently accounts for the largest proportion among international customers.

1.6 Risk of Fire Inside the Factory and Application for Insurance

ECF reviewed the fire prevention policy, provided employees working in production process with trainings to educate them, and reviewed the insurance amount to cover comprehensive and full coverage every year, which is still in accordance with the plan set out.

However, due to a fire accident that occurred in the second quarter of 2023, the initial damages primarily involved inventories and buildings and equipment, which had a book value of approximately 77.92 million baht and 31.63 million baht, respectively, totaling approximately 109.55 million baht. The company had a fire insurance policy with a local insurance company for an insured amount of 546 million baht. In September 2023, the company concluded a written agreement with the insurance company, securing compensation for the fire damages amounting to approximately 93.28 million baht. As a result, the company recognized a loss from the write-off of the aforementioned assets.

1.7 Risks from Non-Long-Term Purchasing Agreements

As of 31 December 2023, The Company manufactures and distributes its furnitures via the three major channels of distribution:

Type 1: Production and distribution for export and domestic distribution to large retailers such as Home Pro, Winner, Global House, Do Home, Thaiwasadu, Lotus, and Big C, etc. In 2021, 2022, and 2023, the Company sold products to these two groups for THB 1,421.65 million, 1,292.25 million, and THB 1,144.55 million, or equivalent to 91.75%, 94.17%, and 85.57% of revenue from furniture sale, respectively.

Type 2: Production and distribution for the Company's brands, in this segment, it provides a small proportion of total sales revenue. For the past year 2023, we produced under the brand HASTA, many customers turned to order the production for their house brand, causing the Company producing under the Company's brands for some large retail customers only.

Type 3: Distribution through wholesale stores and dealers nationwide, it is expected that this group will start to result in further good growth in the future because there are signs showing economic recovery and domestic consumer confidence has begun to resumed with the purchase of products.

Type 4: Distribution through online channels, such as Lazada, Shopee, TikTok, and NocNoc, etc., including online channels directly contacting the Company, such as FaceBook, Line, etc. During 2023, ECF made a strategic plan for further growth in the future.

However, as the key nature of production of the Company's products is made to order The Company receives advance ordering plan from domestic and overseas customers every year. Both domestic and overseas customers will not enter into long-term purchasing agreements for products. The Company therefore may expose itself to risk from the uncertainty of the order quantities of the customers due to non-entering into long-term purchasing agreements. It was to say that the customers may reduce order quantities or not order products in the future. Such an event may affect the Company's business operation and profitability. However, due to the Company's high quality products and proper pricing when compared with the competitors, the Company is advantageous from receiving orders in high quantities for economies of scale, and punctual product delivery, resulting in total product orders continuously placed by foreign customers and Hypermarket, together with the development of product styles to be new, modern, and ways to additionally procure other types of products as new alternatives and expand sales opportunities. These are important factors resulting in continuous orders placed with the Company. In addition, ECF has a way to diversify risks by developing more distribution channels in every channel to reduce the dependence on solely selling to any distribution channel.

2. Production Risks

2.1 Raw Material- Related Risk

- Risk from Raw Material Shortage

During 2021, 2022, and 2023, The Company has a proportion of purchasing all types of wood to be used as raw materials in the production process. The highest raw material purchase value, accounting for 43.13%, 43.45%, and 35.88% of the total raw material purchase amount. This proportion in 2023 was lower than the past two years because a part came from the price of raw materials decreasing when compared to the past continuously.

The Company enters none of the sales agreements with any specific raw material suppliers and may expose to risk from supply

of raw materials if the suppliers fail to sell sufficient raw materials to the Company or suspend selling raw materials to the Company. However, the Company realizes on such risk issue, and prevents risk from acquisition of raw materials by continuous ordering raw materials from seven major suppliers to diversify risks without relying on any raw material supplier with production potential and maintaining good relationship with the suppliers of raw materials for long time. More than 80% of its major suppliers of raw materials have sold raw materials to the Company for a long time, over ten years.

- Risk from Fluctuation of Raw Material Price

The main raw materials for the Company's furniture production are Particleboard, MDF and rubber wood. During 2023, the price situation of main raw materials for particle board and MDF wood is not significantly changed, compared to 2021 - 2022, resulting in no impact on the Company's production cost structure. However, the Company has used the purchase control policy, consistent use of raw materials in the production cost structure, and continuous waste management inside the factory.

During 2023, the main raw materials for the company's furniture production, namely particleboard, MDF (Medium Density Fiberboard), and rubber wood, experienced a decrease in availability compared to 2022.

Besides, rubber wood which is considered as an industry which is the future of Thailand because almost all countries have closed forests, causing a shortage of wood for consumption, as a result, the rubber wood is in greater demand. In addition to generating income for rubber plantation farmers, it also generates more income for the country from the export of rubber wood products, and it tends to increase every year.

Based on the data from the Agricultural Information Center under the Office of Agricultural Economics as of December 2023, informed that in Thailand, there is a significant area devoted to rubber tree plantations, with the productive area being 22.03 million rai in 2022 and 22.08 million rai in 2023. Forecast information as of November 2023 expects this

area to grow to approximately 22.19 million rai in 2024, indicating a continued upward trend. According to the Office of Agricultural Economics, the target for felling rubber trees in 2021 was set at 400,000 rai, but actual demand exceeded this target, reaching 470,000 rai. This high demand is primarily due to farmers planting rubber trees for latex production, which is processed into rubber sheets for sale. As rubber trees age and their latex yield decreases, they are often cut down and sold, with the wood being a by-product of rubber cultivation. This wood is especially valued in the furniture production industry. Thus, if the demand for rubber wood increases, it could affect the cost of this raw material, potentially impacting the profitability of businesses that rely on it. Furthermore, on 13 November 2023, the Office of Agricultural Economics reported that the number of rubber trees expected to contribute to production in 2023 was 22.082 million rai, a decrease from the initial estimate of 22.99 million rai. This reduction was partly due to the effects of the El Nino phenomenon, which caused drought and extremely hot weather, as well as significant production areas in the south being affected by leaf fall disease.

In addition, the Rubber Authority of Thailand (RAOT) has made adjustments to the criteria for cutting down rubber plantations to support and promote new plantings, aligning with the continuously rising price situation for rubber wood. In 2021, there was a significant interest from rubber farmers in cutting down 470,000 rai of rubber trees, surpassing the target by 70,000 rai. If the actual cutting down exceeds the budget allocated for the year, rubber farmers are offered subsidies for planting in the subsequent fiscal year, 2022. This approach is part of the 20-year rubber strategy, aiming to reduce the rubber plantation area to approximately 18.4 million rai by 2036 to stabilize rubber prices and ensure that the supply of rubber wood, including for pallet wood, meets demand. This adjustment not only aims to enhance the income opportunities for rubber farmers through tree cutting down but also supports rubber wood business operators by ensuring a sufficient supply of raw materials for wood processing amid market expansion. RAOT predicts that, due to the global economic recovery, particularly in China—a major export market for Thailand—the

rubber wood industry is expected to grow by more than 10% during 2021 - 2022. The increased demand for rubber wood has led to a continuous price increase. RAOT's policy aims to foster growth and strengthen the Thai rubber wood industry, like to other sectors within the rubber industry.

However, in overview in part of such cost management for both types of main raw materials, the Company will closely monitor the movement, variation, and fluctuation of price to be up-to-date and enable to prevent risk from fluctuation of the price of main raw materials that may affect the Company's operating result. The Company will consider the purchase prices of woods based on the data obtained from the market survey of wood raw materials, and consider the amount of wood to be used so that the Company can control the costs of wood raw materials to be appropriate and in line with the market conditions, as well as adjust the sales strategies to reflect the conditions of changing costs.

2.2 Risk from Labor Shortage

The Company operates the manufacturing and distributing business of furnitures and surface papers. The production labor is considered as key factor. As of December 31, 2023, the Company has had total of 1,307 employees classifying into 349 full-time employees and 958 daily-waged employees. Approximate 73.30% of total daily-waged employees are in factory/production department and the number of foreign labors is 95.30% of daily-waged employees.

The large amount of labor will affect production cost and competitiveness of the business. During the year, there is always a turnover and the Company's expansion and adjustment of the production process, possibly resulting in increase/decrease in labor turnover until the production capacity may be affected in some periods. Being aware of such risk issues, the Company has formulated guidelines for preventing risk of labor shortage, and it has previously never confronted this problem. In addition, the Company has planned to improve its production lines by importing sophisticated machines to continuously and increasingly ensure automatic system in production process, contributing to reduction of the potential impact of labor shortage to some extent.

3. Sustainability Risk

The sustainability risk relates the environmental, social and corporate governance issues, the Company has sought for a way to manage such risk to create opportunities and reduce risks that will affect the Company's profitability, competitiveness, image, reputation and survival, by focusing on the formulation of mission and corporate strategy, including the analysis of risks and the important issue of sustainability to support the risk management at different levels for building the confidence of all stakeholders. Followings are details:

- Environment Aspect

The Company is well aware of the impact of climate change on the supply of raw materials, including particleboard, processed and dried rubber woods, then has thought of ways to reduce the amount of woods used in production, and the production guideline that will help reduce the loss of woods as much as possible, including the concept of recycling to be used in production process, for example, the Company uses recycled paper grade in production of the Company's brochures, product manuals, etc.

Additionally, the Company has properly controlled the dust arising from the wood production process to reduce the potential impact on the environment, communities and society surrounding the Company's manufacturing plant.

- Society Aspect

The Company has emphasized and respected the principle of human rights in the supply chain to create sustainability in business processes. In addition, the Company is aware of the risks from the behavior of people in society that may change; therefore, in order to adapt itself to the development of products, the Company has developed its products to be ready for the changes that occur, with the objective to reduce the potential impact on the overall revenue and production costs. The Company has focused on the new inventions to respond to consumer behavior and to sustainably create values that can meet its goals.

- Corporate Governance Aspect

The Company has placed the importance on the disclosure of material information to reduce the risks and prevent stakeholder expectations, for example, the shareholders or individual investors in the Company's securities must have equal opportunity to obtain important information in a timely manner for investment decisions without creating any advantage for any group, etc. In addition, the Company

has emphasized compliance with the regulatory policies inside the organization through the issuance of governance policy on many areas such as the Charter of the Board of Directors and the Charters of all sub-committees. The Corporate Governance Policy, Business Ethics, the Code of Business Conduct for Directors, executives and employees, policy on retention and use of insider information, the anti-corruption policy, etc., which are part of the Corporate Governance Policy, shall be annually reviewed by the Board of Directors, to ensure that the Company has considered and prioritized it to prevent the potential corporate governance risk and to minimize the impact on the Company's business operations.

For more supporting information can be considered in the topic: Business drive for sustainability in this 56-1 One Report form.

4. Management Risk

- Risk from Dependency on Key Executive

The Company commenced its business operation from the foundation of Mr. Wanlop Suksawad and continuously expanded its business via professional management of the executive group in Suksawad Family. Throughout over 20 years of business operation, the key executives of the Company have ongoingly created reliability for the business and built good relationships with both domestic and overseas customers. The Company therefore may be exposed to risk from dependency on the key executives of the Company in management. If the key executives are changed, it may affect the Company's business operation. The Company has realized such risk and then prepared position succession plan and supported its employees to fully play role in opinion expression and operation under determined authority. The Company has the Nomination Committee to play a role in continuously monitoring the progress of this issue and has also driven the teamwork to increase the potential and efficiency in working by considering on appropriate and adequate reward together with emphasis on equitable and regular training of every level of employees to have working knowledge and understanding. In addition, the employees are supported and entrusted with higher positions to support the Company's management. Therefore, the Company ensures that it will reduce dependency on the management of the key executives in the future.

5. Risks from Investment in Alternative Energy Business

Since 2016, the Company has expanded its business to the renewable energy business, until 31 December 2020, the Company has invested in solar power plant projects (after 24 December 2020, the Company has disposed of all ordinary shares held through its associate, Safe Energy Holdings Co., Ltd., which invests in the biomass power plant business and the trading is finalized on that day, a total of shares to be disposed was 233.88 million baht), which ECF Power Company Limited, as a subsidiary in which the Company holds 99.99% of total shares, invests in the said project. Therefore, the solar acquirement of solar power plant business may pose risks in many areas, including:

- Risk from Project Success / Risk from Delay on Commencement of the Planned Project Operation

In part of solar power plant project in Minbu City, Myanmar, via shareholding of 20% in Green Earth Power (Thailand) Company Limited, December 31, 2023, it has currently been under construction of the Project - Phase 2 3 4 total amount 170 MW from total of 220 MW. Which in the past, the major risks to be an obstacle causing the construction to be delayed from the plan are the unrest situation in Myanmar, the situation of the COVID-19 epidemic that has caused the travelling to the construction site to be delayed, and the political unrest situation in Myanmar. However, the latest progress on the construction of the project for Phase 2 is that the preparation of area to support the installation of solar panels is in progress and will be complete soon, and the product ordering such as solar panels with installation accessories required for construction is processed as planned. However, the impact of COVID-19 and the political unrest have resulted in the delay of commercial operation date for next phases. The management team and the work team are aware of the aforementioned issues. At present, the construction team will continue to fully accelerate the construction to minimize the impacts. In addition, based on the terms of the Power Purchase Agreement, the project can claim a force majeure

from the impact of COVID-19 and the political unrest in Myanmar. Now, the project has not been notified of any delays in the construction from relevant government agencies in Myanmar. Furthermore, the project can normally receive electric payment from the Myanmar government for the first phase, which has operated commercially since September 2019 until now.

In order to closely manage the project and reduce risks, the Company has delivered its director representative to attend the meeting and hold the director office in Green Earth Power (Thailand) Company Limited as the Company's director representative to continuously attend every Board's meeting and closely overhear the progress including problems and corrective guidelines for success of the project operation on setting plan, and the result of completed project, which is Phase 1 with size of 50 megawatts.

- Risk of deposit placement for the study of feasibility about other renewable energy projects

The deposit to study the feasibility of the biomass power plant project in Japan as of 31 December, 2023, amounted THB 100 million, the said project is from the founders of the solar power plant project in Myanmar (Minbu Power Plant) or Green Earth Power (Thailand) Company Limited (GEP), but now, all shareholders of the GEP power plant project still focus on the success of the construction of power plant project in Minbu to complete all four phases as soon as possible, and the source of investment fund is spending on GEP, which is a project with high investment amount, in addition, many situations also resulted in the delay of construction, causing the delay in the investment of biomass power plant projects in Japan at the moment. If the construction of all 4 phases of the Minbu Power Plant can be completed by 2024 - 2025 as targeted, the founders of the biomass power plant project in Japan will make the construction progress, and the Company will consider the possibility of investing in such project in order to reach the conclusion of the investment.

- Risk from Interest Rate Fluctuation

Since the funding for the construction of power plant projects is the amount of the project supported by financial institutions, the interest rate charged by the financial institutions with the Company is specified to be floating interest rate. Thus, if the interest rate is changed, it will directly affect the financial cost of the Project and affect share of profit gained by the Company, ultimately. Nevertheless, in respect to Minbu Power Plant Project, hedging from interest rate has been determined based on the specified proportion to abate risk from fluctuation of interest rate in accordance with condition specified in Credit Facility Agreement.

- Risks from the COVID-19 situation and political unrest in Myanmar

According to the Power Purchase Agreement, the Minbu Power Plant project can claim a force majeure due to the aforementioned situations to request an extension of the construction period. In addition, the Myanmar government has never issued any notice to the project regarding the delay in the commencement of commercial electricity distribution. As of 31 December 2023, the construction project is currently in Phase 2 and will continue until all 4 phases are completed.

6. Risk of the Investment from Securities Holders

The investors in the Company's securities may be exposed to the risk of non-return or possibility of losing all or part of their investment, affecting the return on investment which may be caused by the Company's operating results, the conditions of related Industries and economic conditions are the important factors that determines whether the return on investment will be high or low, and the trading situation in the Stock Exchange of Thailand. If the economy expands well and the Company has a good operating result, the Investors in the Company's securities shall have the opportunity to earn higher returns. On the other hand, if the economy is stagnant or in a downtrend, and the Company's profits decline due to such an impact, the return to be paid to the investors shall tend to be decreased. Therefore, the investment involves risks and investors should closely and closely study all relevant information.

7. Emerging Risks

7.1 Information Technology Risk

To ensure the Company's ongoing operation in producing and distributing furniture products, it is crucial to have adequate financial resources to support these operations. As of 31 December 2023, the Company's sources of working capital include: 1) debentures; 2) loans from 7 financial institutions; and 3) short-term loans from other parties. The financial statements indicate that, as of 31 December 2023, the Company has a debt burden from issuing bonds amounting to 1,196.91 million Baht, a loan burden from all financial institutions amounting to 808.91 million Baht, and short-term loans from other parties and other interest-bearing debts totaling 220.26 million Baht. When considering the proportion of interest-bearing debt, it is evident that the Company relies on loans from various sources, with proportions of 53.77%, 36.34%, and 9.89 %, respectively. The Company's inability to issue and offer bonds or request loan support from financial institutions would adversely affect its business, financial position, and performance. Nevertheless, the Company's performance and loan repayment record are strong, and it has never faced premature loan repayments demanded by banks or experienced defaults in bond repayment.

7.2 Risks from Maintaining Financial Ratios Upon the Conditions of Bonds

As of 31 December 2023, the Company is obligated, according to the rights provisions, to maintain the "Interest Bearing Debt to Equity Ratio" at a ratio not exceeding 4:1 (four to one) at the end of each quarterly fiscal period or at the end of the fiscal year throughout the life of the debentures with currently outstanding debt obligations. If the Company is unable to maintain the Interest Bearing Debt to Equity Ratio in accordance with the rights provisions, it will result in the Company entering into default as per the rights provisions and enable all debts of the debentures to become immediately due for repayment.

As of December 31, 2023, the Company maintained the "Interest Bearing Debt to Equity Ratio" of 1.87 : 1, demonstrating its ability to uphold the financial ratio within specified conditions.

7.3 Affordability Ratio Risk

As of 31 December 2023, the Company has outstanding debt instruments that have not yet matured for redemption, totaling 1,206.50 million Baht (before deducting expenses for the issuance and offering of bonds), with the following details:

1. "The unsecured bonds of East Coast Furnitech Public Company Limited, No. 1/2022, are set to be redeemed in 2024 and 2025, with the issuer having the entitlement to redeem the bonds before the maturity date." These bonds have an outstanding amount of 409.50 million Baht due for redemption on June 9, 2024, and 240.50 million Baht due for redemption on June 9, 2025, totaling 650 million Baht.
2. "The unsecured bond of East Coast Furnitech Public Company Limited, No. 1/2023, are set to be redeemed in 2024, with the issuer having the entitlement to redeem the bonds before the maturity date." This bond has an outstanding amount of 300 million Baht due for redemption on May 11, 2026.
3. The unsecured bond of East Coast Furnitech Public Company Limited, No. 2/2023, Series 1, are set to be redeemed in 2025, with the issuer having the entitlement to redeem the bonds before the maturity date ("Bond Series 1"). This bond has an outstanding amount of 256.50 million Baht due for redemption on November 1, 2028.

The Company's Liquidity Ratio, Interest Coverage Ratio and Debt Service Coverage Ratio are as follows:

Ratio	As of 31 December 2021	As of 31 December 2022	As of 31 December 2023
Liquidity Ratio	1.19	1.14	0.88
Interest-bearing Debt to EBITDA Ratio	8.83	9.23	58.40
Interest Coverage Ratio	1.72	1.54	0.21
Debt Service Coverage Ratio (DSCR)	0.17	0.16	0.03
Interest Bearing Debt Matured in 1 year to Total Interest Bearing Debt	0.65	0.66	0.69

As of 31 December 2021, 2022, and 2023, the Company's liquidity ratios stood at 1.19 times, 1.14 times, and 0.88 times, respectively. The liquidity ratio is derived from current assets to current liabilities. A closer analysis reveals that during the initial nine months of 2023, a decline in the liquidity ratio was observed, primarily attributed to the escalated value of current liabilities, driven by debentures maturing within a year. Furthermore, there was a noticeable rise in creditor obligations resulting from transactions involving the sale of claims in both trade receivables and payables.

As of 31 December 2021, 2022, and 2023, the Company's IBD/EBITDA ratio stood at 8.83 times, 9.23 times, and 58.40 times, respectively, representing an increase from 2022. The Company also held all interest-bearing debt as of 31 December, 2021, 2022, and 2023, amounting to 2,049.09 million Baht, 2,259.94 million Baht, and 2,226.07 million Baht, respectively, with an upward trend likely. Concurrently, the Company's EBITDA for 2021, 2022, and 2023 stood at 231.94 million Baht, 244.78 million Baht, and 38.12 million Baht, respectively, attributable to one-time loss expenses resulting from fire damage during

the second quarter of the previous year. More details can be found in Section 4: Management's Discussion and Analysis: MD&A.

As of December 31, 2021, 2022, and 2023, the Company's Interest Coverage Ratio stood at 1.72 times, 1.54 times, and 0.21 times, respectively. The Company's EBITDA in 2021, 2022, and 2023 was equal to 231.94 million Baht, 244.78 million Baht, and 38.12 million Baht, respectively.

As of December 31, 2021, 2022, and 2023, the Company's Debt Service Coverage Ratio stood at 0.17 times, 0.16 times, and 0.03 times, respectively. The Company's Interest-Bearing Debt Matured within 1 year as of December 31, 2021, 2022, and 2023, amounted to 1,330.05 million Baht, 1,500.03 million Baht, and 1,524.01 million Baht, respectively. Additionally, this ratio decreased due to the decline in EBITDA.

As of December 31, 2021, 2022, and 2023, the Company's ratio of Interest Bearing Debt Matured in 1 year to Total Interest Bearing Debt was 64.91%, 66.37%, and 68.46 %, respectively.

8. Emerging Risk

8.1 Information Technology Risk

In today's world, information technology systems, computers, and various data storage systems play an important role in the management of organizations. This includes being an integral part of the internal control system through various related programs such as sales management, financial accounting, database creation and storage, and general operations. Therefore, the Company places importance on providing guidelines for preventing information technology risks that may occur within the organization. Since the past, the Company has established a policy on this issue for relevant agencies to acknowledge and put into practice. This includes following up on clearer concrete results so that the Company can prevent risks from every point of the information technology system in the organization, covering all aspects.

8.2 Risks from the effects of the Russian-Ukrainian war, inflation problems, and the rising oil prices

The Russian-Ukrainian war in February 2022 has affected the price of oil to be increased, subsequently causing effects on other areas, such as the tendency of production costs, and sales and administrative expenses of the Company to be increased. However, under these impacts, ECF has urgently adapt itself and find ways to reduce costs and expenses, starting from the procurement process, procurement of raw materials, negotiations with business partners, diversification of sales risk by having multiple customers without mainly relying on solely selling to any customer, monitoring and examining risks and problems that may be occurred in advance and speeding up finding solutions before the impact is greater, and adjusting the working organization to be more efficient, these are important guidelines that help the Company's overall performance to be not significantly affected by the Russian and Ukrainian war, inflation, rising oil prices.





3. DRIVING BUSINESS FOR SUSTAINABILITY

3.1 Policies and Target on Sustainability Management

East Coast Furnitech Public Company Limited (“the Company”) has provided the policies on sustainability management, taking into account the compliance with business directions and strategies based on the Global Reporting Initiative (GRI) framework and guidelines of the United Nations Sustainable Development Goals (SDGs) in line with the objectives “To lead the organization into the development and profits with sustainable growth along with social and environment responsibility, including good corporate governance.” to reflect the intention and commitment to drive the businesses by taking into account the issues of corporate governance, people, environment, society, covering the prioritization of respecting human rights, labor rights, anti-corruption, etc., to be the guideline for operations and to create understanding and responsibilities for stakeholders.

Since 2021, ECF has combined the Sustainability Report into Form 56-1: One Report, or learn more information at www.eastcoast.co.th under the topic “Publications”.


Sustainability Management Target








The Company has established the corporate sustainability management targets in line with its short-term and/or long-term business strategies as follows:






Business Target

The Company has established the goals or indicators of the Company’s operating result, both monetary and non-monetary terms, by maintaining the growth rate of sales and profits from operations in the furniture business group to continuously grow for at least 10-15% per year and aiming to become an organization that develops further investments to reduce costs in the integrated furniture manufacturing business for strengthening its competitiveness and conducting business with ethics, respect the rights and responsibilities to shareholders and stakeholders, benefiting to society and reducing the impact on environment, by maintaining the gross profit margin of the furniture business for not less than 25% per year. In addition, the Company shall be able to create a level of customer’s satisfaction with the Company’s products for at least 80%, based on the result of annual satisfaction customer survey results.

For long-term goal, the Company has set the return from the renewable energy business at the proportion of not less than 30% of the total net profit of the Company and all subsidiaries within 3 years, and diversified the business risks to other types of businesses that are potential and have opportunities for continued growth, and targeted to become the leader in the business of furniture manufacturer and distributor for export and the leader in furniture distribution business for wholesalers and retailers nationwide and in the ASEAN region. The Company has also established the secondary goal following to the business goal on corporate sustainability management with details as follows:

Sustainability Targes according to the GRI framework	Sustainability Management Targets	Sub-policies	Guidelines/Tools/Standards	Significant Scope		Sustainable Development Goals: SDGs
				within the organization	outside the organization	
1 Economy 1. Sustainable growth under good corporate governance, making the business survival 2. Effective risk management	<ul style="list-style-type: none"> • Able to develop and expand the business for economic stability sustainability. • Building trustfulness of shareholders. • Building confidence in the Company's businesses through customer satisfaction • Building social sustainability • Building the solvency. • Building profitability • Building asset management capabilities for maximum benefit. • Accurate, transparent and verifiable financial statements • Efficient supply chain management • Efficient raw material management • Building product and service values • Making teams and employees understanding on aiming towards the common target of sustainability. • Fair labor compensation • Appropriate price levels of products and services 	<ul style="list-style-type: none"> • Good Corporate Governance Policy • Business plan and investment expansion plan • Production plan and use of raw material plan • Marketing plan and customer satisfaction surveys • investment budget • Corporate Risk Management Policy • Research and development of products 	<ul style="list-style-type: none"> • Developing a variety of products to provide customers with more choices for their convenience, serving daily use. • Creating various innovations to use in production process for time reduction, cost reduction but maintaining quality products and responding future requirements • Analyzing the results of customer satisfaction surveys and applying the result to develop for quality enhancement of both products and service. • Determining governance structure of corporate risk management to be able to adapt in any situation and quickly and timely take into account new risks. • Encouraging employees to create innovations to be used in their own work processes • Expanding the business to reduce the sole reliance on main business • Closing supervising and monitoring operating result, ability to grow and various risks of businesses to be invested 	<ul style="list-style-type: none"> • Board of Directors and senior management • Employees 	<ul style="list-style-type: none"> • Shareholders/ Investors • Communities, Society and Environment • Creditors • Partners and Accounts Payable 	   

Sustainability Targes according to the GRI framework	Sustainability Management Targets	Sub-policies	Guidelines/Tools/Standards	Significant Scope		Sustainable Development Goals: SDGs
				within the organization	outside the organization	
2. Society 1. Linking stakeholders in value chain 2. Respecting Human Rights 3. Good Corporate Governance 4. Compliance with relevant laws, rules and regulations 5. Good quality products and services. 6. Customer satisfaction and Complaint Management 7. Labor management and personnel potential development 8. Health, sanitation and safety at work 9. Anti corruption 10. Growing with Society and good Environment by participating in society development and enhancement for its growth and being a good society	<ul style="list-style-type: none">Rights and equalityStrict compliance with the agreementAdhering to the contract and complying with terms & conditionsWelfare and fair compensationNot be demanded or receive or pay any unjustified benefitsAccuracy, completeness, without distorting informationReasonable price level of products and servicesPoliteness / Efficiency in communicationSpeed of responding to the needs of stakeholdersBuilding good relationshipsIndependent and fair competition, non-exclusive / non-distorting, deceptive or using other information that is inaccurate in the way of competition / not slandering, attacking competitors without reasonable information / behaving within the framework of good competition rules.Development of knowledge, competency and consistent and thorough performanceSafety of life and propertyOpportunities and advancements at workGood working culture and atmosphereHealth and safetyEncouraging personnel to have awareness of anti-corruption in all formsNot have a negative impact on the traditional way of living in the communities, social contribution and support of beneficial activities including improving the quality of life of people in the communities	<ul style="list-style-type: none">Good Corporate Governance PolicyAnti-Corruption PolicyNon-infringement policy on the intellectual property or copyright of othersComplaint Protection PolicyConflict of Interest Prevention PolicyInsider PolicyEthics in Business OperationBusiness Ethics for Directors, Executives and EmployeesInvestor Relations Code of ConductHuman resource development policyEmployee Compensation and Welfare PolicyHuman Rights PolicyOccupational Safety, Health and Work Environment PolicyA plan to upgrade and develop communities in the area where the Company's office is located.	<ul style="list-style-type: none">Encouraging employees to attend training on knowledge related to operations inside and outside the organizationOrganizing training courses to enhance knowledge in other areas for personnel such as financial planning, etc.Providing employees with equal opportunity to express their opinionsEqually disseminate policies, guidelines, and news & information to employees, including supervising to achieve practicalityFocusing on community-organized activitiesReceiving complaints, hearing to community, jointly solving problems and seeking for ways to improve the quality of communitiesProvide all communities or stakeholders with an opportunity to have channels for directly complaining and giving suggestions to person assigned by the company	<ul style="list-style-type: none">Board of Directors and senior EmployeesCustomersPartners and Accounts PayableCommunities, Society and Environment	<div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div>	

Sustainability Targes according to the GRI framework	Sustainability Management Targets	Sub-policies	Guidelines/Tools/Standards	Significant Scope		Sustainable Development Goals: SDGs
				within the organization	outside the organization	
3. Environment 1. Use of raw materials 2. Air quality management 3. Biodiversity 4. Water management 5. Power management for efficient use	<ul style="list-style-type: none"> Optimal use of raw materials or materials that are environmentally friendly and/or recycled Checking and actions to correct and prevent negative impacts and result in positive impacts Management of biology, water and energy that is effective, environmentally friendly, maximize benefits; recycling according to the Circular Economy concept. Reducing the impact arising from the Company's energy consumption 	<ul style="list-style-type: none"> Efficient Use of Resource Policy Greenhouse Gas Reduction Policy 	<ul style="list-style-type: none"> Management of wastes and waste materials The use of renewable energy in the production process Participation in the Green Industry Project Cost-effective use of resources or materials in the production process to reduce wastes that will be generated. Recognizing the Circular Economy concept Seeking for ways to sell carbon credits from rooftop solar projects including a clear concrete way to reduce greenhouse gas emissions 	<ul style="list-style-type: none"> Employees 	<ul style="list-style-type: none"> Communities, Society and Environment 	    

Review of sustainability management policies and/or targets in 2023

In pervious year, the Company reviewed the sustainability management policies and sustainability management targets to make the content consistent with the current situation, none of any material changes have been made and the policies related to sustainability management have published on the Company's website at www.eastcoast.co.th under the Menu 'Sustainable Development'.


3.2 Managing impacts on stakeholders in the business value chain



3.2.1 Business Value Chain



The Company has adhered to the sustainable business operations, in which the Company analyzed how the Company's business relates to different groups of stakeholders in the entire value chain in each of its operational activities, to enable the development and enhancement the capability in appropriately responding to the needs or expectations of stakeholders for the survival and sustainable growth of the business



3.2.2 Analysis of Stakeholders in Business Value Chain

The Company operates the business by adhering to good governance, respect to the right take into account the benefits of the group of stakeholders and duties of each group are carried out with all of the aforesaid under the Company's concern on either both positive and negative impact, or both direct and indirect impact for equally getting satisfactions from the Company's stakeholders of all groups.

Stakeholders	Expectation	Reaction	Connection Guideline
Employees 	<ol style="list-style-type: none"> 1. Arrangement of fair remuneration in consistency with economic state 2. Career Opportunities and Progress 3. The development of knowledge and competence in areas directly related to the career, and knowledge to be continuously applied in their living. 4. Occupational health care 5. Work-Life Balance 	<ol style="list-style-type: none"> 1. Emphasize on every level of the Company's employees under equitable and fair employee treatment. 2. Provide return which is appropriate for knowledge and competency of each employee, together with focus on continuous development of potential, and knowledge 3. Policy on safety, occupational health and working environment plan 4. Trainings for personnel's potential development 5. Respect to human right, dignity and basic right in working, as well as not disclose or transmit information or secret of the employee to the third party or unrelated party. 6. Give the employees the opportunity to have communication channel for suggestion and complaint on working. Suggestions shall be considered and corrective method shall be determined for interest of all parties and creation of good relationship in cooperation. 	<ol style="list-style-type: none"> 1. Survey on organizational commitment 2. Journal for "Eastcoast People" 3. Employee Comment Box 4. E-mail 5. PR Board 6. Organizing seminars to educate 7. Activities to meet and socialize on various occasions. 8. Communicating the Company's human rights policy to employee

Stakeholders	Expectation	Reaction	Connection Guideline
Shareholders /Investors 	1. Good Corporate Governance 2. Maintaining rights and equality 3. Good and regular returns of investment 4. Good operational performance and sustainable of business operations 5. Careful Risk Management	1. Realize and emphasize on basic rights of the shareholders 2. Promote and facilitate the right of the shareholders 3. Disclosure of accurate, complete and adequate information for decision-making. 4. Implementation based on the principles of good corporate governance 5. The Company properly and regularly paid dividend to the shareholders in dividend payout ratio in accordance with dividend payout policy as prescribed by the Company. 6. Business management under the sustainable administration. 7. Planning for comprehensive and appropriate business risk management with diligence and caution	1. Ordinary and Extraordinary Meeting of Shareholders 2. Disclosure of Data Information via SET Portal Straight Through System of the Stock Exchange of Thailand, and the organizational website 3. Organizing an event to declare our performance through the Opportunity Day event organized by the Stock Exchange of Thailand 4. To discuss, talk and reply inquiries through the Investor Relations Department by assigning the responsible person. 5. Website : www.eastcoast.co.th 6. Quarterly Performance Report 7. Press releases via various media 8. Company visits 9. Widely communicating the policy of Data Protection of shareholders, and/or investors and as required by law
Customers 	1. Variety of quality goods and services to fulfil customer needs. 2. Products that are responsible to society and environment, and are reused 3. Convenience of product access. 4. Preparedness and rapidity of customer service. 5. Reasonable price of goods. 6. Confidentiality of customer information. 7. Service availability during purchase and after purchase	1. Operate manufacturing and distributing business for goods which are safe for usability by taking into account the user's health and after sales service that create maximum customer satisfaction. 2. Use eco-friendly materials in product manufacturing 3. Arrange communication channel so that customers can complain with the Company. Customer complaint shall be attentive and contingent problems shall be fairly solved for customer 4. Operate the business by adhering to honesty and fairness, not performing acts that violate the right of customer 5. Not demand to receive or agree to receive property or any other interest in bad faith from customers both directly and indirectly. 6. Define a customer confidentiality policy.	1. Visiting customers to offer new products and opportunities to directly listen to feedbacks and needs from customers. 2. Survey on Customer's Satisfaction 3. organizing activities held by the Company to reach target customers through established marketing channels such as organizing trade shows for wholesaler group and retailer group nationwide, etc. 4. Provision of opinion, suggestion, and complaint channel for customers 5. Widely communicating the policy to maintain the confidential data of shareholders, and/or investors and as required by law 6. Providing additional information about the Company or its products via Website: www.eastcoast.co.th Including applications developed by the company.

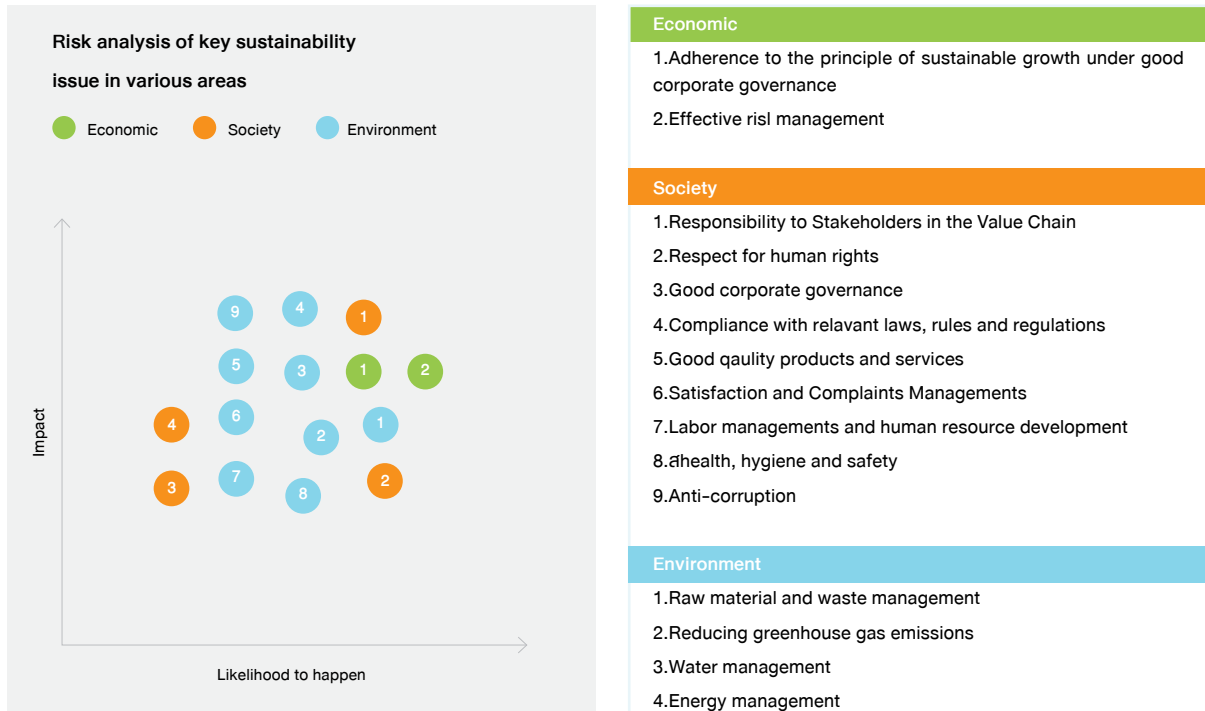
Stakeholders	Expectation	Reaction	Connection Guideline
Business Partners and Business Creditors 	<ol style="list-style-type: none"> 1. Fair business doing 2. Management under good governance and transparency of business operation 3. Sustainable business chain management 4. Ability in supporting business operations 5. Co-development of products and services to enhance the quality and standards 	<ol style="list-style-type: none"> 1. Treat business partners under equality. 2. Select business partners that operate business according to law, and comply with manufacturing standard, and safety and environmentally friendly standard 3. Keep business secret or business information of the business partner 4. Create good mutual relationship and understanding, share knowledge, and mutually and continuously develop and add value to raw materials and goods ordered by the Company. 5. Not demand to receive or agree to receive property or any other interest apart from business agreement. 	<ol style="list-style-type: none"> 1. Regular holding annual meeting of the business partners 2. Discussion for brainstorming in creative development of products 3. Business partner company visit for hearing opinions and suggestions 4. Providing information to trading partners for the acknowledgement of our anti-corruption policy 5. Procurement Manual
Business Competitors 	Operate business and compete under transparency and fairness, and compliance with the framework of good competition and honesty.	<ol style="list-style-type: none"> 1. Compliance with the framework of rule of fair competition 2. Not destroy reputation of business competitors with malevolence. 3. Not violate intellectual property / copyright. 4. Not seek for secret information of business competitors by dishonest or improper means. 5. To cooperate in developing Thai furniture to be internationally competitive in the world market. 	<ol style="list-style-type: none"> 1. Meeting and discussion, opinion sharing, and cooperation in various agenda. 2. Applying for a membership of associations related to and in charge of furniture industry.

Stakeholders	Expectation	Reaction	Connection Guideline
Creditors 	<ol style="list-style-type: none"> Duly interest repayment. Profitability of the Company's performance. 	<ol style="list-style-type: none"> Strictly complying with financial covenants to creditors as agreed in loans contracts. Good financial management to achieve creditors' confidence Properly and duly disclose operating result information and financial position. In case of failure to comply with conditions in loans repayment, creditors must be notified in advance for finding a solution and preventing damages together. A meeting is organized to meet financial institution creditors and company visit shall be annually arranged. 	<ol style="list-style-type: none"> Meeting and discussion Disclosing accurate financial performance information in a timely manner to creditors so that they could know the updated information of the Company's financial status.
Community, Society, and Environment 	<ol style="list-style-type: none"> Operate businesses that do not affect the community or the effects caused by the business operations could be managed. Effective management of wastes from business operations. Participation in community's activities, and improving the quality of life of people in communities. The Company's business operations by prioritizing the policies which will reduce greenhouse gas emissions affecting the environment. 	<ol style="list-style-type: none"> Create the understanding, reliability and engagement with community. Formulate preventive and corrective measure for impact occurred with community and society as the result of the Company's operation. Managing for creating a good environmental maintaining and protection system. Evaluation of community relation activities to measure the efficiency to those activities. Culture consciousness and promote educating and training to the employees of all levels in respect of environmental preservation. Promote environmentally friendly use of technologies, machines and raw materials used in production process. For environmentally friendly practical guideline in the production process of the Company. Formulate a policy to reduce greenhouse gas emissions and carbon footprint. 	<ol style="list-style-type: none"> Community relation activities (engagement with community activities) Regular survey and discussion for hearing opinions and requirements of community and society on yearly basis. Opening channels for accepting complaints if having any problem or impact on the community and the environment through given via Website : www.eastcoast.co.th Widely communicating policies related to the environment inside the organization.

The policies and practical guidelines showing the responsibility to all stakeholders can be considered as in the details disclosed by the Company in the Corporate Governance Policy or via the company's website www.eastcoast.co.th

3.2.3 Selection of Significant Issues Affecting Sustainability

ECF has selected issues affecting the sustainability development approach by considering the risks to people, environment, and current and potential impacts, its sustainability management strategies through the development of products, services, beneficial investments, and issues expected by stakeholders. The process is provided to prioritize from agencies linking to the Company's stakeholders and executives to reviewing significant issues every year. In 2023, many issues were considered and analyzed in line with corporate strategies and stakeholder expectations in terms of corporate governance, economy, society and community, and environment in the matrix with the horizontal axis representing the level of likelihood and the vertical axis representing the level of severity, based on the analysis of risks that will be exposed to people and environment, as follows:



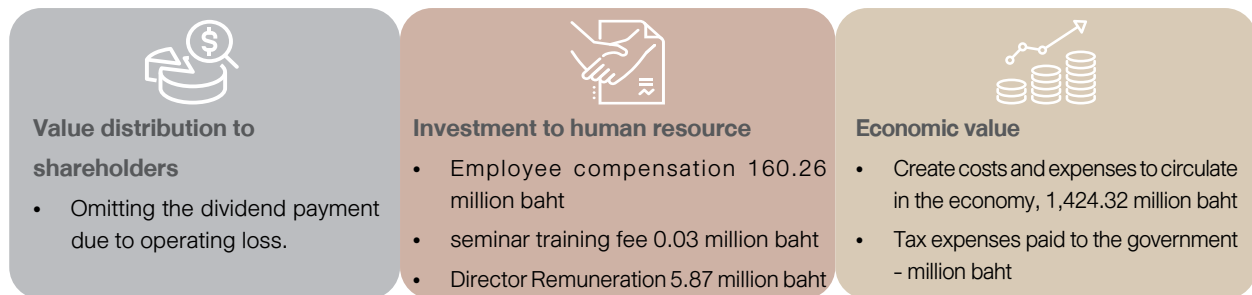
3.3 Guidelines of Sustainability Management on Economic Dimension

3.3.1 Economic Policies and Guidelines

ECF has focused on business management by adhering to the principles of sustainable growth under corporate governance and efficient risk management, in which the Company has considered that under the framework of corporate governance policy, defined risk management policy and the establishment of good internal control system in all functions inside the Company will be used as an operational framework for parent company, all subsidiaries and associated companies. The implementation of policies and guidelines will create the sustainability in economic dimension for the organization. Additionally, the Company has also presented the said information in Part 1: Risk Management, and Part 2: Corporate Governance, of Form 56-1: One Report, containing comprehensive details about the corporate governance policy and internal controls.

3.3.2 Economic Performance

Value Distribution to Stakeholders in 2023



3.4 Sustainability Management in Social Dimension

3.4.1 Social Policy and Practices

East Coast Furnitech Public Company Limited and its subsidiaries (the “Company”) are committed to conduct its businesses with responsibility to society, the environment, and communities in various areas, both within or outside the premise where the Company conducts business, either directly or indirectly, by focusing on the participation in the development of these communities to be strong because the Company has believed that “**Strong Community will make the Company Stable**”. However, the Company’s business operations are under the principles of good corporate governance with transparency, verifiability, compliance with relevant laws and regulations, as well as morality, ethics, respect to human rights principles, impacts on society, communities, including the benefits of stakeholders. The Company therefore has established the social responsibility policy as a framework for business operations as follows:

1. Operate businesses taking into account the responsible management approach in treating employees, customers, business partners, communities, and society in accordance with the principles of stakeholders in value chain to reduce the potential impacts due to the Company’s businesses, so that the Company’s businesses will securely and sustainably grow under the framework of corporate governance principles, business ethics, code of business conduct, human rights policy, and anti-corruption policy, etc.
2. Manufacture products and create services with good quality, environmentally consciousness, recyclability, better quality of life for consumers, and also quickly and efficiently manage the satisfactions and complaints.
3. Conduct social responsibility activities by focusing on the participation and support to communities, public and private organizations that have direct and indirect interests in the Company’s business operations.
4. Support the participation of the Company’s employees and embed them the values in public consciousness for corporate culture creation.
5. Operate and pay attention to the safety and occupational health of employees by establishing a policy on safety, occupational health and working environment, developing the potential of employees to grow up in their line of work, and making succession plans.
6. Apply the knowledge, experience and expertise of the Company’s personnel and support equipment and tools to help and develop society environment and community.
7. Seeking for an opportunity to create space either inside or outside the Company for public benefit, or an opportunity to improve the quality of life for nearby communities.

Relevant Social Issues and Practical Guidelines

Relevant Social Issues	Sustainability Management Issues	Guidelines / Management Guidelines
Fairly treatment to all employees/labors without discrimination and with equal opportunity	1. Employment/Termination	Formulating human rights policies and guidelines and providing a process to ensure that all employees and labors are fairly treated, complying with labor laws related to employment/termination, and not violating human rights for the whole supply chain.
	2. Compensation and Welfare	Establishing a clear remuneration and welfare policy, and communicating it for common understanding between employers and employees/labours.
	3. Employee development	Formulation of personnel development policy
	4. Taking care of employees to have a good quality of life and work safety	Formulation of policies and guidelines on safety, occupational health and working environment
	5. Gathering to negotiate employee benefits.	
Responsibilities to customers	The business loses competitiveness due to failure in adapting itself to meet rapid changes in customer needs	Improving the customer satisfaction and building long-term engagement
	The violation of consumer rights and lack of awareness for responsible production of goods and services	<ul style="list-style-type: none"> Fair marketing and sales Modification of products, packaging or business models to meet customer needs Customer Confidentiality Policy
Partner Management	The irresponsible operations of partners	<ul style="list-style-type: none"> Sustainable Supply Chain Management Development and realization of green procurement concept
Community and social development	Conflicts between communities and businesses due to business operations that cause troubles to communities and society.	<ul style="list-style-type: none"> Management of impacts from operations to prevent conflicts with communities Improvement on the quality of life of people in communities to be self-reliant in a sustainable way. Participation in the creation of coexisting society

Social management targets

The Company has set social management targets that are consistent with short-term and long-term business strategies as follows:

1. Not cause problems in violation of human rights, no child labor and use legal labor and no cause the inequality and discrimination.
2. No production process that may affect the communities and society.
3. Conducting business in accordance with laws, relevant rules and regulations, and having a policy for anti-corruption.
4. Having important measures to ensure the safety, occupational health and work environment in the workplace including the communities surrounding the establishment
5. Continuously promote and effectively implement the development of labor skills through the policy of personnel development and to promote the Company's personnel to be the quality person for both the organization, society and the nation.
6. The Company's business operations can create satisfaction of customers and build long-term engagement.

7. The Company has fair marketing and sales operations, retaining the benefits and safety of customer data.
8. The Company has an idea to improve the products, packaging or business model to meet the needs of customers in a concrete and efficient manner.
9. The Company's operations shall not cause any conflicts with the communities.
10. The Company can develop the quality of life of people in the communities to enable them to be self-reliant in a sustainable manner.
11. The Company participates in making society livable.

At present, the Company has established the practices or guidelines for sustainable business management in terms of society, with details as follows:

The Respect on Human Rights and guidelines

The Human Rights means the basic rights that all humans are supported or protected from being discriminated, just because of the differences in terms of physical, mental, race, nationality, religion, sex, language, age, skin color, education, social status or any others as prescribed by each country's law.

In conducting the business, it is inevitable to be both directly and indirectly involved with "people", including the Company's employees, the business partner's employees, people in surrounding communities or remote communities where the Company may get involved with. Therefore, taking care of business human rights is a matter of importance, it is not only a matter of "rights", but also covers the treating to people with respect and human dignity. Consequently, the Company has established a framework for conducting business in accordance with the principles of human rights protection for the entire supply chain, including employees, suppliers and customers. The following guidelines have been established:

1. Respect the human rights without the classification of hometown, race, sex, age, skin color, religion, status, family, education or any other status that is not relevant and affecting the operations by honoring each other and treating each other with equality.
2. The payment of labor wages and compensation is based on fairness. Every year, the Company shall organize an annual meeting in which the employees shall hear the annual policy, including ideas, working principles, living principles from the Company's executives, and many activities will be conducted to strengthen and promote the love and harmony in the workplace.
3. Build the opportunities and encourage employees at all levels to have opportunities in developing their labor skills, training and development of potential to enable the enhancement of work standard.
4. All employees shall be protected in terms of safety at work, clean, safe and hygienic workplace
5. Employees are granted of the political liberty and rights but they shall not use the position they hold or the Company's properties, equipment or tools for political purpose, we have the policy of political neutrality, we shall neither sponsor, nor support specific political parties.
6. The Company shall solve any potential conflict based on rule of law
7. The Company shall not conduct our business that involves child labor abuse. All employees shall be at least 18 years of age.
8. The respect on human rights is always monitored and any act that is in the scope of human rights violation related to the Company's operations will not be disregarded or ignored. When any employee noticed such act, he/she has to report to his/her head or the person in charge to acknowledge and also gives his/her cooperation to investigate facts. If having any questions or inquiries, employees should consult with their head or the person in charge through designated channels.
9. Any person violating the human rights is considered to violate the Company's Code of Ethics and must be considered of disciplinary punishment according to the Company's regulations. In addition, that person may be punished by law if such action is illegal.
10. The Company's customers shall be well protected and treated with the good quality of products and services from the Company.

Anti-Corruption Policy and Guidelines

ECF has anti-corruption policy which is approved by the Board of Directors' meeting. Corruption means to perform or omit to perform duties, this includes bribery in any form by offering, promising, giving, committing, demanding or accepting money, property or any other improper benefits, causing the misuse of power, to government officials, government agency, private agency, or any person in charge, either directly or indirectly, to act or refrain from performing his/her duties, with the intention to acquire or maintain business or to specifically recommend business to the Company, or to obtain or retain any other benefits that are inappropriate for business with the Company, him/herself or related parties.

ECF has also prepared the documented guidelines based on anti-corruption policy by topic for clarity, understanding, and correct implementation, consisting of practical guidelines:

1. Giving or accepting gifts and hospitality, the policy prohibits to give or accept gifts from customers, business partners, or parties related to the Company's businesses, and government officials, in any cases, including bribery or the case creating corruption channels for the benefits of the Company's businesses.
2. Sponsorship
3. Donation
4. Political Contribution
5. Conflict of Interest
6. Facilitation Payment
7. Revolving Door

ECF has joined the Thai Private Sector Collective Action Against Corruption (CAC) project by declaring its intention to join Collective Action Coalition of Thai private sector, and has been certified on 30 December 2022. ECF has publicized its anti-corruption policy and guidelines on the Company's website www.eastcoast.co.th. In addition, the measures to be taken against those who do not comply with such policy and guidelines are also established, any directors, executives, and employees who violate the said policy, and direct supervisors who ignore the offense or acknowledge the offense but do not take any corrective action shall be taken of disciplinary action, with penalties up to being dismissed and/or removed from the position. Lack of knowledge on the applicable policies and/or laws cannot be used as an excuse for non-compliance with the policy, and in case it appears that the Company's agent, business intermediary, distributor of products/services, or any contractor does not comply with the policy and guidelines, the Company may terminate the transactions with such party as deemed appropriate.

In addition to anti-corruption guidelines, the corruption risk management manual is also prepared, and it was considered and approved by the resolution of the Risk Management Committee and the Board of Directors. The said policy provides details of duties and responsibilities, measures to determine the control environment, corruption risk assessment, mechanisms for reporting or whistleblowing, punishment and remedy, review and improvement of risk management manual, etc.

Sustainable Business Management Approaches Involving Employees

Policy on Respecting Human Rights by Taking into Account the Equality and Diversity

It is our policy not to discriminate based on gender, color, race, religion, or social status, through the respect on human rights taking into account the equality and diversity, this not only reduces the compliance risk or the likelihood of human rights disputes, but can also develop employee engagement with the organization and will help attract talents to work with the organization. This will lead to reducing the risk of personnel shortage and reduce the costs of training and developing new employees to replace those who have resigned, including the development of efficiency and effectiveness in work. This is directly related to competitiveness, career path creation, position succession and sustainable business growth. ECF has also established the policy on equal opportunity for employment without discrimination, this also covers the disabled and other underprivileged groups of people.

The Company has established a set of guidelines by creating a human rights policy document. This document details various aspects related to the practices outlined above.

This also includes the formulation of labour policies and labour management strategies, which are designed to enhance the quality of life and employee loyalty to the Company. These are based on fair practice and mutual respect, covering important aspects such as recruitment and placement of employees, compensation, salaries and wages, additional remuneration, benefits, working hours, as well as the freedom of association and collective bargaining. In this regard, the Company will respect the employees' rights to form or join any groups, as long as it does not violate the law, including participation in the legal negotiation process. Additionally, there are detailed practices concerning employee development, safety, occupational health, the environment, facilities, and the protection of pregnant workers. The policies and practices mentioned will be reviewed and adjusted to be consistent and appropriate with the evolving international standards or related agencies.

Regarding the employment of foreign labour, the Company has developed a manual for the employment of foreign workers. The purpose of this manual is to ensure that the hiring of foreign labor complies with legal frameworks and to prevent various impacts arising from the employment of foreign labour. This encompasses the employment of foreign workers of all nationalities who are recruited to work in the Company, including both the headquarters and all branch offices. It also covers practices related to human rights, fair and equal labour treatment, non-discrimination, and equal opportunity, as well as the prohibition of child labour. Moreover, it establishes punitive measures for those who neglect or fail to comply with these standards, including penalties for external entities, agents, or companies that provide foreign labour.

Employee's Compensation and Welfare Policy

The Company has a policy to consider the compensation for employees and workers mainly based on the growth rate of the annual performance, then, consider the increase ratio of compensation to cover the annual inflation and finally, consider the individual increase based on the level of diligence, intention, dedication and ability to perform duties. From the above-mentioned considerations, all is based on the principle of fairness to maintain and motivate employees to through the preparation of the performance appraisal form according to which the human resource department has set the weight for each topic of assessment to know the average score that each employee receives by considering will cover interms of complying with discipline set by the Company such as work leave, late coming, personal behavior, development in job content, creativity, job success etc.

The considerations mentioned above are all based on the principle of fairness, aimed at maintaining and fostering motivation at work to ensure sustained efficiency and effectiveness.

Furthermore, the Company has guidelines to promote the channels for money saving and create financial security for employees through the establishment of provident fund starting since 2013.

At present, the Company organized the training course on savings and benefits of provident funds, and more than 84 employees attended the training with signatures as evidence.

In 2023, among 171 permanent employees, 81 of them became members of the provident fund, representing 47.37% and the Company's contribution to the provident fund was 1.21 million Baht.

Operational Guidelines

1. The Company has assessed wages based on the appropriateness of each job position and the amount of works to be assigned, guideline for developing work methods for better efficiency, actual success of works, personnel's potential development planning and succession plan, etc.
2. The Company has established a clear performance appraisal system for providing employees with fairness by using corporate KPIs as indicators.
3. The Company will manage salaries and wages in a fair manner, considering various additional factors such as qualifications, experience, working level, and responsibilities. This also entails a comparison with the market wage rates within the country and taking into account the Company's specific needs and circumstances.

4. The Company will provide special compensation for work that goes beyond regular duties, including overtime pay, holiday work pay, meal allowances for working on holidays, and support for travel expenses for assignments outside the usual workplace, both domestically and internationally. This support includes allowances for travel and accommodation, subject to the Company's defined conditions.
5. The Company has a policy to ensure that employees maintain good health, enabling them to perform their duties effectively. This includes providing other benefits that are comparable to those found in similar industries or as close as possible, and in accordance with legal requirements.

Target of Corporate Engagement Survey

<u>Objective</u>	: To provide the opportunity to the Company's employees to independently express their opinions or comment or communicate information as a guideline for jointly developing the Company.
<u>Benefits for employees</u>	: Have more channels to independently express their opinions.
<u>Benefits for the Company</u>	: Being provided of recommendations from all employees to apply the said information as a guideline for the development of the Company, building relationships and developing employees for stable growth of the organization.
<u>Target</u>	: The target of total average score set by the Company is 70%, the plans to increase employee's satisfaction or engagement to the organization are considered and implemented through various relation activities, weekly meetings. In addition to monitoring and discussing on the duties and responsibilities of normal operations, contents of information to be communicated are added to create more understanding about the direction of business operations, strategies and plans of the Company to all employees.

Personnel Development Policy

The Company pays attention to personnel development in order to increase employees' working ability and efficiency by establishing the clear and consistent personnel development plans as an annual training plan for working skill enhancement. The employees are trained by the in-house training and the training programs organized by the related government agencies and private training institutes. In addition, the Company has also provided welfare to employees to create employee's morale and encouragement and the welfare will be continuously reviewed to improve many benefits as appropriate.

The personnel development is aimed as the important basis by the Company as follows:

1. The Company encourages directors and executives to attend the training and seminars in relevant and appropriate courses to continuously develop knowledge and understand their roles, duties and responsibilities as the Company's directors and executives.
2. Employees are participated in determining the working direction of their own department, expressing opinions and views in working to improve their works to be more efficient and effective.
3. The working atmosphere is stimulated to allow everyone to engage in the Company's success and the employee compensation is considered from the Company's overall success and individual spirit and dedication to work.
4. Employees are encouraged to create knowledge from work operation, the improved working manual is prepared to be consistent with the actual working that changes all the time.
5. Employees are encouraged to travel and attend the trade fairs both domestically and internationally to keep up with the situations of production, product development, marketing and to learn about consumer behavior that is changing all the time in order to be used in the Company's work process by updating and adapting to quickly cope with every situation in the furniture industry, and many businesses invested by the Company whenever there is any change.
6. The development of value-added creation is promoted in the products manufactured and distributed by the Company, or services related to the Company's business so that the Company will sustainably grow, and the awareness and consumer needs will be continuously created.

7. Employees are promoted to develop and encourage to have a working attitude to continuously create the working development and progress, such as the production process must be continuously improved, the marketing must continuously generate more revenues from selling products. The department controlling the Company's expenses must manage to continuously reduce the costs and expenses while manage to reach the maximum efficiency, part of this development and encouragement is in line with resource consumption reduction plan, waste and environmental impact, in order to further develop consciousness to be the corporate value and culture.

Practical Guidelines

1. Human Resources Department is responsible in assessing demands and needs for the Company' personnel development and set up an annual development plan as well as complete the budget. The personnel development plan must comply with the actual demands and needs in accordance with the Company's development plan and must be approved by the department head. Each department is required to submit the annual development plan to the Human Resources Department in advance.
2. The Human Resources Department must monitor the training plan, if there is any change or modification of the development plan, the relevant parties must be notified for acknowledgement.
3. The Human Resources Department must control the development budget to be limited within the given budget plan.
4. The Human Resources Department will perform as a training administrator, every department that will organize the training must cooperate and coordinate with the Human Resources Department in terms of date, time, venue, training materials and equipment to be used, etc.
5. The Human Resources Department is responsible for evaluating and monitoring the results of completed training courses.

In addition, the Board of Directors determined to have a succession plan for the succession preparation of Managing Director and top executives, the Nomination Committee considered and planned the policies on the succession plans to prepare the readiness in the event that any executive is unable to perform his/her duty, the succession plan will help the Company's operations to be continued and effective. The succession is planned for the positions in various functions with the personnel who have knowledge, ability and experience to be able to continuously perform duties instead of the vacant positions or to promote to a higher position, as following details:

1. Provide junior executives with opportunities to work with top executives in their respective lines of works, participate in listening to the meeting at the level of policy assignment from top executives.
2. Provide field-specific personnel with more capabilities to manage other fields to support higher job positions.
3. Designate potential junior executives as successors.
4. Provide junior executives with opportunities to attend the training on leadership, raising awareness at the level of responsibility and honesty to the organization, and guidelines for managing personnel in the line of work they are responsible for.
5. Develop junior executives and provide them with opportunities to present working plans and performance results to top executives.

Additionally, there is a succession planning process for the position of Managing Director, detailed as follows:

1. Define the criteria or qualifications for the successors to the position of Managing Director.
 - a. Consider the challenges the Company will face in the next 5 to 10 years.
 - b. Identify the necessary qualifications and skills to address those challenges.
 - c. Develop an evaluation process for candidates based on the defined criteria.
2. Identify potential candidates for succession.
 - a. The board of directors and the managing director evaluate potential successors, considering both internal and external candidates.
 - b. The evaluation process can take various forms.
 - i. Evaluate internal candidates, for example, by assigning them to key positions or special projects.
 - ii. Evaluate external candidates, such as by examining their vision and strategy for the organization's future.

3. Evaluate the capabilities and potential of candidates who may qualify for succession.
 - a. The board and managing director evaluate the qualifications of each candidate or prospective successor.
 - b. Score each candidate or prospective successor.
 - c. The board collectively review the assessments and exchange opinions.
 - i. Summarise the opinions on each candidate or prospective successor.
 - ii. Consider differing perspectives on the candidates or prospective successors.
 - iii. Identify additional qualifications that need to be considered for each individual.
4. Create the development plan
 - a. To prepare individuals who are potential successors for the position.
 - b. To further assess the readiness for succession.
5. Review the progress
 - a. Further evaluate and summarise the possibility of succession.
 - i. Identify the information of candidates or potential successors who have shown improvement.
 - ii. Specify areas that require further development.
 - b. Enter into a serious evaluation process to select the most suitable individual.

For the employee level, the Company has a policy to maintain employees with high potential by assigning policies in considering and selecting the qualified candidates to be successors and notifying those persons for acknowledgement. The plans are also prepared to maximize the scope of responsibilities, decision authority, and send them to participate in training courses that are consistent and suitable for the potential development of such persons and the future position. This plan will create the Company's confidence that the personnel are prepared their readiness to immediately replace when the position is vacant and to prevent the operational risk to smoothly support the continuous business expansion in the future.

Targets of Employee Training and Development

<u>Objective</u>	:	The Company considers the employees as the valuable resources and they are important to the Company's progress. Therefore, the Company commits to develop and increase the capability of all employees to grow together with the Company.
<u>Benefits to employees</u>	:	Gain more knowledge, capabilities and skills, have better work efficiency and have a good career opportunity and progress.
<u>Benefits to the Company</u>	:	To have more potential for business competition and help create engagement towards the organization from employees.

Employee Development and Care

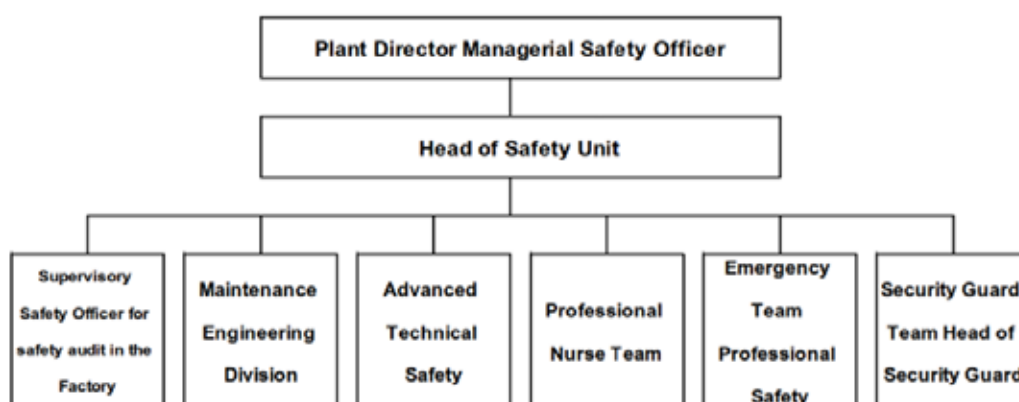
The Company promotion of knowledge management to support Happy Work Place in order to create balance between personal life and working for organizational personnel under target of sustainable happiness creation and preparedness to share happiness into external society. The mechanism of Happy Work Place consists of happiness box in 8 respects as follows:

1. Happy Body: The Company campaigns the employees for health care, exercise promotion, and useful eating so that the employees are healthy with happy and joyful mind, affecting effective operation of the employees.
2. Happy Brain: The Company promotes the employees to always seek knowledge and develop oneself from source of learning and opportunities, leading to skill development and affecting job progress. The Company also regularly organizes training course for the employee.
3. Happy Family: The Company foresees the significance of the family institution. When the employee has warm and secure family life, it will promote the creation of family connection and good relationship between employee family and organization.
4. Happy Heart: The Company campaigns generosity and hospitality to be the promotion of generosity and helpfulness in workplace so that the employee will have love and harmony such as article sharing and cultivation of giving society.
5. Happy Money: The Company supports the employees to know about saving and financial management in order to have savings, know to spend and not to owe debt, to be the promotion of saving spending with savings for use in reserve.

6. Happy Relax: The Company promotes the employees to know about relaxation on something to be the creation of enjoyment, relaxation of fatigue and work stress, helping the employee to have good morale, and resulting in the employee's opportunity of good mutual relationship creation such as mutual grouping for eating and discussing in relaxed atmosphere.
7. Happy Society: The Company promotes social coexistence both in the Company and surrounding society to be the promotion of love and harmony, hospitality toward the workplace community and residential community, and assistance of surrounding society. If the surrounding society is happy, the organization which is in that society will be also happy.
8. Happy Soul: The Company arranges the activity related to the holy days and important traditions for employee participation and faith in religion, cultivation of living morality to be the promotion of virtue and ethics for employees so that the employees will be happy, peaceful in mind and peacefully coexist.

Safety, Occupational Health and Working Environment

Structure of Safety, occupational health and working environment Unit



The Company has established a Safety, Occupational Health, and Work Environment Committee, comprising a total of 12 members, to fulfill duties and exercise authority in various aspects as follows:

1. Develop policies on safety, occupational health, and work environment for the establishment to be proposed to the employer.
2. Create guidelines for the prevention and reduction of accidents, hazards, injuries, or disturbances arising from employees' work or unsafe working conditions, to be proposed to the employer.
3. Report and recommend measures or ways to improve work conditions and the environment in compliance with relevant safety laws to the employer, ensuring the safety of employees, contractors, and external parties working or using services in the establishment.
4. Promote and support safety-related activities within the establishment.
5. Review the manual on safety, occupational health, and work environment of the establishment and provide opinions to the employer.
6. Conduct safety operation surveys and report the findings, including statistics on accidents that occur in the establishment, to every meeting of the Safety Committee.
7. Consider training projects or plans on work safety, including training on the roles, responsibilities, and accountability in safety for employees, supervisors, management, employers, and personnel at all levels, to provide opinions to the employer.

8. Implement a system where all employees at every level are required to report unsafe working conditions to the employer.
9. Monitor the progress of issues proposed to the employer.
10. Report annual performance, including identifying problems, obstacles, and suggestions for the Safety Committee's duties upon completing the one-year term to the employer.
11. Assess the performance of the establishment's work safety operations.
12. Perform other work safety-related duties as assigned by the employer.

After the appointment of the occupational safety, health, and environment Committee, a safety department was established to fulfill a variety of duties in accordance with predefined roles and responsibilities. Detailed guidelines will be elaborated upon.

The company has implemented policy on occupational safety, health, and environment, as follows:

1. Strict adherence to laws, regulations, announcements, orders, and standards related to occupational safety health and working conditions as mandated by the government.
2. Ongoing support and promotion of occupational safety, health, and environment, including allocating sufficient and appropriate budgets.
3. Commitment to promoting safety through regular training, reviews, practice sessions, and varied activities to foster continuous safety awareness among employees.
4. Provision of high-quality, standardized personal protective equipment according to the employees' needs and job requirements, ensuring their safety and compliance with work standards.
5. Diligently conduct safety inspections and enforce strict adherence to the occupational safety, health, and environment manual, emphasizing control and supervision to ensure employee safety.
6. Continually enhancing the workplace environment and cleanliness, fostering a safe, hygienic setting conducive to quality work life and overall health of the employees.
7. Values employee cooperation in adhering to occupational safety, health, and environment regulations. Success in accident prevention is a key factor in evaluating work performance.
8. Views workplace safety and the adherence to correct and safe work methods as fundamental responsibilities of both employees and supervisors at all levels, who must comply with and be accountable for them.
9. Active involvement of every employee in preventing accidents and protecting the environment, by encourages and values employee suggestions and opinions, considering them carefully for improvements and corrections. This approach is aimed at enhancing workplace safety to the highest possible level for all employees.
10. In the event of a workplace accident involving an employee, the Company will provide the necessary care and support to ensure the affected employee receives appropriate support for their recovery and well-being.

Safety Promotion Activities

ECF has regularly maintained the working environment to be safe for life and properties of employees, customers and third parties who visit us for working, improved and inspected the security system to prevent fire and dangers from water, and hired an engineering team who has been trained and registered as building and equipment inspectors to inspect, supervise and control the Company's operations to comply with the requirements of law. This engineering team is mainly responsible for inspecting the strength of the building, electrical system, air conditioning system, health and environment system, fire protection and suppression system, building safety management system, and annually checking the performance of building's equipment. Basically, ECF has regularly and continuously provided trainings on first aid and basic life-saving to educate employees; in addition, the Company has also provided employees with annual health check-up or comply with the law. When employees are healthy, they could efficiently perform their assigned duties. The Company has published the details of policy on safety, occupational health and working environment through its website www.eastcoast.co.th under the topic "Sustainable Development" and sub-topic "Corporate Governance."

The objective of managing occupational health and safety is to control work practices, reduce accidents leading to work stoppages, ensure company activities comply with legal requirements and other regulations, prevent and control risks associated with work, including work-related illnesses, create awareness of safe working practices, and conduct ongoing safety evaluations.

Sustainable Business Management Approaches Involving Customers

The Company has a sustainable business management approach to prevent the loss of competitiveness of the business that fails to adapt itself to meet the rapidly changing needs of customers at present, through the continuous improvement of customer satisfaction by understanding and responding to customer needs as well as building good relationships and experiences between the company and its customers before, during and after sales for building a long-term business relationship leading to sales and income of the business.

The Company's practical guideline is to design the customer satisfaction and experience surveys on the Company's products and services, including the image of the business in the eyes of customers, in order to understand customer needs and apply their comments or feedbacks to improve the products and services to keep up with changing behavior and expectations of customers as well as to assess the ability in maintaining the customer base and building customer engagement with the Company for further expansion of market share.

Goals of Customer Satisfaction Survey

- Objective : To be another channel for communication, listening to customers' opinions to apply feedbacks as part of the product and service development for meeting the needs of customers.
- Benefits for employees : a channel to express opinions for obtaining better products and services.
- Benefits for the Company : directly learning customers' suggestions to apply such information as a guideline for the development of the Company's products and services to create strengths of the Company's products for competitiveness in the market.
- Target : ECF has set the quantitative target on the improvement of customer satisfaction, at the average score of minimum 80% for each topic

For the prevention of the consumer rights violations and a lack of consciousness in responsible production and consumption, the Company will use a business management approach through fair marketing and sales, aiming to provide consumers with accurate, complete, transparent and fair information for supporting their decision-making, and communicating the potential impacts from the use of products and services to reflect the ethics and integrity of the business, as well as safely managing the personal information of customers and respecting the rights of consumers. This will lead to building customer confidence and long-term engagement with the Company.

The practical guideline is the adaptation of product, packaging or business models to meet the needs of customers who are responsible for social and environmental impacts, by taking into account the responsibility of business for the entire life cycle of product, from the design of furniture products to the transportation and procurement of raw materials, production, transportation or delivery of products, marketing and sales, use of customer's products until the end of product life cycle, in order to enhance responsible operations and create added values for the business by maximizing the efficiency of the management of limited resources. In addition to managing financial costs, the Company also shows its responsibility for social and environmental costs both directly and indirectly incurred by the Company's operations.

Policy on the Confidentiality of Customer Information

In 2023, ECF has established a policy on confidentiality and customer privacy by adhering to the main principle that the Company seriously and consistently prioritizes the confidentiality of customer information and will use it with caution, the said information will not be used for the benefit of oneself and those involved, unless it is the information required to be disclosed to the third parties in accordance with relevant laws. Several important principles are divided as follows:

1. ECF respects the rights of customer privacy and will not publicly disclose customer identifiable information.
2. ECF will keep all personal information of customers confidential, use it only for the purposes notified to customers, not disclose it to third parties, unless obtaining the consent of customer, and the Company will provide information to the extent permitted by the customer only, unless such disclosure is required or stipulated by law.
3. ECF will securely control the personal information of customers, continuously review and develop measures to be consistently strict, such as the use of modern and reliable technology or data storage systems for working to prevent unauthorized access and leakage of customer information.
4. ECF will keep personal information of customers with respect to the law according to the government guidelines and related regulations.

Policy on Prioritizing Safety and Health of Customers and Consumers

ECF is committed to being a manufacturer and distributor of good products, meaning that products that are suitable for use are well designed, durable, stable, in good condition, usable and perform its function, with details in accordance with the specified standards, beautiful shape, attractiveness, durability, safe use. The products are designed by taking into account the health of consumers, and social and environment responsibility.

The quality of products defined by the Company includes:

- **Function Performance:** the product must be usable as its intended function.
- **Reliability:** this is the reliability of the Company in manufacturing products that consistently function well.
- **Durability:** the product life is long at a certain extent, not too easily damaged or not failed to function well before reasonable time.
- **Beautifulness:** the product must have neat and beautiful shape, texture, pattern, and packaging to attract customers.
- **Safety:** the products must have minimal risk and harm in use.
- **Compliance with standards:** the product must have a level of quality in compliance with the standards as it should be.
- **After-sales service:** the Company has prioritized the customers, they can contact the Company to inquire about how to assemble, use, or ask for advice on usage at specified channels.

Policies and Guidelines on Compliant Handling, Impact of Products or Services that Customers and Consumers Should Know

In 2023, ECF has established the policy and guidelines on handling the complaints from customers/consumers who may be affected by products or services, in which they should know as following details:

Important Requirements and Standards for Customer Complaint Handling

1. Receiving complaints and facilitating the customers who raise the complaint
 - 1.1 Customers can easily and conveniently access complaint channels.
 - 1.2 All customer complaints are recorded in the complaint system.
 - 1.3 All complaints are verified for accuracy and completeness after receiving customer complaints.
 - 1.4 All complaints are classified of type and severity within the day receiving complaint.
2. Responding complaints
 - 2.1 All customer complaints are responded within 24 hours.
 - 2.2 All resolved complaints are notified back to the complainant/customer within 15 days after solving.

3. Complaint Management

- 3.1 All complaints are initially resolved/handled.
- 3.2 All complaints are resolved within 15 days (non-urgent cases) from the date of entry into the complaint system.
- 3.3 All complaints are resolved within the specified period (urgent cases) from the date of entry into the complaint system.
- 3.4 All complaints with dissatisfaction appeal will be resolved until the customer is satisfied.
- 3.5 All complaints are resolved and closed, and the customers are satisfied with the resolution of such complaints.

Sustainable Business Management Approaches Involving Business Partners

The Company has a sustainable business management approach to prevent itself from the problem that the business partners operate without social responsibility until affecting the Company, through supply chain management because the operations of business partners may affect the Company; therefore, the Company needs to focus on the consideration and selection of partners to ensure that its business partners have appropriate operating guidelines and take into account social and environmental issues, such as consideration about giving the importance on the respect for human rights and fair treatment of their own workers in terms of employment, compensation, occupational safety, health and work environment, including take care of labors of partners as well as operate their businesses by considering social and environmental impacts and having responsibility.

The practical guideline is to establish the policies and practices for sustainable supply chain management from the selection process of business partners, clear and fair procurement process to monitoring the operations of partners to ensure the compliance with the policies and guidelines set by the Company.

Additionally, in the course of commercial interactions, the Company and its partners maintain policies and principles aimed at collaboratively promoting product development and innovations that will benefit both the Company's businesses and those of its partners on an ongoing basis.

For various additional action plans, the Company has a guideline for considering the green procurement policy to reduce environmental impacts in various activities for the entire value chain, such as selection of raw materials such as particleboard, MDF, and packaging; the Company's furniture products are environmentally friendly throughout the production process, the use of fuel that reduces environmental impact in the transportation process, etc.

Guidelines on Responsible Treatment to Creditors

The Company has established the policy and guidelines on fair and responsible treatment to creditors as follows:

1. Strictly comply with financial covenants, loan repayment conditions and guarantee terms with creditors as loan agreement.
2. Have financial management and a good source of funding to build confidence among creditors.
3. Accurately and timely disclose performance result to creditors so that they could know the updated financial status of the Company.
4. In terms of measures to prevent debt defaults, in case of failure to repay debt as the conditions, the creditors must be notified in advance to jointly find solutions and prevent damages.
5. Have a meeting to discuss with executives or responsible persons of each creditor from financial institution, and arrange their annual visit to see the Company's businesses along with presenting information on the growth direction and business plans.

Guidelines on Responsible Treatment to Competitors

ECF has established the policy and guidelines to conduct businesses, compete with transparency, fairness, and comply with good and honest competition framework as follows:

1. Comply with the rules of fair competition without making an agreement with any competitor or other business operators, that is monopolized or reduce competition in the market.

2. Not damage the reputation of trade competitors by slandering.
3. Not infringe intellectual property/copyright
4. Not seek confidential information of trade competitors through dishonest and inappropriate means.
5. Collaboration to develop Thai furniture to be able to compete internationally.
6. Arrange the meetings for discussions, exchange of ideas, and collaboration on various agendas.
7. Join as a member of associations involved in and overseeing the furniture industry.

Sustainable Business Management Approaches Involving Communities and Society

The Company has a sustainable business management approach to prevent conflicts between communities and Company due to the impacts from business operations that cause problems to communities and society, to be an obstacle for the success of the Company in the long run.

The practical guideline is to emphasize the improvement about the quality of life of people in the communities to enable them to be self-reliant in a sustainable manner. The Company contributes to the growth of the local economy in the areas where it operates by employing and using local raw materials, as well as supporting the community affairs which help in developing skills and potential of people in the communities. This is to support human, economic and social developments at the same time, as well as to help in developing satisfaction and good relations between the Company and communities.

Participation in creating a livable society through various forms of social and voluntary activities to develop communities by planning and implementing with the use of existing resources such as employees, expertise, funds or partner networks, to help in developing and strengthening the communities by adhering to the principle that the communities are the center of driving and creating the good change for the society. This will not only create the satisfaction and support community participation, but it also helps to develop good relationships and trustfulness between the Company and communities. This will lead to creating sustainable values for the Company and society.

Policy and Guidelines for Whistle Blowing, Complaint Handling, Channels for Complaints and Protection of Whistleblowers

The whistle blowing policy and procedure ("Policy") have been established as a tool to help the Company to receive complaints from employees and third parties about the corruption, infringement or non-compliance with laws, the Company's rules and regulations, and code of business conduct, which may lead to damage to the Company's property, image, and reputation. This policy is useful and may be revised to be consistent and appropriate to the future circumstances, see the details of this policy on the Company's website at www.eastcoast.co.th, details of topics are mainly summarized as follows.

1. Receiving complaints or whistle blowing

The Board of Directors has assigned the Audit Committee/or a sub-committee established to consider the complaints or a sub-committee specifically established, to consider and receive complaints, whistleblowing, any acts that may cause suspicion of corruption, violation of rights, or non-compliance with laws, the Company's rules and regulations and code of business conduct. The whistleblower must notify details of whistleblowing or complaining issue with evidences or information adequate for investigation, including name, address, telephone number, following channels can be contacted for complaining or whistleblowing:

1. Sending letter to
 Assoc. Prof. Dr. Montree Socratyanurak
 Chairman of the Audit Committee / Independent Director; or
 Mr. Pacharatanapong Suksawad
 Managing Director; or
 Office of the Company Secretary
 East Coast Furnitech Public Company Limited
 No. 25/28 Village No. 12, Bueng Kham Phroi Sub-district, Lam Luk Ka District, Pathum Thani Province 12150

2. Send email to the Office of the Company Secretary: cg@eastcoast.co.th or Human Resources Department: hrrayong@eastcoast.co.th
3. Through complaint channel on the Company's website at <https://www.eastcoast.co.th>

Those who can whistleblow or raise complaints about corruption, violation of rights, or non-compliance with laws, the Company's rules and regulations and business ethics are all of the Company's stakeholders such as shareholders, customers, trade competitors, government officials, communities, society, the Company's directors, executives, and employees. ECF has considered and agreed that the whistle-blowing or complaint channels as mentioned above are appropriate, safe and accessible with confidence and without any subsequent risk to whistleblower.

2. Procedures

After receiving any information from whistle-blowers or complainants, the Company has procedure taken whenever receiving complaints or whistleblowing as follows:

1. Investigate and consider the facts in detail

When receiving complaint or whistleblowing through complaining channels provided, the Company will gather all related facts, scrutinize and process, and establish a working group for investigation, members of this working group will be those involved, such as superiors/top supervisors in the function being complaint or whistleblow, and Human Resources Manager, and/or other persons deemed appropriate. This working group will start collecting data, evidences and check facts in detail.

This working group will assess the duration for considering information until reaching a conclusion on action measures, the representative of this working group will notify the whistleblowers or complainants of such action period, and the working group will complete it as soon as possible.

2. Seek for conclusion on action measures

This working group will conclude the action measures to mitigate the damage to those affected and will not take any penalties against the whistleblowers or complainants who provide information with good faith.

3. Report the result

The Office of the Company Secretary or Human Resources Department is responsible for reporting the result of investigation if the complainant/whistleblower reveals him/herself. In case of important issue, Managing Director and/or top executives of the function being complaint/whistleblown will be reported (In case that the top executive of the function could not join the investigation working group on the issue complaint or whistleblown), depending on the level of importance and the severity of issue complaint/whistleblown.

3. Protection and Confidentiality Measures

To protect the rights of whistleblower or complainant, the Company will hide the information of those providing information with good faith by concealing their name, address or any information that can identify the complainant or whistleblower, and keep their information confidential. Only those who are responsible for investigating the complaints can access to such information. The whistleblower or complainant and those who cooperate in the investigation will be protected in accordance with following criteria:

1. The Company will be fair to and protect all of the Company's stakeholders including shareholders, customers, competitors, government officials, communities, society, the Company's directors, executives, and employees, or any other persons who whistleblow or provide evidences of corruption, infringement, or non-compliance with laws, the Company's rules and regulations and code of business conduct.
2. The whistleblowers or complainants and those who cooperate in the investigation can choose to remain anonymous if they consider such disclosure will cause insecurity or any damage; however, the disclosure of identity will make the Company to report the progress and clarify facts or mitigate the damage more conveniently and quickly.

3. The Company will not reveal the name, last name, address, picture/photo or any other information that can identify the whistleblowers or complainants and those who cooperate in the investigation, then investigate whether it true.
4. Those who receive the information from performing duties related to complaints are responsible for keeping information, complaints, evidences, documents of complainants and informants confidential, not disclosing to others irrelevant, unless it is a disclosure required by law and the disclosure will be done as necessary extent, mainly taking into account the safety and damage of the whistleblowers or complainants and those who cooperate in the investigation, source of information or related persons.
5. In the event that the whistleblowers or complainants and those who cooperate in investigation consider that they may not be safe or be suffered or damaged, they can request the Company to set the appropriate protection measures, or the Company may impose the protection measures without request if it deems that the issue tends to cause any trouble, damage or insecurity.
6. The damages to those who are suffered will be relieved through appropriate and fair procedures.
7. If the whistleblowers or complainants and those who cooperate in the investigation have reported their concerns or questioned in good faith, the Company may not use it as an excuse to take any action that is detrimental to their employment including job transfer, demotion, suspension of work, cut of eligible welfare and benefits and prohibit any person from retaliating against the whistleblowers or complainants and those who cooperate in the investigation. This retaliation against the whistleblowers or complainants and those who cooperate in the investigation in good faith will be considered as unethical act, may cause disciplinary action in accordance with the Company's rules and regulations on personnel management, and further consider and take punishment process based on personnel management regulations.
8. If any person in the Company bullies, threatens, discriminates or uses disciplinary action to the whistleblower and other persons involved in the investigation of corruption from any whistleblowing, in an improper way or in an unfair manner, he/she will be considered of breaking discipline and must be liable for the damages to the Company or those affected by such action, or may have legal offense.

3.4.2 Social Performance

Violation of Human Rights

In the past year, the Company monitored all functions to ensure the compliance with policies/regulations/guideline that express the respect for human rights and found all functions have continuously complied as usual.

In 2023, ECF found no problems and complaints or suing for the violation of human rights, no child labor and ECF has legally used labor, not caused any inequality and discrimination.

Assessment of Corruption Risk and Results of Compliance with Anti-Corruption Policy

In 2023, ECF has conducted the assessment of corruption risk, and found none of any corruption risk that is material to its businesses, and the Company has established the guidelines for internal control systems in the information system, documentation system with Check and Balance, and work processes, to supervise and control for prevention. In addition, the Company monitored the corruption risk in the past or analyzed the potential corruption risk that was assessed, it was also found that the internal control system has been adequately supervised, and in 2023, there was none of any complaint about corruption, illegal behavior and unethical conduct that may significantly impact on the Company.

In addition, the Company has educated the employees through trainings under the course 'Anti-Corruption Policy', totally 128 employees were trained and signed for acknowledgment and compliance with the said policy.

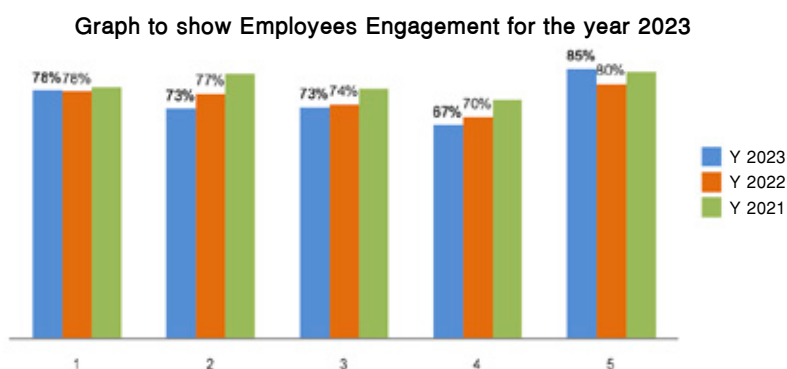
Performance on Employees

The Company has believed that “personnel” is the key for competitiveness and is one of important resources for driving the organization to sustainably grow. The focuses on strengthening the happy organization where everyone could efficiently work with a supportive environment that encourages innovation and the engagement of personnel with the organization are very significant challenges for the organization at the present. The Company has guidelines to respond the way to enhance the happy organization for corporate sustainability and continuous business growth as follows:

The Survey Result of 2023 Employee’s Engagement to the Company

The Company has realized the importance of employees, therefore, allowed all employees to participate in expressing their opinions for the benefits in developing the sustainability for both employees and the Company, as following summary:

For the evaluation topics in the questionnaire, details of each topic are as follows.



1. Corporate Image and Communication in the Organization
2. Supervisor and Colleagues
3. Role, Duty and Responsibility Remuneration and Evaluation
4. Growth Opportunity Quality of Life and Work Stability
5. Knowledge and understanding of good corporate governance principles

average score was 76.19%, which has a similar average to last year at 76.23 percent for 2022.

The topic with the highest average score was Topic 5: Knowledge and Understanding of Corporate Governance Principles, because the Company has focused on business operations along with the corporate governance with transparency based on the principles of corporate governance, and has also embedded good conscience among employees. Moreover, the Company has successfully been certified as a part of the Thai Private Sector Collective Action Against Corruption since 2022. In 2023, all new employees underwent training and were acknowledged, in writing, through tests that assessed their understanding about anti-corruption policies and knowledge of such policies and all related practices.

The topic with the lowest average score was Topic 4: Opportunities for growth, quality of life, and security.

However, considering each topic with decreasing average score compared to the average score in 2021, the Company guessed the reason that employees worked under pressure to jointly drive the Company’s operations to pass many crises like Inflation rate, Rising product prices affect the daily living costs of employees, the price of oil increased due to the war. As a result, in 2023, the Company restructured the operations, intensely adjusted job positions to align with the workloads inside the organization, efficiently focused on planning and work, and measured performance in accordance with the set goals with plans to continuously monitor and check the results.

Besides, the Company has continued to carefully control expenses and spendings to plan the prevention of potential risks if the impact of situations is worse than the predicted plan.

However, regardless of any reason, ECF will analyze the survey results, improve and find solutions for each topic in the survey to enhance employee engagement.

Target: ECF has set a total average score at 70% as target, and in 2023, a total average score was higher than the target which was 76.19%. However, the Company will further consider and find ways to manage many areas to create a balance for both employees and the Company.

Data of employee relationship and engagement in 2023

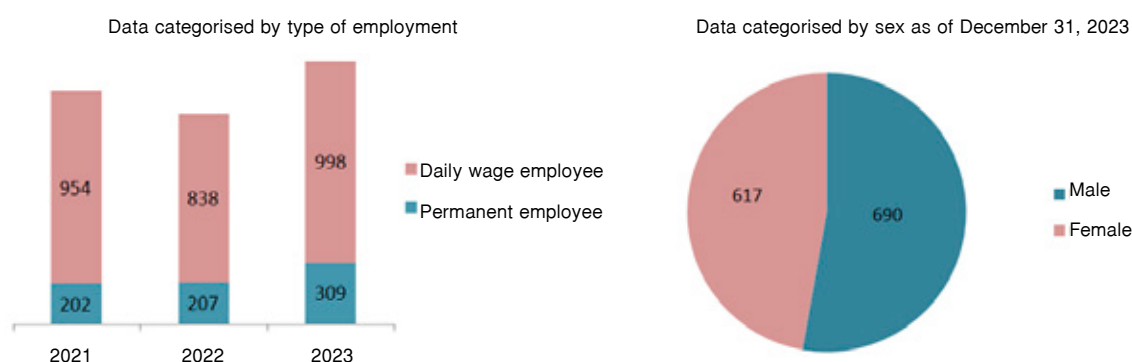
The number of employees who voluntarily resigned by gender

As of 31 December 2023, the Company found that the statistics of employee resignation in 2023 is follows:

Description	As of 31 December 2022	As of 31 December 2023
Number of male employees who voluntarily resigned	58	200
Number of female employees who voluntarily resigned	68	234
Total number of employees who voluntarily resigned	126	434
Major labor disputes	None	None

The company has observed that the majority of voluntary resignations in 2023 were among daily wage employees, due to foreign workers and those from other regions returning to their home countries or hometowns as the Covid-19 pandemic situation eased, where previously, travel restrictions and the pandemic's severity had prevented most of these workers from returning home.

Number of employees classified by type is as follows:



*Details about the number of employees classified by department and responsibilities are disclosed in the Company's Annual Data/ Annual Report for the year 2023 under Section part 2 Corporate Governance, 7.5 Information about employees

Based on the employee data categorised by type of employment, which is divided into daily wage workers and permanent employees, it was observed that in 2023, there were 998 daily wage workers and 309 permanent employees. This represents an increase from the previous year, 2022, due to the rising manpower needs to support the expanded production lines, particularly for furniture orders and the increased production of sofas. Consequently, there was a necessity to hire additional labour, especially daily wage workers. When categorising the employees by gender for 2023, it was found that there were 690 male employees, constituting 52.79% of the workforce, while there were 617 female employees, making up 47.21% of the workforce. This results in a male-to-female employee ratio of 1.12 to 1 within the company.

Employment of Disabled

The Company has hired the disabled employees with physical impediment to work in the production process and prepare fittings (the equipment used in the assembly of furniture products) in order to have the opportunity and return equivalent to ordinary employees in accordance with Empowerment Of Persons With Disabilities Act, B.E. 2550 (2007), aiming to protect disabled people to be employed or earn a living without unfair discrimination due to physical and health reasons. The Act requires the government agencies and employers or business owners to employ disabled in accordance with Section 33, at present, the Company has a total of 14 disabled employees or sends money to the Empowerment of Persons with Disabilities Fund under Section 34 or choose to make concessions under Section 35. The Company is currently in the process of Section 35. The Company also takes care of employees who are suffering health problems by moving them to take responsibilities as their potential and ability to minimize the impact on employee health as least as possible

For 2023, regarding the employment of persons with disabilities, the Company employed 9 individuals with disabilities, falling short by 3 persons to meet the criteria set by law, which requires a total of 13 individuals with disabilities to be employed. However, the Company has made the contributions to the fund for the promotion and development of the quality of life for people with disabilities fully in accordance with the legal requirement

Compensation for Employees

In 2023, the Company paid the compensation for employees in the amount of totally 160.26 million baht, excluding the compensation for the Executive Committee, and executive levels in which the data will be disclosed to the Stock Exchange of Thailand.

Besides, the Company considered the increase of salary for employees in relation to the rising cost of living in a reasonable manner, and considered together with the level of assessment results of each employee prepared by their supervisors along with the supporting data from Human Resources Department.

Details of benefits provided to employees are as follows:

Basic Right Gained by Employees	Employee-Classified Welfare		
	Full time employees	Contract Employees	Probation Employees
1. Salary	/	/	/
2. Overtime Pay	/	/	/
3. Holiday	/	/	/
4. Leave (sick leave, personal affairs leave)	/	/	/
5. Medical fee (health insurance)	/	/	
6. Annual Health Examination	/	/	
7. Assistance to the Casualty or Sick Employee due to working for the Company	/	/	/
8. Provident Fund	/	/	
9. Employee Uniform (particularly for four shirts per year)	/	/	
10. Child Scholarship	/		
11. Funeral Allowance	/	/	/
12. Expense of Patient Gift	/	/	/
13. Discount of Product Price for Employee	/	/	
14. Domestic Travelling Expense and Oversea Travelling Expense due to the operation of the Company	/	/	/

As of 31 December 2023, there were totally 1,307 employees, among 171 full-time employees, 81 of them have participated in the provident fund, representing 47.37% in ratio.

Development of Work Skills and Knowledge and Competency

The Company provides the skill development to enhance the efficiency of work by formulating the guideline for the employee skill and proficiency development as well as determination of training hours as follows:

Guideline	Method	Total Number of Hours (per year)
On-the-Job Training	Determine necessary training standard of each position and arrange the head of each work unit for employee during actual working to perceive and understand proper work method.	1. Production Unit in the Factory (not below 50 hours) 2. Marketing Unit (not below 10 hours) 3. Accounting – Finance Unit (not below 30 hours) 4. Human Resource Unit (not below 20 hours) 5. Company Secretary and Investor Relations Unit (not below 30 hours)
In-house Training	Determine the competency-based courses under below classification. <ul style="list-style-type: none"> • Basic Course for Employee • Specific Position-Based Competency Course • Management Competency Course • Other courses 	
Public Training	Delivery of employee for training in the course organized by the external institution	

Operational Result in terms of Training in 2022 and 2023

Course	Number of Training Hours	
	2022	2023
Organizing training for employees of the company	96	22

Note: The prevention of Covid-19 outbreak resulted in the decreasing training activities during 2021 which has only 18 hours of training. However, in the year 2022 and 2023, the Company has determined plans to continuously provide more online training activities and seminars for the development of employees' potentials

Summary of Number of Occupational Accidents for 2022-2023

Description	2022	2023
Lost Time Injury Rate (times)	2	6
employee with lost time injury for 1 day (person)	3	1
Number of employees died at work (person)	None	1

Based on above table showing the Company's statistics on accident / absenteeism rate / work-related morbidity rate, the number of accidents at work during 2023 was increased when comparing to 2022; Regarding the number of employees who have been injured on the job resulting in absences exceeding one day, it should be noted that there has been an increase in incidents of work-related injuries and accidents leading to such absences, including a case where an employee lost their life due to a work-related incident. The Company has conducted thorough investigations into these incidents and has strictly enforced preventive measures to avoid future occurrences. This includes rigorous inspections and corrections of workplace conditions and the implementation of stricter safety protocols. The Company is committed to fully supporting and compensating the families of the deceased and the injured employees for work-related accidents, and such accidents did not cause any damage to work. The Company has established the guidelines to prevent and mitigate risks of safety, occupational health and working environment by more emphasizing employees to comply with the safety policy in the organization to reduce the number of accidents at work for more efficiency.

Safety promotion activities and occupational health of employees

Fire escape and fire prevention training activities and basic first aid for the year 2023



Safety Training for Electrical Work

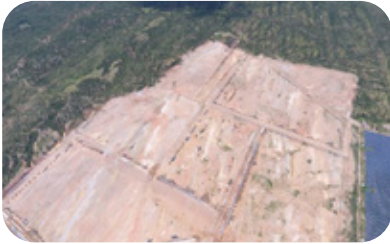
The Company has organized training sessions on electrical work safety and emergency response for electrical accidents, conducted by lecturers from the Department of Electrical Engineering at Sripatum University. The purpose of these sessions is to ensure the safety of the Company's employees and workers on electrical work by establishing control standards that cover electrical equipment, wiring, overload protection systems, grounding, lightning protection, and the use of personal protective equipment related to electricity. Additionally, the training aims to enhance understanding of the types of incidents that can occur with electricity. Furthermore, the Company has implemented safety regulations related to electrical work and the use of electrical equipment, which have been communicated within the Company's operational areas. This also includes monitoring and inspections to ensure compliance with the established safety practices.

Annual health check-up activity for the company's employees



Awards for Employees with Over 15 Years of Service to the Company

This activity aims to express gratitude towards the Company's employees who have contributed their services over a long period. This year, a total of 17 executives and staff members of the Company were honored with the awards.



Policy for controlling and preventing the spread of COVID-19

1. All employees must strictly comply with the Public Health's measures and the Company's measures to prevent the spread of COVID-19.
2. All employees are responsible in protecting themselves from COVID-19; therefore, employees must wear medical mask or fabric mask at all time when being outside the house, and regularly wash hands with clean water or alcohol gel.
3. Keeping distance for at least 2 meters from others to prevent direct contact with infected person(s).
4. Avoid going to risky places, such as nightclubs, bars, restaurants and all types of gambling, concerts, crowded events, etc.
5. In case any employee has symptoms such as fever, running a temperature, body temperature over 37.50oC, chill, coughing, sneezing, runny nose, or is at risk, he/she notifies Human Resources Department and supervisor, and should be screened for COVID-19 by RT-CPR or by Antigen Test Kit, and notify the result to Human Resources Department and supervisor.
6. In case any employee is in close contact with someone infected with COVID-19, he/she must notify Human Resources Department and supervisor to assess the risk and consider whether he/she must be quarantined for 14 days or not, or follow the Public Health's measures to determine each period to prevent the spread of COVID-19.
7. In case any employee is a patient infected with COVID-19, he/she must cooperate in the treatment as prescribed by the Public Health

Employee Development

The development of employee potentials will lead to the advancement of work and duties, and apply knowledge and ability obtained to be used in performing their duties, it is also an integral part in driving the Company to steadily grow, these skills are individual competencies for further stepping into becoming a person of quality. Each year, it is required that departments formulate a training need plan. This enables the Human Resources Development Department to provide training programmes that align with the requirements of each department within the Company. Additionally, key performance indicators are established, including the number of training hours and the number of employees required to complete the training as specified by each department.

Major labor disputes in the past 3 years

- None -

Customers Performance

Customer Satisfaction Survey 2023

Aiming to know the Company's efficiency in customer care, we have designed a product & service satisfaction survey by dividing questions into 5 sections as follows:

1. Satisfaction with the Company's overview;
2. Satisfaction in the Company's products;
3. Appropriateness of product's prices;
4. Satisfaction on the transportation and delivery;
5. Satisfaction on employee services

In the 2023 customer satisfaction survey, the average score was 79.50%, showing a decrease of 4.53% from the 84.03% average score in 2022. This decline is primarily due to a fire incident in the second quarter of 2023, which likely led to delays and impacted the company's ability to promptly address and resolve issues, returning operations to normal. This incident may have influenced customer perceptions regarding product delivery timelines and the company's overall risk management. However, the company will prioritize risk management and utilize the survey results to enhance services and boost customer satisfaction in the future.

Goal: The Company's goal for the performance on customer has been established that the average score in each topic shall not be less than 80%. In 2023, it was found that all topics had an average score lower than the target average score set by the Company, such as product pricing and product style. The Company has continued to focus on the operations under the importance of all customer groups, simultaneously with maintaining the existing customer base, looking for opportunities to create new customer groups, developing products and services and creating better competitive prices in the future.

Performance on Safety and Health of Customers and Consumers

In 2023, there was none of complaints on safety and health of customers and consumers arising from the daily use of the Company's products.

Establishment of Communication Channels on the Impacts from Products or Services

ECF has established the communication channels on the impacts of products and services, details including the Company's name, address, telephone number, website, and product model are specified on the packaging box of the product, and the communication channels are also notified on the Company's website. In addition, the document containing the information about the product type, how to assemble furniture products, how to use and contact channels for customers or consumers is also inserted in the packing.

Information on plans to develop and enhance the potential of partners

Development together with business partners in the production of corrugated boxes for containing the Company's furniture products.

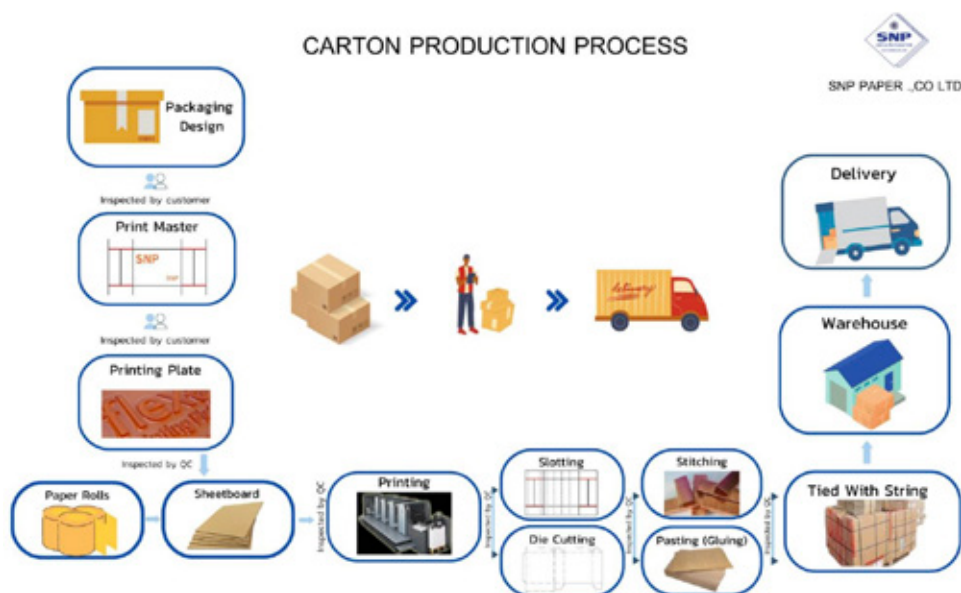
Development of furniture box printer using a Digital Hybrid/Inkjet System



In 2022, the Company and its business partners have jointly developed box printing for containing furniture manufactured by the Company's plant, with the application of Digital Hybrid / Inkjet printer system. When Compared between traditional block printing and digital hybrid/inkjet block printing, there are important advantages and part of sustainable development guidelines is:

Traditional block printing is using molding plastic polymer plate to print a box in desired style, but it is no longer inappropriate over the time, or has deteriorated after using and is difficult to be destroyed. The age of plastic polymers will take many years to be decomposed, and traditional blocking causes water pollution in paint washing stage for each color, requiring wastewater treatment and disposal planning process. In addition, individual molded polymer plastic printer shall use a large motor consuming high electrical power for operation, this consumes more electricity resources. If switching to Digital Hybrid/inkjet block, it shall reduce the use of traditional paper box printing blocks because the design program can edit in case of changing the design, and inkjet printing colors will reduce water used for paint washing, inkjet paint can be washed only once a day with water only 20 liters per day compared to using 30 liters of water per 1 color for traditional polymer block. In addition, inkjet block reduces electricity consumption due to much smaller size of printer's motor.

Diagram of production process for paper boxes with business partners who are manufacturers of corrugated boxes for the Company.



Report on the results of responsibly treating competitors

ECF has set the goal for treatment to competitors that will not cause any disputes between the Company and competitors. In 2023, there was none of any dispute between ECF and competitors.

Performance on Community

The Company pays attention to participate and support in the activities related to development for the enhancement of community quality in neighboring areas to have a better living, the team overseeing this function will be assigned to the Human Resources Department by working together with the Investor Relations Team to explore the needs and satisfaction of the community. The community development project consists of 5 areas as follows:

1. **Education:** The Company annually provides scholarships and schooling equipment to students who have good studying but lack of funds, to schools located surrounding the Company's office area.
2. **Environment:** The Company has realized the importance of production process in reducing the impacts on environment, such as the electricity generation from solar energy to be used in the production process, using tablet instead of drawing papers, effective management of materials remained from production processes, etc.
3. **Health:** The Company annually provides medical devices to Klaeng Hospital, Rayong Province, this hospital serves people in the area and the Company's employees working in the Head Office due to its close location.
4. **Economy & Occupation:** The Company built the ECF PARK as a place to earn income for community people, because ECF Park is located closed to Ban Bueng-Klaeng Road, it is proper to be a place for selling souvenirs and local products. The Company has allowed people residing in communities nearby the Company's head office in Klaeng District, Rayong Province, to rent and sell products in ECF Park.

Activity "Forward Happiness...to Society"

ECF is highly aware on creating the sharing culture in the organization with a focus on promoting employees to have a public mind, make people happy in giving, in order to be a part of making a present society to be more pleasant, many projects and activities have been created to deliver happiness to communities, society and employees who will be a giver, and the Project "Forward Happiness...to Society" in 2023 was organized as follows:

East Coast Furnitech Public Company Limited has realized the importance of medical treatment for patients; therefore delivered medical tools and equipment to hospitals located in nearby areas of branch office in Lam Luk Ka District, Pathum Thani Province, all medical devices are important to patients in increasing the efficiency of treatment for infected patients in communities.

Activity "Forward Happiness...to Society"

"Merit-Making and Offering Alms to Monks Event to Celebrate the New Year 2023"



Donating 5 Wheelchairs for Public Health Services and Patient Care

at Thanyaburi Hospital, Pathum Thani Province



Donating Supplies and Essential Items to the Elderly Home

at the Social Welfare Development Center Elderly, Pathum Thani Province



Activity “Children are Full up.... We are Delighted by ECF Year 5.”

It is an activity to donate equipment and furniture products of the Company to benefit the school and give scholarships to students in schools located in nearby area of Branch Office 2, Lam Luk Ka District, Pathum Thani Province. This year it was held at Wat Adisorn School, Pathum Thani Province.



Activities to spread happiness to students on the occasion of Children's Day



Charity walking-running activity, Huai Yang Suksa School, Klaeng District, Rayong Province



Activities to donate funds and participate in community activities within the Rayong Province, where the head office is located.



Activities to support sports competitions as part of a project to strengthen ties among local government organizations, government agencies, and the private sector.



Activities to support for projects aimed at promoting sports within the local community of Wang Chan District, Rayong Province.



Activities to support repair and expand public rescue service points.

Creating the income sources for people in the community

The Company built the ECF Park under one of main objectives to create a source of income for people in the community. The ECF Park is located on Ban Bueng-Klaeng Road, suitable to be used as a place for distributing souvenirs and local products. The Company has allowed people in the community to rent space for selling products at ECF Park. It is also considered as a bus park area with service and selling product areas such as coffee shops, convenience stores, restaurants, clean restrooms and service stations for charging electric vehicles etc.



Until present, the Company has never received any complaints or disputes with communities in the areas near the factory, or areas used in the Company's business operations.

In addition, ECF analyzed the results that are expected to happen to the communities and society and what the Company will obtain from activities or projects for community and social development in accordance with the details of performance mentioned above, these will promote and support the growth of organization, create values for society and communities, build confidence and acceptance from communities and relevant stakeholders based on the community and society management policy, so that the confidence, acceptance, and support to operations will be created to benefit the organization and society as a whole.

Statistics of whistleblowing and complaints in 2023

In 2023, there was none of any whistleblowing and/or complaint from all stakeholders.






The measures taken by the Company to prevent the Company in case of whistleblowing and/or complaints from stakeholders are: Conducting businesses based on the policy that shows responsibility and takes into account all stakeholders of the Company under the policy of corporate governance, Creating internal control system with Check and Balance to be effective and efficient, and Regularly managing and preventing all risks with prudence and concise.

3.5 Sustainability Management in Environmental Dimension

3.5.1 Environmental Policies and Practical Guideline

The Company has established environmental policies and guidelines for use within the organization. In such details gives precedence environmental impact occurred from the Company's business process either directly or indirectly, the environmental policies and practical guidelines are under control from environmental friendly production process of products and services in every procedure to reduce the use of energy, water, waste generation, wastes and pollution, including reducing the amount of greenhouse gas emissions, also cultivates its employees to be aware of environmental care, to know how to utilize natural resources for utmost benefits, whether being waste sorting, cleanliness inside the building area, plant and surrounding area, as well as to cultivate the concept of Circular Economy in order to step up to change the production process of products and services in compliance with the said economic system through the concept of "take-back system" in the process for returning the usable raw material waste into the new process to reduce wastes as much as possible. Additionally, this encompasses the support for the Sustainable Development Goals (SDGs), including Goal 7: Affordable and Clean Energy, Goal 12: Responsible Consumption and Production, and Goal 13: Climate Action. The Company prioritises the integration of environmental practices into the production process, warehouse management, and product distribution, as well as engaging stakeholders throughout the value chain.

To formulate environmental policy and guidelines, ECF has analyzed the value chain and environmental impacts as follows:

Business value chain	 Incoming logistics	 Action	 Outgoing logistics	 Marketing & Sales	 Service
Environmental impact due to activities in the value chain	The transportation and storage activities of raw materials such as rubber wood, particleboard, MDF board, waiting for entering into the production process, often use fuel, generates wastes and pollution, including greenhouse gases.	The Company's furniture manufacturing activities are often directly related to the use of electricity, fuel, waste and pollution generation, including greenhouse gas emissions.	The transportation or delivery activities to send the products to customers, both exporting and domestic sales, often consume fuel, generate wastes and pollution, including greenhouse gases.	The marketing and sales activities to consumers often use fossil fuels for travelling and contacting, and generate waste and greenhouse gases.	The use of furniture by consumers often utilizes electricity, generates wastes and pollution.

Above table could lead to a summary of 4 environment-relevant issues as follows:

1. Energy consumption such as fossil fuel, electricity
2. Water consumption
3. Generation of wastes and pollution
4. Greenhouse Gas Emissions

In order to ensure that the Company has guidelines and a reliable environmental and safety management system, the Company has been certified of quality management system standard ISO 9001:2015 (ISO 9001 — Quality Management System). In addition, the Company also annually inspects the environmental and safety performance and has a policy as an important principle to achieve the effective use of resources as follows:

1. Support a monitoring approach in the operations that may affect the environment
2. Promote activities to enhance environmental responsibilities
3. Promote the development and dissemination of environmentally friendly technologies
4. Cultivating the concept of Circular Economy to change the production process in accordance with the said economic system through the concept of “Take-back System”

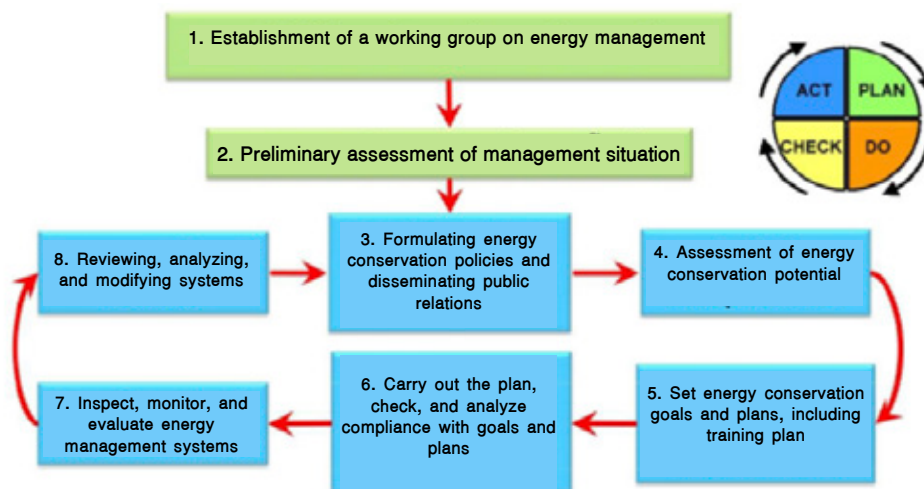
In addition, the areas responsible for maintaining cleanliness has been separated for zoning and for protecting the environmental condition inside the plant area as shown in below diagram.

Zoning of areas to be responsible for cleanliness and environment inside the plant area
Head Office Branch, Rayong Province



Environmental Management Target

The Company recognises the importance of reducing energy consumption and maximising energy efficiency. It is currently in the process of setting energy reduction targets from a baseline year, as well as raising awareness among stakeholders about energy conservation. To respond to sustainable energy management, the Company has implemented a variety of measures as follows:



The Company has established an energy management policy and the organizational structure to determine a structural framework for the service department. Roles, responsibilities, and accountabilities are clearly defined, ensuring regular coordination between those responsible for energy and teams at all levels. Goals are comprehensive, involving monitoring outcomes, identifying errors, evaluating performance, and controlling budget usage. Moreover, the importance of promoting the value of energy savings and sharing the outcomes of energy management initiatives within the organization is emphasized. Regarding related investments, budget allocations consider the priority of projects to be initiated sequentially.

The energy management working group has roles, duties, and responsibilities as follows:

1. Implement energy management practices in alignment with the Company's energy conservation policy and energy management practices
2. Coordinate with all related departments to ensure cooperation in adhering to the energy conservation policy and energy management practices, including organising training or energy conservation activities suitable for staff in each department.
3. Ensure that the Company's energy management practices are conducted efficiently, in accordance with the energy conservation policy and energy management practices.
4. Report on energy conservation and management outcomes in line with the energy conservation policy and management practices to the management for review.
5. Provide recommendations for establishing or reviewing the energy conservation policy and energy management practices to the management for consideration.
6. Support the management in ensuring energy management practices comply with legal requirements.

In addition, the Company has appointed an internal energy management audit team responsible for inspecting and assessing the organization's energy management practices. The Company's energy conservation policy is detailed and available on the Company's website.

The Company has set the environmental management targets and practices that are consistent with short-term and long-term business strategies as follows:

Target	Practices
1. To aware on the wise use of electricity and fuel	Cultivate the concept on wise using electricity and fuel and manage energy for maximum efficiency
2. To reduce the fossil energy consumption	Consider and choose to use clean energy or renewable energy
3. To prevent water shortage problem	Cultivate the concept of wise use of water and manage water for maximum efficiency
4. To prevent water quality deterioration	Wastewater treatment, water source conservation and development
5. To prevent the problem of inequitable or unequal access to water resources.	Water management with good governance and community consideration
6. To reduce the volume of wastes generated in the furniture manufacturing process, the amount of solid wastes and plastic wastes inside the factory	1.Improving the style of production process or adjust the style of products, packaging to reduce the use of raw materials or materials in production. 2.Cultivating the Circular Economy concept to change the production process through the concept of "Take-back System". 3.Cultivating the idea of reducing the use of plastics for waste reduction 4.Participating in the creation of awareness and the change of consumer behaviors
7. To reduce the problem of dust pollution in the air that arises from the production process	Controlling dust at the source or production process at the point where dust is generated
8. To prevent the problem of incorrect disposal of industrial wastes	Correct disposal of hazardous wastes, especially industrial waste
9. To take part in helping reduce the problems of global warming, climate change, greenhouse gas emissions without responsibility	1.Reducing greenhouse gas emissions 2.Preparing Carbon Footprint 3.Offsetting Carbon and trading Carbon Credits

ECF educates employees through training courses such as environmental policy and environmental management system fundamentals, 5S, and relevant regulations of the Company. A total of 769 employees have signed to acknowledge and will adhere to the Company's environmental management policy.

3.5.2 Performance on Quality Environment

1. Energy Consumption

The Company organized training on energy conservation laws and energy management systems for 7 relevant employees. Additionally, it hosted activities such as an energy conservation slogan contest, Energy Conservation Day, and posting announcements. It also developed a plan for an internal energy conservation awareness campaign within the company premises.

The Company has used energy in production process, services and offices, consisting of 2 parts:

- Electricity supplied by the Provincial Electricity Authority for the office and production in the plant at Head Office in Rayong Province, and Provincial Electricity Authority for Marketing Office at Lam Luk Ka branch office in Pathum Thani Province.
- Fuels such as diesel, benzine for using in transportation of products and the Company's office vehicles.

The Company has an energy management plan aimed at reducing electricity and fuel oil usage. Currently, for the reduction of electricity consumption, the Company has adopted renewable energy through solar roofs, which have been installed at the production facility section of the headquarters in Klaeng District, Rayong Province. There are also plans to extend the installation to the production facilities of Branch 1 in Wang Chan District, Rayong Province, in the future.

To maximise the efficiency of fuel oil usage, the Company has set initial guidelines, including turning off engines during loading waits or when not in use, and assessing the performance of drivers to offer incentives that encourage energy conservation. Currently, the Company has enhanced its transportation tracking system for increased efficiency through the use of GPS Satellite Navigation — GPS Control, aiming to manage the warehouse and logistics systems more efficiently.

During 2023, the Company's electricity consumption and fuel consumption are as follows:

Unit : Baht

Type of Resources	Amount			Difference between 2022 and 2023 (%)
	2021	2022	2023	
Electricity	26,305,823.63	40,955,737.87	50,008,161.51	22.10%
Fuel	9,786,105.00	7,413,930.02	12,183,559.60	64.33%
Total	36,091,928.63	48,369,667.89	62,191,721.11	28.58%

From the table presenting the data on resource usage, it was found that there has been an increase in the expense on electrical energy. This increase is attributed to the expansion of production capacity, driven by a rise in order volumes over 2023.

Regarding fuel oil consumption, which is primarily for product transportation, the expenses in this category, when converted into monetary terms, show an increase of 64.33% compared to 2022. This surge is partly due to the Company's increased sales revenue, which consequently led to higher transportation costs. Additionally, a significant factor contributing to this increase is the war between Russia and Ukraine, which began in February 2022, continuing to affect oil prices by driving them higher.

For the management to maximize the efficiency of fuel consumption, the Company has established basic guidelines, such as turning off the engine during loading and unloading or when it is not in use, and conducting evaluation of the driver's performance to give incentives for energy conservation, etc.

The Company set energy management goal that each year, the amount of resource consumption shall be continuously decreasing compared to the value of electrical energy and fuel oil compared to revenue from sales of products according to the Company's consolidated financial statements.

However, in 2023, the company's electrical energy and fuel consumption accounted for 3.64% and 0.89% of the revenue from product sales, as reported in the consolidated financial statements. This is an increase from 2022, where electrical energy and fuel usage represented 2.89% and 0.53% of product sales revenue, respectively.

Fostering Energy Conservation Awareness in the Factory

The Company has promoted energy conservation awareness among its personnel to ensure the efficient use of energy and to limit energy consumption to what is necessary."



2. Water Consumption

The Company uses tap water supplied by the Provincial Waterworks Authority for the office and production in the plant at Head Office in Rayong Province, and the Provincial Waterworks Authority for Marketing Office at Lam Luk Ka branch office in Pathum Thani Province.

The Company has a water resource management plan to reduce the use of water resource by campaigning for the economical use of water resources in the office area, the plant has established a management plan in addition to normal guidelines, that are, guideline for collecting, allocating, improving the quality of rainwater to be used inside the Company's factory areas in various ways that can be appropriately implemented.

In 2023, the Company's consumption of tap water is as follows:

Unit: Baht

Type of Resources	Amount			Difference between 2021 and 2022 (%)
	2021	2022	2023	
Tap Water	44,708.65	56,472.50	77,993.47	38.11

From the table of data on the Company's water utility expenses, there has been an increase compared to 2022. However, the Company continues to emphasise to its employees the importance of valuing and conserving water resources consistently. This increase is also attributed to an incident of fire that occurred in the second quarter of last year, particularly in the paint spraying area of Factory Branch 1 in Wang Chan District. During the incident, it was necessary for the Company to use a significant amount of water to control and extinguish the fire, including water spraying to maintain humidity and control continuously after the event, until the situation was fully resolved.

The company has established a practice of compiling statistical data and information collected from sources of pollution, including water usage in all activities related to pollution sources on a daily basis. This is to monitor the performance of the wastewater treatment system and to check the normalcy or abnormalities of all items that need to be checked.

Furthermore, the Company has developed a 3Rs (Reduce, Reuse, Recycle) manual as part of fostering a water conservation awareness within the organization. Meetings are held to educate employees on water-saving measures within the Company, ensuring widespread awareness. Signs promoting water use efficiency are installed at every drinking water station within the Company. Surveys are conducted to identify various water usage points where equipment is damaged, ensuring immediate repairs or replacements. Float devices are used to measure water levels to prevent tank overflow. Signs advocating for water conservation are placed throughout the Company, and follow-up assessments are conducted after water-saving campaigns to leverage the results for further development and improvement.

Reducing Water Consumption by 3Rs



3. Waste and unused materials management

In furniture manufacturing process, the Company has placed the importance on the management of wastes and residual materials arising from the production process, and the generation of pollution that may occur during the production process. For the management of wastes and residual materials from various processes, details are as follows;

- **Wood chips and sawdust:** the products remaining from the wood cutting process shall be used as the fuel for the boiler to generate renewable energy in the production process. If the quantity of wood chips and sawdust is high, the company shall sell them to a third party.
- **Dust** the dust from polishing process using sandpaper or polishing machine, the company shall use filter bag. The filtered dust shall be sold to a third party to use as a raw material accordingly.
- **Residue** of Spraying from the pigmentation process on the work piece, the company has a measure to prevent the impact caused by spraying color to the environment by using a pigmentation room with circulating water to reduce the color mist. The residue from this process shall be properly eliminated.
- **Paint residue** from the manufacture of covering paper; the residue of paint after printing process, the company shall bury such residue in the factory. At present, if the paint residues are still of good quality, the Company will mix them and reuse to reduce the effects caused by the paint residues and this is part of production cost reduction while maintaining good quality products in accordance with the standards set by the Company. From this process, the cost of new paint buying could be reduced by up to 5%.
- **Waste** materials such as rejected artificial leather or textile from production process, the company shall gather them to sell to a third party.
- **Glue** is the adhesive materials to attach the covering paper to the particle boards, the company shall use water base glue that can be melted by water, causing no environmental impact.

The Company has set the target to reduce the amount of wood chips and sawdust which are the remaining raw material from the production process due to the cutting of workpieces, and the amount of paint that will be landfilled after the production process.

It will show comparative data for at least the past 3 years., to show the benefits of reducing raw material costs and to reduce the generation of wastes arising from the production process as follows:

Type of Resources	Unit: Ton		
	2021	2022	2023
The amount of wood chips and sawdust generated after the production process	834.35	633.84	367.84

The goal for managing all wood chips and wood waste after production processes inside the Company is that the amount will be continuously decreased year by year when comparing to previous year. During the years 2021, 2022, and 2023, the Company generated 834.35 tons, 633.84 tons, and 367.84 tons of wood scraps and sawdust, respectively, after all production processes. This decreasing trend demonstrates the Company's effective management and continuous improvement in handling wood waste. A key factor in this achievement is stringent cost control within every production process, aimed at minimizing waste generation by reusing or recycling wood scraps and sawdust more efficiently.

As for the amount of A4-paper waste, at present, the Company is in the process of developing an application system to support and facilitate sales and customer service, fast stock checking, presenting the products through Application to replace paper presentation in the future.

During the year 2021, 2022 and 2023, ECF's paper consumption is as follows:

Unit: Baht

Type of Resources	Amount			Difference between 2021 and 2022 (%)
	2020	2022	2023	
Paper	170,724	202,974	201,072.80	-0.94%

The goal of the Company's paper management is that the amount of resource consumption will be continuously decreased year by year when comparing to the value of paper expense, and the revenue from sales of goods based on the Company's consolidated financial statements. In 2022 and 2023, the company's paper usage accounted for 0.01% of the revenue from product sales, as indicated in the consolidated financial statements. This consistency demonstrates that there has not been a significant increase in paper consumption. The company has successfully managed to control paper use through resource-saving campaigns and wise utilization, thereby creating value within the organization.

The Company has completed training on laws related to the management of waste or unused materials, organized by the Industrial Waste Management Division, Department of Industrial Works. This training aimed to enhance understanding of the Factory Act, B.E. 2535 (1992), which establishes regulations on:

1. Requirements for manufacturing processes and the provision of equipment or tools to prevent, mitigate, or alleviate dangers, damages, or distress that may occur to individuals or property within or in the vicinity of the factory.
2. Standards and methods for controlling the emission of pollutants or any substances that impact the environment resulting from factory operations.
3. Management of essential factory documentation for the purposes of legal compliance or inspection.
4. Reporting of necessary information regarding factory operations, which the factory must inform periodically or according to the specified period.
5. Other provisions for ensuring operational safety to prevent, mitigate, or alleviate dangers or damages arising from factory operations.

This initiative aims to foster a comprehensive understanding of the industrial waste management system, including the disposal of refuse or unused materials, controlling the release of pollutants, transporting hazardous waste, implementing disaster prevention and emergency response plans, and understanding applicable penalties. This knowledge will enable the Company's internal manufacturing operations to be conducted correctly, efficiently, and in compliance with legal requirements. This constitutes a part of the Company's risk management strategy.

In addition, the Company has adopted the 3Rs principle, as advocated by the Bureau of Waste Management and Hazardous Substances, Department of Pollution Control, Ministry of Natural Resources and Environment.

The 3Rs stand for Reduce (using less), Reuse, and Recycle, for waste management. This approach is simple and can be implemented by everyone, regardless of gender, on a daily basis. It requires only awareness and a collective intention to maintain our planet as a clean and livable place. The Company has incorporated this principle into the operations of both its office and manufacturing facilities, including:

1. Reduce, the first 'R', entails minimising the amount of resources consumed by using only what is necessary. This approach avoids wasteful practices to reduce waste generation to the greatest extent possible. For example, it involves considering the raw materials and consumables used in manufacturing processes to manage and utilise them as efficiently and effectively as possible.
2. Reuse, the second 'R', involves taking waste packaging or leftover materials and using them again without undergoing any transformation or reprocessing. This includes managing resources within factories and offices to maximise adherence to reuse principles, such as reusing office document papers.
3. Recycle, the third 'R', refers to the process of taking recyclable waste, waste packaging, or leftover materials and processing them into raw materials for manufacturing processes or to produce new products. The

Company has utilised paper produced from recycling processes for printing product manuals and has produced various types of packaging from recycled paper.

The Company has implemented waste management protocols for disposing of waste generated from the production processes across all manufacturing facilities. This includes the monitoring and scheduling of daily waste collection records. The collected waste is categorized into five types:

1. Wood scraps/sawdust
2. PVC scraps used for edging wood
3. Plastic scraps
4. Paper scraps
5. Cardboard/paper boxes

The quantity is recorded, and the waste is then dispatched for appropriate further waste management processes.

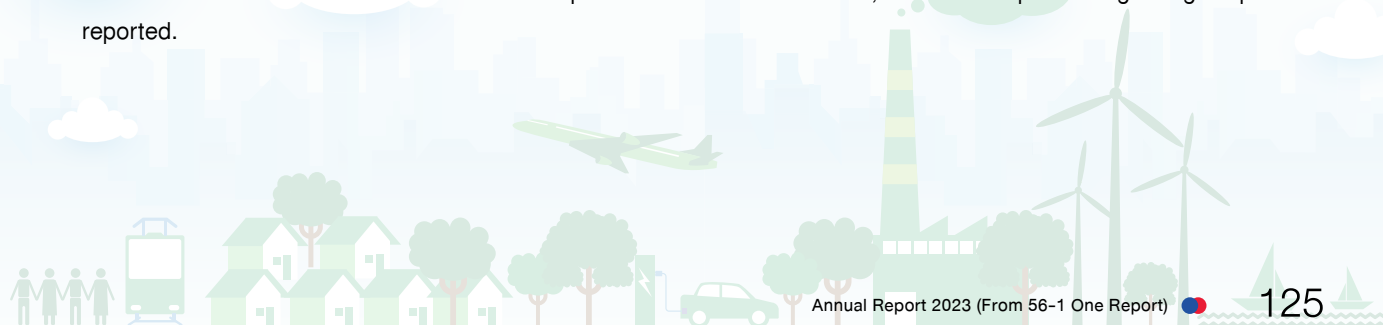
The business operations of the Company utilise wood, paper components, and various other materials, which may result in leftover or surplus equipment from our manufacturing and maintenance processes. As such, the Company prioritises the maximization of utility from these wooden and paper components and parts. This involves recycling intact pieces for specific uses, such as creating protective layering or shock-absorbent materials for product packaging (to prevent damage during transportation). Additionally, the Company has implemented training programmes for different departments to repurpose these remnants for other beneficial uses in their operations. This approach not only minimises waste production but also plays a crucial role in environmental conservation. Furthermore, it assists in controlling costs and reducing expenses for the Company

Example of the collection, sorting, recording, and disposal of waste generated from the Company's production processes



Air Pollution Management

The Company prioritises the control of air pollution to ensure compliance with environmental laws and regulations strictly and supports the principles of occupational health and environmental quality in the workplace, aiming to minimise environmental impacts. Aware of the potential pollution from its production processes, such as wood dust and various chemicals, the Company has established practices for the control and monitoring of air pollution annually, adhering to the standards for chemical concentration limits as specified by the Department of Labor Protection and Welfare (2017). In 2023, the Company conducted its annual air pollution monitoring, which included measuring levels of dust and chemicals. This assessment was carried out by Safety World Green Company Limited, and it was found that all measurements were within control limits and passed the standard criteria, with no complaints regarding air pollution reported.



4. Greenhouse gas emissions

The Company's greenhouse gas emissions mostly come from the furniture manufacturing process and the transportation partially causes the increase in the amount of greenhouse gases, affect the environment which is the cause of volatile weather conditions or current global warming. The Company has not neglected the aforementioned problems, the management has considered to find a management approach on reducing greenhouse gas emissions throughout the business value chain, to ensure that the Company's operations have the least impact on the environment. In preparation for the disclosure of information for the year 2023, the Company is aware of the consideration and disclosure of greenhouse gas emissions. The preparation will be made as follows:

1. Preparation of information on business activities that produce greenhouse gases, including direct activities and indirect activities, such as the use of electricity, heat or steam used within the organization.
2. Management guideline to reduce greenhouse gas emissions.
3. Calculated amount of greenhouse gas emissions inside the organization to be used as a starting point and used for comparison for the following years.

In terms of carbon footprint in the organization, in order to offset greenhouse gas emissions throughout the value chain of furniture business, the Company has implemented 2 renewable energy power plant projects in which the calculation of greenhouse gas emission reduction from these 2 plants is as follows:

Management goals for greenhouse gas emissions

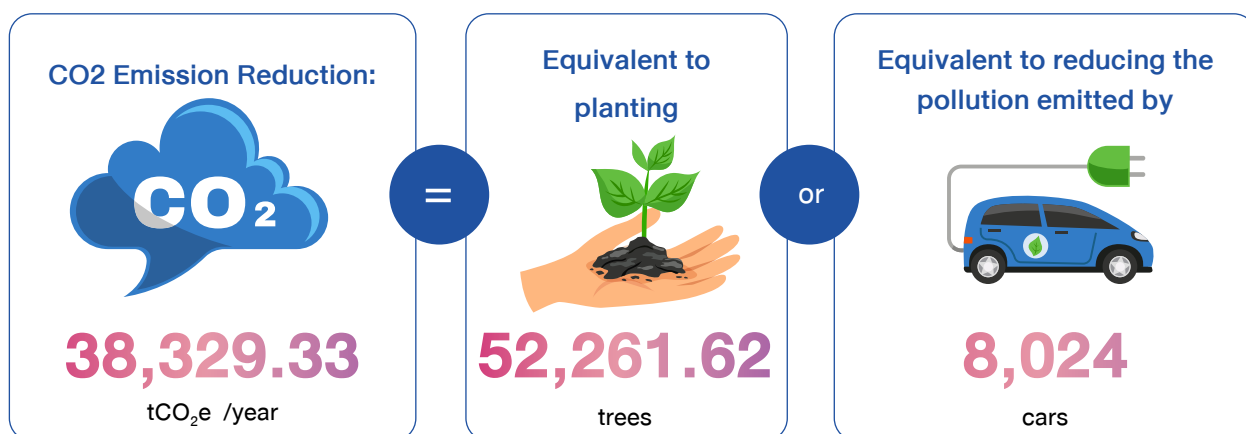
Objective: To contribute to the creation of a low-carbon society within the organization.

Indicator: The Company aims to achieve a continuous reduction in greenhouse gas emissions across its business value chain, targeting a minimum yearly decrease of at least 5% compared to the previous year's emissions

- **For the rooftop solar project Installed at the Head Office**, Rayong Province, with a capacity of 998 kWh, in 2023, it could reduce the use of electricity by 996,612.26 kWh/year, or reducing greenhouse gas emissions by *498.21 tCO₂e /year, equivalent to planting 678 trees, or reducing the pollution emitted by 104 cars.



- **The Solar Power Plant Project** with the total installed power generation capacity of 220 MW of Green Earth Power (Thailand) Co., Ltd. ("Minbu Power Plant Project" or "GEP") located at Minbu City, Magway Region, Republic of the Union of Myanmar ("Myanmar") whereby the Company assigns ECF Power Company Limited ("ECF-P"), a subsidiary in which the Company holds 99.99% of shares, to invest in the shares of GEP, accounting 20% of total shares. Presently, Phase 1 with a capacity of 50 megawatts from the total capacity of 220 megawatts started the Commercial Operation Date (COD) on 27 September 2019 (and Phase 2 is under construction). Under such project, Phase 1, can generate electricity of 76,674,000 kWh/year in 2023, or reducing greenhouse gas emissions of *38,329.33 tCO₂e/year, equivalent to planting 52,261.62 trees or reducing pollution emitted by 8,024 cars.



If the aforementioned project can start the Commercial Operation Date for Phase 2 with a capacity of 50 megawatts, Phase 3 with a capacity of 50 megawatts and Phase 4 with a capacity of 70 megawatts, this solar power plant project will help to significantly reduce the amount of pollution and greenhouse gas emissions.

At present, the Company is considering the participation in the Thailand Voluntary Emission Reduction Program (T-VER) established by the Thailand Greenhouse Gas Management Organization (TGO) to make the operation on carbon footprint more standardized.

***Note:** The data on the reduction of greenhouse gas emission amount as mentioned above has not been verified by those who have been registered by the TGO or equivalent.

To support the increased use of clean and renewable energy, which is environmentally friendly, the Company is currently studying the feasibility of installing a solar power system. This system is intended to supplement the existing lighting systems within the factory and office premises. The study is under consideration of the capacity for electricity generation, and it is expected that the project will be completed by 2024.

Participation in the Care the Bear Program



ECF has recognized that the current problems of global warming and climate variability are globally significant that all sectors need to focus on and work together to solve them, this is the important reason that the Company wishes to participate in the "Care the Bear" Program, with the expectation that the organization and all employees are involved in solving global warming problem, the Company also aims to develop many related business activities such as manufacturing, logistics, marketing, and procurement of raw materials in line with the concept to help solve global warming problem as a guideline for sustainable operations. The participation in such activity (participated in July 2021) has led to the reduction of carbon footprint, in 2023, by 455.33 kgCO₂e, equivalent to the absorption of CO₂/ year for 51 trees. Most of activities are the online meetings within the organization to reduce the travelling using fossil fuels, resulting in the reduction of carbon footprint. And since joining the project until 31 December 2023, the Company has been able to reduce its carbon footprint by 953.01 kgCO₂e, which is equivalent to the CO₂ absorption per year of 106 trees.

Practical Guideline for Environmental Conservation

Solar Rooftop Project



The Company has installed the Solar Rooftop on the rooftop of factory in Klaeng District, Rayong Province, with a capacity of not more than 998.40 kWh for the internal use, which reduces production costs of electricity costs and helps reduce greenhouse gas emissions caused by the use of electricity. The completed project can generate electricity at full capacity since 2019. In 2018, the Company had electricity expense of THB 36.40 million after the installation of solar panels, and the electricity expense in 2019 was decreased to THB 24.47 million, when compared to 2018, a decrease was 32.79% as a result of the installation of Solar Rooftop.

Considering that the installation of solar cells is the crucial starting point for the Company's success aiming to lower the resource costs, in addition to reducing the burden of the Company's expenses, it also has a positive effect on the environment because solar cells are considered a type of pure energy that does not affect the environment. At the same time, the Company has a policy to find ways to increase the sales of carbon credits from the said project with the amount of greenhouse gas units to be reduced, to further sell as income for the Company.

Use of Recycled Paper instead of Good Grade Paper for Product Assembly Manual

The product assembly manual is necessary and paper is also necessary to be used for manual production. In this process, the Company decided to use recycled paper to replace good grade A4 paper to help in tree cutting reduction for paper production and this also helps in reducing the Company's production cost for approximately 0.40 million Baht per year.

At present, the Company is seeking the way to reduce the use of paper to minimize the environmental impact from the paper production process by printing the instruction on the product boxes, however, this method is limited to apply, it will be applied for the product that has uncomplicated assembly process.

The Use of Eco-Friendly Materials

The Company has changed to use the Edge Banding-typed or plastic materials for covering the edge of wood instead of original materials that are made from 100% PVC and plastic materials are environmentally friendly or Eco-Friendly grade that is biodegradable for minimizing environmental damages.

The Reduction of Chemicals in Production Process

The production process of furniture made from artificial woods such as particle board, which requires resins as admixture to combine woods in the compression process, such resin contains formaldehyde that will harm the users if its ratio exceeds the standard, the formaldehyde measurement standard is defined or it is called the European formaldehyde emission standards, divided into 3 main parts, the levels start from "E2" level that is harmful to the users because the release of formaldehyde is higher than the set value; "E1" level that is not more than 0.75 ppm; and "E0" level that is an advanced standard upgraded from E1. The furniture passed this process will contain formaldehyde not more than 0.07 ppm. All operational parts, especially the manufacturing part, are conducted of development to allow such standards to cover the global furniture industry in the future.

In order to minimize the impacts on both users and the environment, at present, the Company chooses to use wood in E1 level, which was found that the formaldehyde content is lower than E2 level, up to 1.0 mg/l, or can reduce formaldehyde from the use of materials up to 67%, additionally, it also presents positive impact on environment, users and employees' health, it is also good for cost reduction in the production process, decreasing the amount of costs up to 3.70 Million Baht per year.

Replacement of LED Light Bulbs in Factory

In the Production Department, it was found that there are more than 2,000 points of light bulbs in the production area, at present, the Company has gradually replaced with LED light bulbs because LED light bulbs has real white light which its temperature is similar to natural light, making the eyes comfortable and good for eye care, with longer lifetime, using lesser electricity, and importantly, LED light bulbs is eco-friendly because the fluorescent bulb consists of heavy metals i.e. mercury, etc. which are toxic to the environment, while the LED bulb does not contain any harmful heavy metals and importantly, its materials produced are recyclable.

Change to use Transparent Roof for Factory

At present, the Company has changed the roof of the factory from solid roof to be transparent roof by designing to allow natural light enter into certain areas in the factory to reduce the use of electrical light.

Use of Technology to Reduce Paper Used in Office.

The Company is in the process of developing the Application to support and facilitate sales and customer service for fast stock checking, presenting products through the Application. In addition, for the production, the Company has applied the Cloud system to collect all furniture designs, covering all types manufactured and distributed by the Company in order to facilitate the customers in both domestic market and international market, and shorten the work duration of Product Design, and also help reduce the use of papers in working (Paperless system).

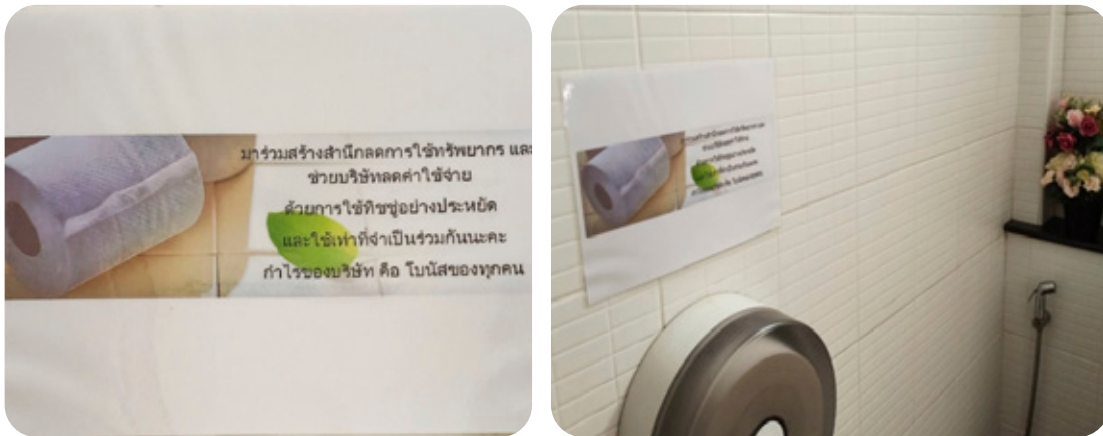
The Waste Sorting Campaign Titled “We, ECF, help in global warming reduction” know how to drop

At present, the Company has established the guidelines for employees to control and manage the wastes arising from the activities, the wastes are divided into 4 types as follows:

1. Wet Bin (green) for wet wastes such as food waste, vegetable debris, fruit waste;
2. Dry Bin (yellow) for dry wastes such as branches, leaves, toilet paper;
3. Recycle Bin (blue) for recyclable wastes such as paper, paper boxes, metal scraps, beverage cans, bottles, glasses, plastics;
4. Hazardous Bin (red) for hazardous wastes such as battery, phone battery, ink cartridge.



In addition, in order to encourage the awareness on the use of natural resources for utmost benefits, the Company posted warning signs and messages in many areas such as posting warning messages about the use of toilet paper in employees' toilets, placing the messages 'saving of water and electricity' at the water tap or power switch areas, in building areas, to encourage employee's awareness to reduce the use of natural resources.ลดลง



Until present, the Company has never received any complaints or disputes with communities in the areas near the factory, or areas used in the Company's business operations in relation to environmental issues or impacts from the Company's production processes.

Replacement of fuel-powered vehicles with electric forklift



The Company is developing a plan for the utilization of electric forklifts powered by batteries. This project is in its initial phase, with the objective to foster employee engagement within the organization to reduce its carbon footprint. The initiative aims to reduce greenhouse gas emissions resulting from the Company's electricity consumption, as well as to save energy and lower expenses related to maintenance, and fuel costs. The target is to decrease fuel consumption compared to 2023.

The advantages of electric forklifts include the absence of soot or smoke during operation, resulting in a clean, pollution-free work environment that is safe for employee health. They operate quietly, minimising noise disturbance in the workplace. There is no need to store fuel, a flammable substance that could potentially cause fires in factories or warehouses. Importantly, there are no fuel expenses, and maintenance costs are lower because electric forklifts do not have an engine operating at high temperatures, which helps extend their lifespan and reduces wear and tear.

Energy Saving Campaign

The Company has established activities to promote the efficient use of electrical energy, including:

1. The Hot and Cold activity, which sets the operating hours for air conditioning to specific periods: from 09:30 to 11:30 AM and from 1:30 to 4:00 PM, with the temperature set at only 25 degrees Celsius.
2. A project to reduce electricity consumption by turning off air pumps and adjusting the air pump line to separate usage points.



The objective of these initiatives is to engage personnel in reducing their own carbon footprint and to carry out activities that decrease greenhouse gas emissions from the use of electricity, thus saving energy and reducing costs.

The target is set to achieve a 5% reduction in the units of electricity used compared to the same period in the previous year.

Preparation for Plan to Reduce Energy Consumption in Manufacturing Plant

The Company is committed to reducing energy usage while simultaneously enhancing energy efficiency on an ongoing basis. This includes the development of a comprehensive energy analysis system covering the entire lifecycle from upstream to downstream in the production process. Furthermore, opportunities for improving the Company's energy usage are being sought, including the consideration of installing new, higher efficiency equipment, and exploring the feasibility of adopting new technologies in the production process.

Other Achievements for Sustainable Development

Creating economic sustainability within the company itself. Considered an important part of the country's sustainable development because the business operations of the company are all impacted both positively and negatively on the stakeholders. The company therefore places great importance on the economic operation. By focusing on effective cost management, increase the production process including creating revenue growth and good returns to the stakeholders of the Company and also for the ability to manage satisfaction of stakeholders to achieve balance and sustainability continually.

Application of KAIZEN System for Operation

The Company focuses on advancement for developing a production innovation to ensure an efficient production cost management. In the Innovation Day Project which has started since 2019 under the policy that, all staffs are given the opportunity to propose a work method or working guideline that can reduce a procedure, save time, and reduce cost. However, it is important that quality is remained maintained. In proposing the said concept, the Company has motivated by taking as part of the consideration on the remuneration for the staff who initiates the project that contributes to the Company's cost management.

Policy and Information on Innovation Development (R&D) in Previous Year

The Company is committed to creating guidelines for the development of innovations in its processes, with the target to enable the innovations to be beneficial to reduce the environmental, community and social impacts on the areas where the Company's offices are located. This will continue to lead to the creation of a guideline to help in reducing costs, expenses, and ultimately creating a stable and sustainable profit.

Information of Innovation Development (R&D) in Previous Year

In the furniture manufacturing business, the Company has encouraged the design team and Production Department to jointly develop products, procurement of new raw materials for production and seek for ways to improve production processes and working processes to keep up with the changing demands of furniture market, and to reduce costs for competitive advantage, for example, finding a solution or model to develop more durable coating material on particleboards and based on the changing market trends, or the development of coating papers that can be used with ceilings and walls, the development of products from previously using woods as all components in production to using steel materials as components in furniture production, etc. In terms of machinery used in the manufacture of furniture, the Company will focus on importing machineries with more advanced production technology, such as a paint sprayer that can reduce the amount of paint to be used, and a drying process to help in reducing production time and cost, top wooden plate pressing machine, microwave system, improving work processes with the work standard system that everyone can work for each other, including finding a way to develop a program to control the production for creating sustainability and reducing the reliance on specific individual abilities, etc.

For research and development of being the manufacturer and distributor of the Company's furniture occurred in last year of 2023, the Company has commenced to develop the innovation on machineries and equipment used in the production process of furniture, which is the development of machinery and equipment in the automatic system for the objective to reduce time cost, production cost in labor and raw materials in manufacturing, and develop in order to find the way to reduce the product packing cost, for instance, reduction of foam usage in manufacturing, collaboration with corrugated box manufacturers in using digital printers without block molding, under the objective to establish the sustainable development guideline in the production process and sales process of the Company's products, and take part to reduce the environmental impact. In last year of 2023, the Company has commenced to have the said operating expense of around 0.18 million Baht.

Additionally, in terms of marketing, the Company is in the process of developing an Application to support and facilitate sales and services provided to customers, fast stock checking, introduction of new products to be presented through the Application. In addition, in terms of production, the Company has adopted Cloud system to collect all furniture designs, covering all types of products produced and distributed by the Company in order to facilitate both domestic and international customers, and reduce working time of Product Design and Development Department, it can also significantly reduce the use of paper resources in working (Paperless system).

As for the businesses invested by the Company through the associated companies, such as solar power plants invested by the Company. The Company has planned to enter into a future carbon credit sales path after completing all four phases of construction for an installed capacity of 220 megawatts in order to seek for opportunities in generating additional revenue for the project and providing a sustainable development approach to help in reducing greenhouse gas emissions.

Operational Result Involving Other Stakeholders

To comply with the best practice to increase communication channels for shareholders, analysts, and investors so that they can follow up and are provided of information, especially financial status, by the Company. In 2023, ECF organized activities and communication channels as follows:

1. Annual General Meeting of Shareholders
2. Organizing investor activities to visit the factory 1 time
3. The presentation to the investors at the Opportunity Day event through online channel of the Stock Exchange of Thailand for 2 times.
4. Totally 4 Press Releases are prepared to provide information of quarterly and annual performance.

Performance of Cyber Security

The Company's Information Technology Department has established the policy to control the cybersecurity for the Company's information technology system (IT Security), by setting the guidelines and prohibitions to be used as the requirements for all employees involved to comply with such regulations, so that the network will be securely used for the system and data on the server.

In 2023, none of any damage or insecurity was found in the Company's information technology system.



4. MANAGEMENT DISCUSSION AND ANALYSIS: MD&A

4.1 Analysis of Operations and Financial Position

East Coast Furnitech Public Company Limited (“the Company”) would like to present and analyse the financial position and operating results of the Company for the consolidated financial statements ending on 31 December 2021, 2022, and 2023. Given that the Company’s primary revenue is derived from its furniture business, it is noted that there are no materially different details between the consolidated financial statements and the business’s financial statements.

Overview of Past Performance

In light of the significant event that occurred during the second quarter of 2023, namely, Other expenses - Loss from a fire, which is identified as a one-time loss, the incident resulted in the Company’s financial statements for the past second quarter as Other expenses - Loss from a fire amounting to 108.55 million baht.

The amount of 109.55 million baht (including 1 million baht for demolition/removal of assets) has been negotiated and settled with the insurance company in the third quarter of the past year at 93.28 million baht. This resulted in a net recognized loss of 16.27 million baht for the period ending 31 December 2023.

Revenue from sales in 2023 slightly decreased by 3.13% compared to the previous year, with sales revenue amounting to 1,374.50 million baht. However, there was an upward trend in the Company’s sales revenue starting from the third quarter until the fourth quarter of 2023, attributable to the growth of the domestic customer base.

Regarding the cost of sales, distribution costs, administrative expenses, and financing costs, all continued to rise due to the current economic situation, increasing interest rates, the impact from the recent fire incident, and the recording of various impairment losses according to the accounting standards. These costs and expenses have resulted in the

Company reporting a net loss of the parent company amounting to 144.46 million baht for 2023.

In response to the decline in performance over the past year, the management team has outlined various strategies for improvement, with the following key principles:

- Implementing policies to increase sales and control expenses while maintaining the quality and standard of products, and achieving sustainable profitability through the establishment of a Product Focus team. This team will concentrate on managing costs related to raw materials, labour, other production costs, and budget control.
- Emphasising the development of knowledge and skills of personnel, and planning work for skilled employees to perform tasks accurately according to their abilities. This includes setting goals, creating motivation, and establishing an effective performance evaluation and compensation system.
- Managing energy, by-products, and waste materials in the production process more efficiently and reducing environmental impact.
- Planning financing cost management and considering various risks to align with the current rising interest rates.
- Exercising careful and cautious consideration for any investment policies or project expansions that may occur in 2024.

Since the East Coast Group completed its business restructuring process in 2011, the Company has operated through two entities: East Coast Furnitech Company Limited (prior to its transformation into a public company) and VV - Decor Company Limited, as a subsidiary in which the Company holds a 99.95% stake. Following this restructuring, the Company primarily engages in manufacturing and distributing particleboard, self-assembled MDF, rubberwood furniture, surface-coated paper, and processed and dried rubberwood, used as raw materials in furniture production.

In addition to manufacturing and distributing to major domestic customers and for export, the Company also sells its products through a network of small furniture stores across the country, as well as through online channels and on various online platform providers such as Lazada, Shopee, and Noc Noc.

In 2015, the company registered an additional subsidiary, ECF Holdings Company Limited (“the Subsidiary” or “ECFH”). Currently, the Company has tasked ECFH with the role of distributing furniture products for the Company.

The Company has registered and established ECF Power Company Limited (ECF-Power) as a subsidiary, in which it holds 99.99% of its shares, to invest in the renewable energy sector. As of 31 December 2022, ECF-Power has made an investment in one joint venture, Green Earth Power (Thailand) Company Limited (GEP), holding a 20% stake in its total shares. GEP invested in a solar power plant project in Myanmar with a capacity of 220 megawatts, through a 100% investment in the subsidiary as the project company which is GEP Myanmar Company Limited. Revenue from commercial electricity sales has been recognized following the successful completion of the project’s phase 1 construction of a 50-megawatt facility since 27 September 2019. Currently, phase 2 of the project is under construction, anticipated to be completed by 2024, with plans to expedite the construction of phase 3 and phase 4 to be completed quickly by 2025.

Prior to this, ECF-Power had invested in another joint venture, holding a 33.37% stake in Safe Energy Holdings Company Limited, to invest in the biomass power plant business. The Company has recognized its share of profits from the operation of a 7.5-megawatt biomass power plant located in Waeng District, Narathiwat Province, and a 1-megawatt biomass gasification power plant located in Long District, Phrae Province. However, the Company has successfully completed the sale of all its shares in Safe for a total of 233.9 million baht on 24 December 2020.

Planet Board Company Limited (Planet) is a subsidiary that has been registered and established, with a 57% shareholding by the Company. Planet is currently postponing investment in the MDF manufacturing and distribution project. This decision comes as a result of escalating wood costs driven

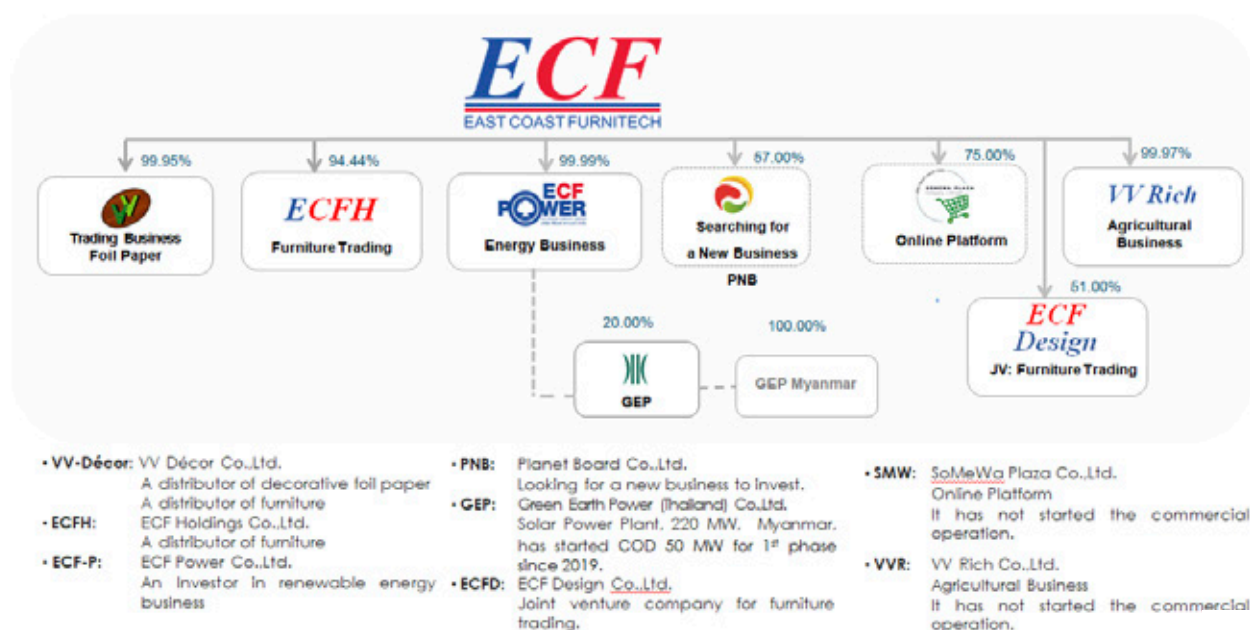
by the demand for wood in production for biomass power plant projects in areas under consideration for Planet’s investment. This significantly impacted the previously anticipated investment return rates. Additionally, the situation has been further affected by the COVID-19 pandemic, warfare, inflation, and rising oil prices, which have led to increased costs and expenses. Consequently, Planet’s management and the responsible team are still in the process of evaluating suitable strategies for the feasibility of continuing Planet’s business operations. Currently, Planet has not generated any commercial revenue.

Somewa Plaza Company Limited, a subsidiary established by the Company on 14 June 2021, with a 75% shareholding by the Company, was set up to operate an online platform intended to serve as a channel for future online furniture product sales. Currently, the development of the platform is still in progress and not yet completed. Somewa Plaza Company Limited has not generated any commercial revenue at this time.

In 2021, the Company’s board of directors resolved to approve the registration of an additional subsidiary. Subsequently, in February 2022, the subsidiary, VV Rich Company Limited, was registered with the Department of Business Development. The Company holds a 99.97% stake in this subsidiary, which was established with the objective of engaging in the cultivation and distribution of agricultural produce. Currently, the subsidiary is in the initial phase of its operations and has not yet generated any commercial revenue.

During 2023, on 7 April, the board of directors of the Company made an important decision to consider and authorise the establishment of a joint venture with Homy Casa Inc., a leading furniture distributor located in California, USA. Following this decision, an additional subsidiary named ECF Design Company Limited was officially registered on 27 July 2023. The Company possesses 50.9970% of the shares in this subsidiary, while Homy Casa Inc. holds 49% of the shares, with a registered capital of 7,000,000 THB, allocated across 70,000 common shares, each valued at 100 baht. Currently, the subsidiary is in the preliminary stages of operation, with expectations to commence generating commercial revenues in the first quarter of 2024.

Current Shareholding Structure and Business Operation Chart



The Company's business structure that has been diversified into various sectors over the years adheres to the principles of sustainable business practices (ESG) in order to mitigate risks associated with the Company's core business of manufacturing and distributing furniture. Currently, the Company has invested in key sectors such as renewable energy, the development of online platforms for e-commerce, and the cultivation and distribution of agricultural products. Moreover, when considering the production and distribution of the furniture business, the reliance on raw materials like particleboard, MDF, and rubberwood poses potential risks due to climate variability, which could lead to increased production costs. These issues necessitate the Company's consideration in mitigating impacts or risks that may arise from environmental factors, including the dependency on labour in production processes, moving towards a more machinery-reliant production system. Part of the strategy to address these concerns involves further diversification into other businesses to create additional revenue streams, ensuring the Company's future growth.

Performance

Revenue from Sales

During 2021, 2022, and 2023, the Company reported sales revenues of 1,549.41 million baht, 1,418.93 million baht, and 1,374.50 million baht, respectively. These figures are categorized into domestic and international sales. For 2023, the revenue proportions were approximately 60% domestic and 40% international.

The decline in revenue during 2023 was primarily due to a 21.58% decrease in export revenues, amounting to a reduction of 152.49 million baht. This downturn was in line with the global economic situation affected by the war between Russia and Ukraine, which began in February 2022. The ongoing conflict led to higher fuel costs and subsequently increased the cost of living and prices of various goods, causing economic hardship for people in many countries.

However, contrary to the trend in exports during 2023, domestic sales revenue demonstrated a positive trajectory, increasing by approximately 15% or 108.07 million baht. This rise is attributable to the recovery of the domestic economy, with export and domestic sales revenue amounting to 553.97 million baht and 820.53 million baht, respectively.

The growth of domestic sales channels in 2023 surpassed that of exports, primarily due to factors related to the domestic economy and a resurgence in consumer confidence following signs of effective COVID-19 management. Consequently, the demand for the Company's furniture products began to recover. This growth came mainly from two key retail channels: large hypermarkets, including HomePro, Winner, Global House, DoHome, Thai Watsadu, Lotus, and Big C,

as well as an increase in sales through small furniture stores nationwide, compared to the same period in the previous year.

Regarding the export of products to international markets, despite a decrease in sales revenue in 2023, this decline was primarily due to reduced orders from customers in Japan and the United States. However, exports to Indian customers did not decrease and showed a growth rate of 13.60%. The Company anticipates a recovery in orders from Japan, expecting a return to normal purchasing patterns. The export revenue aligns with the overall export trends of Thailand. In 2023, the export of wooden furniture products amounted to \$345.60 million, compared to \$487.41 million in 2022, representing a decrease of 29.09%. Nevertheless, the Company's exports are gradually recovering, thanks to new customer groups in the Philippines and the Middle East, along with increased orders from European customers through a joint venture with China.

Share of Profit from Investment in Solar Power Plant Business

In 2021, 2022, and 2023, the Company reported profit shares from investments in its joint ventures amounting to 32.42 million baht, 28.20 million baht, and 16.61 million baht, respectively.

These shares of profit stem from the Company's investment in ECF Power Company Limited ("ECF-Power"), a subsidiary in which the Company holds 99.99% of its shares. ECF-Power recognises its share of profits and losses from its investment in Green Earth Power (Thailand) Company Limited ("GEP"), which operates a 220-megawatt solar power plant in Minbu, Myanmar. As a subsidiary, ECF-Power has a 20% investment stake in GEP. Currently, it recognises revenue from the commercial sale of electricity from the first phase of the project, which has a capacity of 50 megawatts out of the total 220 megawatts. The remaining 170 megawatts, spread across three additional phases, are yet to be constructed.

In 2023, the profit share decreased compared to 2022 due to GEP incurring financing costs from borrowing from its shareholders, who provided loans in proportion to their shareholdings to support the project during the accelerated construction of the 50-megawatt segment in the second phase to ensure its timely completion. As a result, the Company's overall interest income increased from 13.73 million baht to 27.28 million baht compared to the previous year.

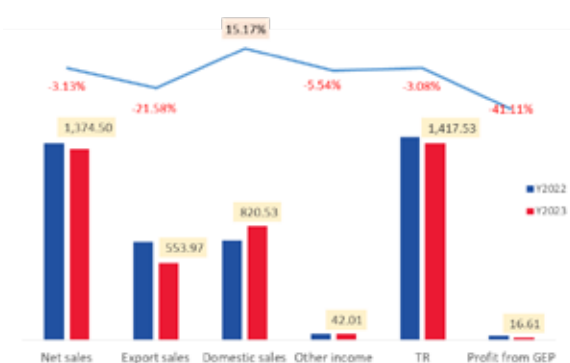
Simultaneously, GEP continues to seek financial support from potential financial institutions for project financing to cover the construction costs of all four phases. The project plan remains on track as initially forecasted.

Other income generated in 2021, 2022, and 2023 amounted to 42.78 million baht, 44.47 million baht, and 42.01 million baht, respectively. The significant components of the Company's other income in 2023 included interest income of 27.28 million baht, income from the sale of materials and scrap from production amounting to 2.89 million baht, and other miscellaneous income, partly derived from the operations of its subsidiaries, totaling 11.84 million baht.

Furthermore, from 2021 to 2023, due to the weakening of the Thai Baht during this period, the Company earned more revenue from exporting goods overseas, receiving payments in US dollars compared to 2022, resulting in a foreign exchange gain of 8.62 million baht. In 2022, there was a foreign exchange loss of 0.81 million baht, whereas in 2023, the Company returned to a foreign exchange gain of 1.02 million baht.

During 2021, 2022, and 2023, the Company reported total revenues of 1,600.80 million baht, 1,462.59 million baht, and 1,417.53 million baht, respectively. For 2023, compared to 2022, there was a revenue decrease of 3.08%, aligning with the significant downturn in export sales, which fell by 21.58% over the past year.

Summary of Key Revenue Figures in 2023



Cost of Sales and Expenses

During 2021, 2022, and 2023, the Company's cost of goods sold as a percentage of sales revenue stood at 79.84%, 75.79%, and 82.00% respectively, equivalent to cost of goods sold amounts of 1,237.05 million baht, 1,075.42 million baht, and 1,127.04 million baht, respectively.

In 2022, starting from the second quarter onwards, the Company was able to manage and reduce its cost of goods sold through a strategic realignment of its cost management practices. This involved optimising production cost management by controlling the procurement of raw materials, clearly defining budgets, establishing planning units to oversee every phase, utilising leftover raw materials and supplies in the production line, upgrading machinery, and investing in more modern equipment. Furthermore, labour costs, particularly overtime pay, were tightly controlled, resulting in a significant reduction in overall production costs from the second quarter of 2022. Consequently, the ratio of cost of goods sold to sales revenue decreased to 75.79% compared to 79.84% in the previous year.

However, the cost of goods sold ratio increased once again in 2023, reaching 82%. This rise can primarily be attributed to higher labour costs, electricity costs, and other production costs, caused by a one-time loss from a fire incident. Additionally, the increased overtime compensation paid to employees to expedite product manufacturing, in order to meet the surge in order volume recently, significantly contributed to this increase.

For 2021, 2022, and 2023, the Company's cost of distribution as a percentage of total revenue was 3.91%, 4.51%, and 6.84%, respectively, equivalent to 62.21 million baht, 65.96 million baht, and 96.94 million baht, respectively. This rising trend from 2021 can be primarily attributed to increased costs and expenses due to the war, leading to inflation that escalated prices of goods and various expenses including transportation, fuel, and warehouse rental costs in line with the sales growth. Additionally, the Company has not been able to fully pass these increased costs onto the customers through pricing, coupled with a decline in export revenue in 2023, resulting in higher expense ratios relative to total revenue.

Regarding administrative expenses as a percentage of total revenue for 2021, 2022, and 2023, the figures stood at 8.41%, 10.13%, and 12.99%, respectively, equivalent to amounts of 133.97 million baht, 148.17 million baht, and 184.08 million baht, respectively. The increase in administrative expenses relative to total revenue is attributed to escalated costs and expenses resulting from war, economic downturns, inflation,

and a decrease in export revenue in 2022. Furthermore, in 2023, the Company adjusted its estimates for the provision for the decline in the value of slow-moving or obsolete inventory, resulting in an additional expense of approximately 27.9 million baht compared to 2022. There was also an increase in the provision for bad debts due to overdue receivables, with an accounting standard estimate of around 11.65 million baht, up by approximately 7.19 million baht from 2022.

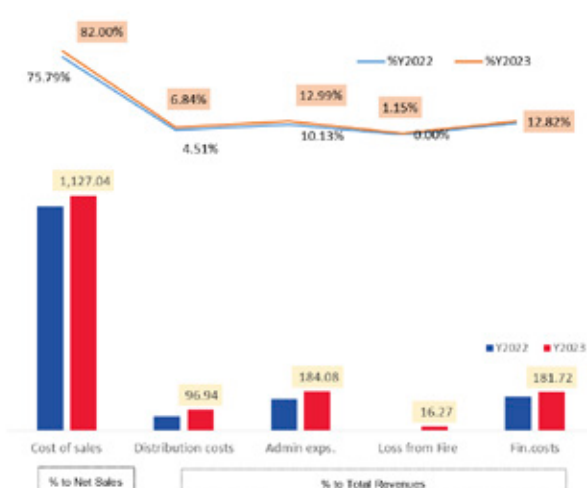
However, in the recent period, the Company has successfully managed to reduce the inventory turnover period, decrease accounts receivable, and increase cash flow from operating activities, in line with the established management policies.

In 2023, the Company incurred other expenses — a loss from fire damage amounting to 16.27 million baht. During the second quarter of the same year, the Company reported other expenses – a loss from fire damage of 108.55 million baht, which was classified as a one-time loss resulting from a fire incident. Following the settlement of claims with the insurance company, the figure has been adjusted to reflect the compensation received from the insurance company, amounting to 92.28 million baht, as shown in the financial statement for the third quarter. However, for the yearly period, there will still be record of other expenses – a loss from fire damage that was not compensated, amounting to 16.27 million baht.

For the financing cost to total revenue of the Company for 2021, 2022, and 2023, the ratios were 8.47%, 10.83%, and 12.82%, equivalent to amounts of 134.92 million baht, 158.47 million baht, and 181.72 million baht, respectively. These financing costs have shown an increasing trend. However, the Company is committed to continuously exploring ways to reduce financing costs. These costs are attributed to the acquisition of short-term loans from financial institutions and the issuance of financial instruments through debenture offerings. As of 31 December 2023, the Company's ratio of loans from financial institutions to interest-bearing liabilities was 36.34% or 808.91 million baht. The ratio of debt instruments issued to interest-bearing liabilities was the highest at 53.77%, equivalent to 1,196.91 million baht, and the ratio of other interest-bearing liabilities to total interest-bearing liabilities was 9.89%.

Loss on Impairment of Financial Assets happened in 2021, 2022, and 2023, amounting to 12.48 million baht, 4.46 million baht, and 11.65 million baht, respectively. This was caused by an increase in the estimated allowance for impairment of receivables. This is because the debtor has been outstanding for more than 360 days, which has been estimated according to financial reporting standards. Moreover, it was estimated losses from the investment in two subsidiaries. During 2023, the management has considered and determined the direction of Planet Board Company Limited and Somewa Plaza Company Limited and has decided not to take any action yet in terms of business with these two companies. Therefore, the Company recognized losses from impairment of investments in the said companies of 7.13 million baht and 0.43 million baht, respectively.

Summary of Major Costs and Expenses between 2022 and 2023



Gross Profit Margin and Net Profit Margin

The Company had gross profit margins as a percentage of sales revenue for 2021, 2022, and 2023 of 20.16%, 24.21%, and 18.00% or 312.36 million baht, 343.50 million baht, and 247.46 million baht of gross profit margin, respectively.

The increase in gross profit margin in 2022, despite a decrease in sales revenue, was due to the Company's continuous and effective cost management, which began to show results from the second quarter of 2022. The cost management strategies were adjusted through efficient production cost management starting from controlling the raw material procurement with clear budgeting, establishing planning units to oversee every step, utilising leftover raw materials and consumables in the production line, upgrading machinery, investing in more modern equipment, to controlling labour costs, especially overtime expenses.

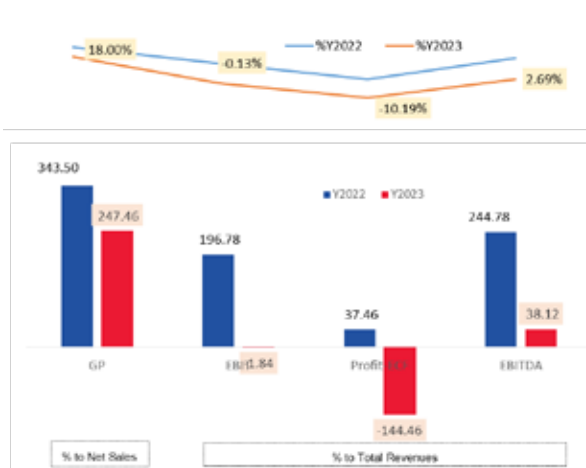
The decrease in gross profit in 2023 was attributed to a decline in export revenue, primarily due to higher labour costs, electricity costs, other production costs resulting from a one-time loss from a fire incident, and overtime wages paid to employees to expedite product manufacturing to meet the surge in order demands during the period.

Upon examining the net profit margin of the Company, it was found that in 2021, 2022, and 2023, the net profit margins were 3.20%, 2.54%, and a net loss of 10.30%, equivalent to 50.92 million baht, 37.19 million baht, and a net loss of 145.98 million baht, respectively. The net loss for 2023 is divided into a loss attributable to the parent company amounting to 144.46 million baht, and a loss of 1.52 million baht attributable to non-controlling interests.

The comprehensive profit margin of the Company in 2021 and 2022 were 5.90% and 3.76% respectively and the loss for 2023 was 10.63, equivalent to 93.88 million baht and 55.07 million baht of comprehensive profits and a comprehensive loss of 150.74 million baht.

The total comprehensive loss in 2023 was divided into a loss attributable to the parent company totaling 149.22 million baht, and a loss attributable to non-controlling interests amounting to 1.52 million baht. Additionally, there was a share of other comprehensive losses from associated companies totaling 5.29 million baht for 2023, a decrease from a profit of 17.88 million baht in 2022. This shift was primarily due to the appreciation of the exchange rate that impacted investments in associated companies, which the Company had made in U.S. dollars. As of 31 December 2023, the value of such investments in Thai baht equaled 880.76 million baht.

Summary of Significant Profits between 2022 and 2023



Financial Position Analysis

Assets

Current Assets

As of 31 December 2021, 2022, and 2023, the Company had current assets of 2,020.63 million baht, 2,091.18 million baht, and 1,877.65 million baht, respectively. The details of each significant item are as follows:

- Cash and cash equivalents as of 31 December 2021, 2022, and 2023 were 22.41 million baht, 14.31 million baht, and 20.09 million baht, respectively, which were equal to 0.60%, 0.36%, and 0.50% of the total assets, respectively.
- Accounts receivable - net, as of 31 December 2021, 2022, and 2023, were 454.42 million baht, 596.03 million baht, and 567.62 million baht, respectively, which represented 12.09%, 14.95%, and 14.07% of the total assets. Since 2021, there has been an increase in accounts receivable, partly due to relaxed payment terms provided to certain domestic customers facing liquidity shortages during the COVID-19 crisis. This period also saw an increase in orders from international customers, with some being offered credit terms for the first time. The Company closely monitored and followed up on collections. From 2022 to 2023, accounts receivable continued to rise due to increased domestic sales and more favorable credit terms offered to domestic customers compared to export customer. The majority of domestic customers were hypermarkets such as HomePro, Winner, Global House, DoHome, Thai Watsadu, Lotus, and Big C, which generally did not have issues with payment settlements. In 2023, through close monitoring of debt repayments and cautious credit term consideration, the Company managed to reduce accounts receivable compared to 2022.

In terms of accounts receivable collection period, it was found that in 2023, the average collection period was 159.62 days, an increase from 138.22 days in 2022. This increase was primarily due to the credit term given to domestic customer groups, which aligns with the growth in sales from domestic customers. However, apart from the hypermarket customer group, which generally does not have

payment issues, a portion of the Company's domestic customers includes small furniture stores (dealers), known for their longer debt collection periods. The Company is acutely aware of the need to mitigate the risks associated with collecting receivables from the dealer group. Consequently, both the sales and accounting teams have devised plans for close monitoring and collection of these receivables.

As of 31 December 2023, the Company reported a net accounts receivable balance of 567.62 million baht, divided into accounts receivable — related companies amounting to 65.92 million baht, arising from the sale of furniture and surface paper used in furniture production to related companies totaling 217.52 million baht. These companies are Index Interfurn Company Limited and Index Living Mall Public Company Limited, which are under the directorship of a spouse of Mr. Pacharathanapong (formerly known as Mr. Arak Suksawad), who holds the positions of shareholder, director, authorized director, and executive of the Company as well as accounts receivable — other companies of 501.70 million baht. Currently, all customers considered for credit terms by the Company are hypermarkets or large retail stores, which have historically had no issues with debt collection. For the dealer customer group, which consists of small furniture stores nationwide, the Company closely monitors and manages debt collection. For the majority of international customers, the Company specifies payment terms as L/C at sight or immediate transfer (T/T) before the shipment date, thereby avoiding any debt payment issues. However, due to the COVID-19 situation, some international customers with existing and advanced orders have requested more credit terms, which the Company is closely evaluating for potential impacts. When comparing the credit terms, export customers have the shortest credit terms, and should the export situation recover or improve, sales to international customers could significantly contribute to reducing accounts receivable, shortening the sales cycle, and enhancing the Company's operational liquidity significantly.

The details of the aging of overdue receivables as of 31 December 2022 and 31 December 2023 are as follows:

Accounts Receivable

Related Companies	As of 31 December 2022		As of 31 December 2023	
Undue	24.00	78.63%	45.98	69.76%
Outstanding				
- No more than 3 months	6.52	21.37%	19.93	30.24%
- More than 12 months	0.00	0.00%	0.00	0.00%
Total Accounts Receivable	30.52	100.00%	65.92	100.00%

Other Companies - Net	As of 31 December 2022		As of 31 December 2023	
Undue	271.00	47.92%	314.06	62.60%
Outstanding				
- No more than 3 months	60.10	10.63%	50.59	10.08%
- Between 3 - 6 months	50.33	8.90%	1.72	0.34%
- Between 6 - 12 months	160.73	28.42%	9.47	1.89%
- More than 12 months	45.15	7.98%	28.88	5.76%
Total Accounts Receivable	587.31	103.85%	404.72	80.67%
Less Provision for impairment for expected credit losses	(21.80)	(3.85%)	(32.14)	(6.41%)
Total Accounts Receivable	565.51	100.00%	372.58	74.26%

Other Companies - Net	As of 31 December 2022		As of 31 December 2023	
Current Accounts Receivable - Net	0.00	0.00%	130.43	26.00%
Less Provision for impairment for expected credit losses	0.00	0.00%	(1.31)	(0.26%)
Total Accounts Receivable	565.51	100.00%	501.70	100.00%

From the table above, when comparing the aging of overdue receivables of other companies - net, it was found that as of 31 December 2023, the Company had a total accounts receivable of 501.70 million baht, which represents a decrease from 31 December 2022 of 565.51 million baht. This reduction is attributed to close follow-ups and debt collection efforts aimed at enhancing the Company's liquidity management over the previous period.

In March and September 2023, the Company entered into installment payment agreements with its overdue customers, mostly those who had overdue payments ranging from 1 to 13 months as of the end of 2022. These debtors were economically impacted by the COVID-19 situation. These agreements were made to enable the debtors to make payments to the Company without resulting in bad debt for the Company. Each debtor had different terms under these agreements, with the overall installment period for the overdue payments between 12 and 36 months, including an annual interest rate of 6.6%. As of 31 December 2023, the outstanding balance of these receivables is summarized as follows:

Due within one year - net	104.95 million baht
Due in more than one year - net	129.12 million baht
Total	234.07 million baht

The Company has established a policy for setting aside allowance for doubtful accounts, taking into consideration statistical data on past debt collection from customers, which aligns with the Company's business operations. The policy has been established to ensure debtors settle their debts within the granted credit terms as follows:

Debtors from Due Date	Rate of Allowance for Doubtful Accounts of Net Remaining Debtors
12 month or more	100% (only for receivables that show indications of being irrecoverable and are not currently engaged in any negotiation process or installment payment agreements with the Company.)
24 months or more	100%

Currently, the Company has established credit terms for different customer groups who order furniture and other products. These terms are determined based on our policy and the expected number of days until payment is received by the Company as follows:

1. Export customers on the L/C term at sight 30 — 45 days
2. Export customers on the L/C term of 60 days
3. Domestic customers – Hypermarket 90 days
4. Domestic customers — Small furniture stores (dealers) 90 days

From the accounts receivable aging table of other companies debtors, the majority of the domestic customers, including hypermarkets and smaller furniture stores (dealers), with aging periods between 3 - 6 months, and between 6 — 12 months.

Considering the Company's policy for the maximum credit term duration of 90 days, debtor groups with overdue periods exceeding 3 months, or beyond the established credit terms according to the aging table, fall within the 3 - 6 months and 6 - 12 months aging brackets. For these debtor groups, the Company actively pursues collection, especially with the dealer group. Most of these customers have longstanding and continuous sales transactions with the Company. However, due to the liquidity and financial challenges posed by the COVID-19 situation, some customers within this group have experienced delays in payments, with some negotiating for debt repayment arrangements with the Company. Acknowledging and understanding the circumstances, and given that these customers continue to place orders, there is an accumulation of outstanding balances. The Company evaluates each case individually, where it may be necessary to halt transactions until a substantial portion of the outstanding amount is repaid before considering the approval of new orders.

For accounts receivable aged over 12 months and current accounts receivable, which predominantly arise from dealer customer group, the Company is currently in the process of collection through written communication, with some cases under legal action. As of 31 December 2023, the amount of accounts receivable exceeding 12 months stood at approximately 28.88 million baht. The Company has considered setting aside allowance for doubtful accounts in accordance with the accounting principles and consistent with statistical data prepared by independent external statisticians.

Comparing the policy with the actual ability to collect debts, by looking at the average collection period for 2021, 2022, and 2023, which were 93.86 days, 138.22 days, and 159.62 days respectively, it was found that despite the significant increase in the collection period correlating with increased sales revenue from the domestic customer group, the Company has analysed the causes and accounts receivable that require close monitoring and has established stricter collection policies in order to prevent potential bad debt issues and plan for liquidity to prevent possible future challenges.

As of 31 December 2023, the Company has sold accounts receivable of approximately 227.9 million baht to four domestic financial institutions under a total credit line of 210 million baht. As of the same date, these financial institutions have the right of recourse of approximately 195.71 million baht (which represents the amount pending collection from the accounts receivable the Company has sold to the financial institutions). This has been recorded as a liability under "account payables from the sale of accounts receivable". By engaging in factoring, the Company is not required to provide assets as collateral for this type of credit facility, which is advantageous in terms of not having to encumber assets as guarantees and serves as an additional means to enhance the Company's financial liquidity.

- Other receivables, both the portion due within one year and the remaining balance, as of 31 December 2021, 2022, and 2023 were 17.87 million baht. This item did not appear in 2022 and 2023, as it had been fully settled.
- Ending Inventory - net as of 31 December 2021, 2022, and 2023 amounted to 1,314.47 million baht, 1,277.15 million baht, and 1,229.75 million baht, respectively, equivalent to 34.99%, 32.02%, and 30.49% of total assets, respectively.

The Company's inventory comprises raw materials for production, work-in-process goods, and finished goods stocked for sale, including furniture imported from abroad and domestically ordered for resale. During periods of high customer orders, the Company experiences an increased need to stock inventory to fulfill these orders. Historical analysis reveals that inventory rises in accordance with the consistent increase in sales volume. This increase necessitates strategic planning for raw material procurement and inventory management to ensure sufficient stock levels to meet demand, while also preventing shortages of raw materials needed for production and distribution to customers.

For the production and sale of made-to-order products to international customers and the domestic hypermarket customer group, the Company primarily manufactures particleboard and self-assembled MDF furniture. The Company is obligated to produce and stock finished goods in anticipation of delivery. International customers and hypermarkets specify delivery volumes for the pre-produced finished goods in batches. This necessitates the Company to maintain sufficient inventory levels and ensure timely delivery. In 2023, the majority of the Company's inventory was in work-in-process goods, accounting for 46.25% of the net inventory or approximately 568.74 million baht, a decrease from 597.26 million baht as of 31 December 2022. Typically, from the end of the year through the first quarter, the Company is in the process of producing goods to fulfill orders from international customers and domestic hypermarkets. Following this, the finished goods category represents 38.96% of the net inventory or approximately 479.05 million baht, a decrease from 550.66 million baht as of 31 December 2022. The Company strives to improve inventory management and consistently reduce inventory levels.

In terms of the average inventory period (calculated by using the remaining inventory - finished goods, excluding goods in process, work in process, and raw materials), during 2021, 2022, and 2023, it was found that the Company had average inventory period of 157.53 days, 183.81 days, and 166.71 days, respectively. In terms of the average inventory period from 2021, there has been a significant change in the number of days between 2021 and 2022. This change is attributed to an increase in domestic sales revenue, particularly from the hypermarket customer group, which saw an increase in orders. This led to an increase in certain stock levels that the company had to produce more of to meet the delivery schedules as planned.

Regarding the policies related to inventory management, the Company has set aside allowance for obsolete inventory. It has begun implementing a policy for setting aside allowance for obsolete and slow-moving goods, considering products that are over three years old, their condition, and past experiences. An allowance for obsolete and slow-moving inventory rate of 5% of the expected value of the goods is estimated. If goods remain unsold for more than four years, an allowance for obsolete inventory rate of 50% of the expected value of the goods is set aside. Additionally, the Company has goods that are categorised as finished goods inventory awaiting review, or products that are pending categorisation or grading. For these, an allowance for obsolete inventory rate of 20% of the expected value of the goods is allocated.

Throughout the past period, the Company has consistently focused on implementing policies for auditing and monitoring the movement of inventory. For goods that show slow movement or remain due to delivery backlogs, the Company addresses these issues by organising promotional activities aimed at facilitating the clearance of such goods. As of 31 December 2023, the Company has set aside allowance for slow-moving and deteriorating goods of 58.35 million baht.

The Company has the following inventory management plan for 2024:

1. Review long-standing work-in-process or slow-moving items and shift to certain domestic goods to expedite sales. It is expected that the items will gradually decrease in 2024.
2. Evaluate long-standing finished goods and work-in-process to review the policy on setting aside allowance for obsolete inventory, which has been used since 2022.
3. Reduce purchases and rotate work-in-process to increase liquidity and decrease the value of remaining inventory.
4. Boost sales through the subsidiary, ECF-Holdings, to increase sales to the dealer group, with results since the end of the third quarter of 2022.

Non-current Assets

As of 31 December 2021, 2022, and 2023, the Company reported non-current assets of 1,735.57 million baht, 1,896.92 million baht, and 2,156.28 million baht, respectively. The details of significant items are as follows:

- Investments in associates, recorded using the equity method as of 31 December 2021, 2022, and 2023, were 823.87 million baht, 865.88 million baht, and 880.76 million baht, respectively. These values represent 21.93%, 21.71%, and 21.83% of the total assets, respectively. The investment of 880.76 million baht pertains to the investment in Green Earth Power (Thailand) Company Limited ("GEP").
- Land, buildings, and equipment - net of 31 December 2021, 2022, and 2023, were 613.96 million baht, 703.61 million baht, and 819.33 million baht, respectively. These values represent 16.35%, 17.64%, and 20.31% of the total assets, respectively.
- During 2023, the Company significantly increased its investment by acquiring machinery during installation of 194.56 million baht to enhance the efficiency of the furniture production line, reduce

the reliance on labour, decrease production costs over the long term, and accommodate future increases in orders.

- Deposits for investment project study as of 31 December 2021, 2022, and 2023 were 100 million baht, 100 million baht, and 100 million baht representing 2.66%, 2.51%, and 2.48% of the total assets respectively. This is attributed to the Company's ongoing feasibility study of an investment project related to a biomass power plant located in Saga Prefecture, Japan. A refundable deposit of 100 million baht was required to be paid to the project owners as part of the feasibility study process. The Company, or its group, will reclaim this deposit should it ultimately decide against investing in the project. In 2018 and 2019, the Company had already paid deposits of 75 million baht and 25 million baht respectively (totalling 100 million baht). However, the COVID-19 pandemic, which began in 2020, and travel restrictions significantly delayed the feasibility study.
- The project originates from the group that founded the Minbu Solar Power Plant project in Myanmar, or Green Earth Power (Thailand) Company Limited (GEP). However, currently, all shareholders of the GEP power plant project are focused on the rapid completion of the Minbu project's four phases. Given that the shareholders' funds are primarily invested in GEP, a project with significant investment, and various circumstances have led to construction delays not aligning with the planned schedule, there has been a postponement in investing in the biomass power plant project in Japan. Nonetheless, if the construction of the Minbu Solar Power Plant in four phases can be completed by 2024 - 2025, as targeted, the team responsible for the biomass power plant project in Japan will proceed with construction. Furthermore, the Company will continue the feasibility study of the project investment to reach a conclusion on whether to proceed with the investment as a subsequent step.
- Prepaid investment acquisition costs as of 31 December 2021 and 2022, amounted to 58 million baht and 44.50 million baht, respectively, representing 1.54% and 1.12% of total assets, respectively. These transactions were not present as of 31 December 2023. Historically, these costs were incurred to purchase investments in the equity of a domestic company operating in wind energy

production, acquired from unrelated shareholders of the company. The investment purchase was approved at the Company's board meeting on 10 September 2019.

Total Assets

As of 31 December 2021, 2022, and 2023, the Company's total assets were 3,756.20 million baht, 3,988.10 million baht, and 4,033.92 million baht, respectively.

The significant reason for the increase in total assets from 31 December 2022 by 45.82 million baht, or 1.15%, was due to the rise in the value of investments in machinery currently under installation, which increased by 194.56 million baht from 31 December 2022.

Liabilities

Current Liabilities

As of 31 December 2021, 2022, and 2023, the Company had current liabilities of 1,693.65 million baht, 1,842.06 million baht, and 2,126.20 million baht, respectively. Throughout this period, the value of current liabilities did not significantly increase. For 2023, the increase was primarily due to accounts payable arising from the sale of claims on accounts receivable and accounts payable which saw a significant rise. The details of each significant item are as follows:

- Overdrafts and short-term loans from financial institutions as of 31 December 2021, 2022, and 2023 were 704.97 million baht, 773.20 million baht, and 645.62 million baht, respectively. These amounts represented 18.77%, 19.39%, and 16.00% of the total liabilities and shareholders' equity, respectively. The overdrafts and short-term loans from financial institutions were used as working capital to support the Company's business operations.
- Accounts payable from the sale of claim on accounts receivable as of 31 December 2021, 2022, and 2023 were 77.62 million baht, 99.54 million baht, and 195.71 million baht, respectively. These figures represent 2.07%, 2.50%, and 4.85% of the total liabilities and shareholders' equity, respectively. This situation arose because the Company sold approximately 227.9 million baht of its accounts receivable to domestic financial institutions to enhance its liquidity.
- Accounts receivable as of 31 December 2021, 2022, and 2023 were 216.72 million baht, 154.20 million baht, and 273.11 million baht, respectively. These amounts represented 5.77%, 3.87%, and 6.77% of the total liabilities and shareholders' equity, respectively.

The Company had accounts payable resulting from the purchase of raw materials needed for production processes in anticipation of orders of the furniture business, including orders for finished furniture products from both domestic and international manufacturers, which increased in response to a rise in order volume. The Company's debt repayment periods in 2021, 2022, and 2023 were 62.84 days, 62.08 days, and 68.25 days, respectively, in alignment with the Company's accounts payable collection policy.

- Short-term loans from individuals and other entities as of 31 December 2021, 2022, and 2023 were 257.81 million baht, 143.92 million baht, and 154.90 million baht, respectively. These figures accounted for 6.86%, 3.61%, and 3.84% of the total liabilities and shareholders' equity, respectively. The item served as an alternative option to support financing for working capital to be used for business operations.
- Debentures due within one year as of 31 December 2021, 2022, and 2023 were 287.43 million baht, 535.03 million baht, and 606.04 million baht, respectively. These amounts represented 7.65%, 13.42%, and 15.02% of the total liabilities and shareholders' equity, respectively. As of 31 December 2023, the Company had a total debenture obligation of 1,196.91 million baht.

As of 31 December 2023, the Company has debentures due within one year totaling 609.50 million baht, with maturity dates on 11 May and 9 June 2024.

- Long-term loans due within one year as of 31 December 2021, 2022, and 2023, were 77.01 million baht, 41.41 million baht, and 37.78 million baht, respectively. These amounts represent a proportion of the Company's total liabilities and shareholders' equity of 2.05%, 1.04%, and 0.94%, respectively. As of 31 December 2023, the Company had a total long-term loan of 155.03 million baht, a decrease from 134.95 million baht as of 31 December 2022, due to the Company's management of its borrowing sources.

Non-current Liabilities

As of 31 December 2021, 2022, and 2023, the Company reported non-current liabilities of 735.94 million baht, 779.43 million baht, and 727.98 million baht, respectively. The details of significant items are as follows:

- Debentures - net, as of 31 December 2021, 2022, and 2023, were 555.27 million baht, 638.70 million baht, and 590.86 million baht, respectively. These values represent 14.78%, 16.02%, and 14.65% of the total liabilities and shareholders' equity, respectively.
- Long-term loans - net, as of 31 December 2021, 2022, and 2023, were 158.50 million baht, 113.62 million baht, and 97.16 million baht, respectively. These values represent 4.22%, 2.85%, and 2.41% of the total liabilities and shareholders' equity, respectively.

Total Liabilities

As of 31 December 2021, 2022, and 2023, the Company's total liabilities were 2,429.59 million baht, 2,621.49 million baht, and 2,854.17 million baht, respectively.

As of 31 December 2023, the Company had total liabilities of 2,854.17 million baht, representing an increase of 232.69 million baht compared to 31 December 2022. This increase was primarily due to higher accounts payable from the sale of accounts receivable and accounts receivable.

Due to such reasons, the Company's debt-to-equity ratio increased to 2.42 as of 31 December 2023, up from 1.92 as of 31 December 2022.

Shareholders' Equity

As of 31 December 2021, 2022, and 2023, the Company's equity were 1,326.61 million baht, 1,366.61 million baht, and 1,179.75 million baht, respectively.

The details of significant items of shareholders' equity are as follows:

- The issued and paid-up capital as of 31 December 2021, 2022, and 2023, were 239.87 million baht (from a registered capital of 299.16 million baht), 239.87 million (from a registered capital of THB 287.85 million) baht, and 239.88 million baht (from a registered capital of 287.85 million baht), respectively. As of 31 December 2023, the Company had issued and paid-up capital of 239.88 million baht, divided into 959,505,590 ordinary shares with a par value of 0.25 per share, according to the Company's consolidated financial statements. This represents approximately 5.95% of the Company's

liabilities and equity. The remaining registered capital is reserved to accommodate the conversion rights into the Company's ordinary shares for the holders of the fourth issuance of the warrant (ECF-W4), which is set to expire on 2 June 2024.

- Premium on shares as of 31 December 2021, 2022, and 2023, were 768.34 million baht, 768.34 million baht, and 768.37 million baht, respectively. The slight increase in 2023 is attributable to the share premium generated from the conversion rights exercised in relation to the previously issued and offered warrants.
- Retained earnings - unappropriated as of 31 December 2021, 2022, and 2023, were 468.33 million baht, 490.73 million baht, and 336.25 million baht, respectively. As of 31 December 2023, the Company had unappropriated retained earnings of 8.34% of the Company's liabilities and equity. The fluctuation in unappropriated retained earnings is attributed to the operational results during the year. In 2023, the Company experienced an operating loss.

Cash Flow for the Year ended 31 December 2021

Net cash flow received (used) from operating activities

The Company had a cash inflow from operating activities of 128.22 million baht in 2021, a decrease from the previous year's 153.58 million baht. This significant decline is primarily due to an increase in accounts receivable with pending collection as a result of the COVID-19 pandemic. The Company has implemented stringent measures to closely monitor and control the rise in accounts receivable, which is a key factor contributing to the reduced cash flows from operating activities compared to the previous year.

Net cash flow from investing activities

The Company had a net cash outflow of 285.49 million in investing activities during 2021, attributed to significant expenditures. 149.59 million baht was invested in machinery to expand furniture production capacity in response to customer orders. Additionally, an increase of 75 million baht was used to invest in an associated company (Green Earth Power (Thailand) Company Limited) for a solar power plant project in Myanmar with a capacity of 220 megawatts.

Net cash flow from financing activities

The Company had a net cash inflow from financing activities of 7.46 million baht, primarily due to significant transactions in 2021. This included the redemption of debentures totaling 670.75 million baht. Concurrently, the Company issued additional debentures of 565 million baht and incurred an increase in long-term borrowings by 205.49 million baht over the past year.

Cash flow for the Year ended 31 December 2022

Net cash flow received (used) from operating activities

In 2022, the Company had cash inflow from operating activities of 77.73 million baht, a decrease from 128.22 million baht compared to the same period in the previous year. This significant change was largely due to an increase in accounts receivable with pending collection as a result of the COVID-19 pandemic that has had a sustained impact over the past two to three years. However, the Company has implemented stringent measures to closely monitor and control the rise in accounts receivable. Additionally, in 2022, the Company experienced an increase in domestic sales revenue, where domestic customers received longer credit terms than international customers. These factors are the primary reasons for the decrease in cash flow from operating activities compared to the previous year.

Net cash flow from investing activities

The Company had net cash inflow from investing activities of 150.85 million baht, primarily due to significant transaction in 2022 which was an investment of 188.94 million baht in machinery for the purpose of upgrading and enhancing the efficiency of the furniture production lines and an increase in short-term loans provided to related entities of 68.50 million baht.

cash flow from financing activities

Company had a net cash inflow from financing activities of 65.02 million. This was primarily due to the issuance and offering of debentures totaling 850 million baht during 2022. Concurrently, the Company redeemed debentures of 515.55 million baht over the course of the year and repaid short-term loans from other persons totaling 116 million baht.

Cash flow for the Year ended 31 December 2023

For 2023, the Company experienced an increase in cash flow from operating activities, primarily due to a significant decrease in accounts receivable. The cash generated from operating activities amounted to 148.05 million baht, an increase from the previous year's 77.73 million baht. There was increased investment in machinery under installation compared to the same period last year, resulting in a net cash outflow used in investing activities of 10.78 million baht, a substantial decrease from the previous year's 150.85 million baht. The cash flow from financing activities rose primarily due to factoring and debenture redemption. Overall, this resulted in a net cash flow as of 31 December 2023 of 20.09 million baht, an increase from the previous year's 14.31 million baht.

In terms of the cash cycle management, it was found that, in 2023, the Company had an average inventory period for finished goods of 176.74 days, an average receivables collection period of 159.62 days, and an average payables payment period of 68.25 days. This resulted in a cash cycle of 268.11 days, which is closely aligned with the previous year's cycle of 259.95 days. The cash cycle is calculated as the average inventory period plus the average receivables collection period minus the average payables payment period.

Interest-Bearing Debt

As of 31 December 2021, 2022, and 2023, the Company had interest-bearing liabilities totaling 2,049.11 million baht, 2,259.94 million baht, and 2,226.07 million baht, respectively. The increase in interest-bearing debt was primarily driven by the need for working capital within the business and investments in various projects, particularly in renewable energy power plant projects in recent periods. However, the Company currently has no additional payment obligation for investment in the project as all shareholders' equity has been fully paid for investment in the projects.

Liquidity Analysis and Financial Policy

Efficiency Ratio

The Company has return on assets as of 31 December 2021, 2022, and 2023 of 5.14%, 5.08%, and -0.05%, respectively. The return on equity for the same periods was 4.01%, 2.83%, and -11.43%, respectively. These ratios reflect the Company's ability to generate profit and revenue over the past periods. In 2023, the Company had an operating loss with an operating loss before interest and taxes of 1.84 million baht.

Liquidity

The Company's liquidity ratios as of 31 December 2021, 2022, and 2023 were 1.19 times, 1.14 times, and 0.88 times, respectively. The ratio is derived from current assets over current liabilities. In 2023, there was a decline in the Company's liquidity ratio due to an increase in current liabilities from a rise in sales of accounts receivables and accounts receivable from individuals and other entities.

Capital Structure

In terms of interest-bearing debt as of 31 December 2023, the Company had proportions of borrowings from financial institutions, issuance of debt instruments, and other liabilities of 36.34%, 53.77%, and 9.89%, respectively.

Debt to Equity Ratio pursuant to the Financial Policy

The company is subject to the terms and conditions regarding the rights and obligations of debenture issuers and holders, which require maintaining an "Interest Bearing Debt to Equity Ratio" at a ratio not exceeding 4:1 (four to one) at the end of each quarterly or annual accounting period. Here, "interest-bearing debt" refers to net financial liabilities, which include liabilities with interest obligations less cash and/or cash equivalents.

As per the specified calculation method, the Company's total interest-bearing debt to equity ratio as of 31 December 2021, 2022, and 2023, was 1.53 times, 1.64 times, and 1.87 times, respectively. This represents an increase from 31 December 2022, due to an increase in interest-bearing debt from 2,245.63 million baht on 31 December 2022 to 2,205.99 million baht on 31 December 2023.

Interest Coverage Ratio (EBITDA basis)

The Company's interest coverage ratio as of 31 December 2021, 2022, and 2023 were 1.72 times, 1.54 times, and 0.21 times, respectively. The Company's Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) for 2021, 2022, and 2023 were 231.94 million baht, 244.78 million baht, and 38.12 million baht, respectively. The decline in EBITDA in 2023 was attributed to factors such as the impact of a fire incident, increased expenses related to plant operations, and overall higher administrative costs stemming from the economic situation, rising oil prices, and the increased cost of living. Additionally, the setting aside of allowances in accordance with accounting standards also contributed to this outcome.

Debt Service Coverage Ratio (DSCR) (EBITDA basis)

The Company's debt service coverage ratios as of 31 December 2021, 2022, and 2023 were 0.17 times, 0.16 times, and 0.03 times, respectively. The Company had interest-bearing debts due within one year of 1,330.06 million baht, 1,500.03 million baht, and 1,524.01 million baht, for 2021, 2022, and 2023, respectively. Additionally, the decrease in this ratio can also be attributed to the reduction in EBITDA.

Interest bearing debt ratio after deducting total cash and/or total cash equivalents to earnings before interest, taxes, depreciation and amortization (Net Debt/EBITDA)

The Company's Net Debt/EBITDA ratios as of 31 December 2021, 2022, and 2023 were 8.74 times, 9.17 times, and 57.88 times, respectively. The Company's interest-bearing debt after deducting all cash and/or cash equivalents amounted to 2,026.70 million baht, 2,245.63 million baht, and 2,205.99 million baht for 2021, 2022, and 2023, respectively. Concurrently, the Company's Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) for 2021, 2022, and 2023 were 231.94 million baht, 244.78 million baht, and 38.12 million baht, respectively.

Interest-bearing debt before earnings before interest, taxes, depreciation and amortization (IBD/EBITDA)

The Company's IBD/EBITDA ratios as of 31 December 2021, 2022, and 2023 were 8.83 times, 9.23 times, and 58.40 times, respectively, increasing from 2022. The Company's interest-bearing debt as of 31 December 2021, 2022, and 2023 were 2,049.11 million baht, 2,259.94 million baht, and 2,226.07 million baht, respectively. Concurrently, the Company's Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) for 2021, 2022, and 2023 were 231.94 million baht, 244.78 million baht, and 38.12 million baht, respectively.

Total debt to equity ratio

The Company's total debt to equity ratios as of 31 December 2021, 2022, and 2023 were 1.83 times, 1.92 times, and 2.42 times, respectively, increasing from 31 December 2022. This increase is attributed to the increased total debt, while total shareholders' equity decreased due to operating loss. The total debt rose from 2,621.49 million baht at the end of 2022 to 2,854.17 million baht by 31 December 2023.

Total interest-bearing debt to equity ratio

The Company's total interest-bearing debt to equity ratios as of 31 December 2021, 2022, and 2023 were 1.54 times, 1.65 times, and 1.89 times, increasing from the end of 2022 due to increased interest-bearing debt and decreasing shareholders' equity due to declining retained earnings resulting from operating loss.

Ratio of total interest-bearing debt maturing within one year to interest-bearing debt

The Company's ratios of total interest-bearing debt maturing within one year to interest-bearing debt after deducting cash and/or cash equivalents as of 31 December 2021, 2022, and 2023 were 64.91%, 66.37%, and 68.46%, respectively.

Ratio of loans from financial institutions to interest-bearing debts

The Company's ratios of loans from financial institutions to interest-bearing debts as of 31 December 2021, 2022, and 2023 were 46.29%, 41.70%, and 36.34%, respectively. The Company has loans from financial institutions totaling 948.60 million baht, 942.30 million baht, and 808.91 million baht, respectively.

Observation from the Auditor for the Financial Statements ended 31 December 2023

- None of which is material -

4.2 Analysis of factors or events that potentially affect future financial position or operations significantly (Forward Looking)

The Company has operated the business of manufacturing and distributing furniture products made from particleboard, self-assembled MDF, and rubberwood. Despite the significant impact from the COVID-19 pandemic, during 2020 to 2022, which notably affected sales revenue during the first nine months of 2020 and again in the third quarter of 2021, there has been a sign of recovery and growth in furniture orders from customers since 2020. As a result, the overall revenue of the group has continued to grow, achieving the targets during 2021.

From 2022 to 2023, the Company faced challenges including the impacts of war, rising oil prices, and increasing living costs, with no indication that these situations would resolve or improve soon. These factors contributed to a decrease in the Company's export revenue. Additionally, the Company had to recognise an expense from a fire incident in the second quarter, resulting in a one-time cost of 108.55 million baht. While the majority of these expenses were compensated by the insurance company in the third quarter, there remained an unrecovered portion of other expenses and losses from the fire, amounting to 16.27 million baht not covered by compensation.

Throughout the past period, the Company has continuously sought opportunities to diversify its business into new sectors to mitigate the risk of relying solely on the furniture business. The Company is confident in its furniture business, believing it to maintain strength and competitive advantage due to its ability to produce products at competitive prices when compared to the quality offered. This is especially true in comparison to manufacturers from neighbouring countries, such as Malaysia and Vietnam, which remain significant competitors for Thailand.

Therefore, in forecasting factors or events that may impact its financial position or operations of, the Company considers its subsidiary, ECF Power Company Limited ("ECF-Power"), which invests in renewable energy projects, specifically a solar power plant project in Minbu, Myanmar, with a total installed capacity of 220 megawatts. ECF-Power has invested in a 20% stake in Green Earth Power (Thailand) Company limited ("GEP"). Although the Company has begun recognising its share of profits from the commercial sale of electricity for Phase 1, with a capacity of 50 megawatts, there are remaining phases. Phase 2 is currently under construction, with Phases 3 and 4 expected to follow in the future. It is anticipated that all four phases will be completed by 2024-2025.

During the construction of the project, the Company may be responsible for contributing funds to cover operational expenses incurred while the project is not yet generating commercial revenue in the phases under construction. This may impact the Company's financial position or performance during such periods until the project can fully generate commercial revenue from all four phases.

Regarding the Company's business operation trends that may impact the environment, society, and governance, the Company has developed risk management strategies to mitigate risks that could affect its profitability, competitiveness, image, reputation, and organizational sustainability. This involves prioritizing from the outset, including defining the mission and strategic objectives, implementing best practices, monitoring and analysing outcomes, as well as assessing risks and key sustainability issues. These measures are integrated into risk management at various levels to build confidence among all stakeholders.

The details can be summarized as follows:

- Environmental

The Company is aware of the impacts of climate change on the procurement of raw materials, including particleboard, MDF, and processed and dried rubberwood. In response, the Company has explored methods to reduce the quantity of wood used in its production processes. This includes พยายาม to minimise wood wastage as much as possible and the adoption

of circular principles to reintegrate materials back into the production cycle. For instance, the Company utilizes recycled paper for the production of product instruction pamphlets. This approach also encompasses efforts to minimise waste generation within the manufacturing process through waste management controls.

In addition, the Company has properly controlled dust and particulate matter arising from the wood production processes to mitigate potential impacts on the environment, local communities, and society in the vicinity of its manufacturing facilities.

- Social

The Company focuses on human rights principles within the supply chain to ensure sustainability in its business operations. Additionally, the Company is well aware of the risks posed by changing lifestyles of people in the society, aiming to stay ahead of product development adaptations to mitigate potential impacts on overall revenue and production costs. Emphasis is placed on inventing new innovations that cater to consumer behaviours, creating value that can sustainably meet the organisation's goals.

- Governance

The Company places significant importance on the disclosure of material information to mitigate risks and address stakeholders' expectations. This includes ensuring that shareholders or retail investors in the Company's securities have equal and timely access to crucial information for making informed investment decisions without giving an unfair advantage to any particular group. Additionally, the Company emphasize adherence to internal governance measures through the implementation of various policies, such as the Company's board charter and sub-committee charters, corporate governance policies which the board reviews annually, business ethics, codes of conduct for directors, executives, and employees, policies on the storage and use of internal information, and anti-corruption policies. These elements form part of the corporate governance policy aimed at bolstering confidence that the Company considers and prioritizes to prevent potential governance-related risks and minimizes their impact on the Company's operations.

Further information can be found in Section 1: Business Operations and Performance, and in Section 3: Driving Business for Sustainability.

Information from Financial Statements and Key Financial Ratios

Consolidated statement of financial position : East Coast Furnitech Public Company Limited, and its subsidiaries

Statement of Financial Position	Consolidated Financial Statements		Consolidated Financial Statements		Consolidated Financial Statements	
	For the Year Ended December 31, 2021		For the Year Ended December 31, 2022		For the Year Ended December 31, 2023	
	Million Baht	%	Million Baht	%	Million Baht	%
ASSETS						
Current Asset						
Cash and cash equivalents	22.41	0.60	14.31	0.36	20.09	0.50
Trade receivables						
- Related companies	8.44	0.22	30.52	0.77	65.92	1.63
- Other companies	445.98	11.87	565.51	14.18	372.59	9.24
Other receivables						
- Related parties	-	-	11.89	0.30	0.84	0.02
- Other parties - net	45.47	1.21	53.30	1.34	49.97	1.24
Current portion of receivable from sales of rights	37.00	0.99	-	-	-	-
Current portion of other installment receivables						
- Related persons	5.95	0.16	-	-	-	-
- Other persons	11.91	0.32	-	-	-	-
Inventories - net	1,314.47	34.99	1,277.15	32.02	1,229.75	30.49
Short-term loans to and interest receivables from related parties	30.00	0.80	98.50	2.47	98.50	2.44
Short-term loans to other person	99.00	2.64	40.00	1.00	40.00	0.99
Total Current Assets	2,020.63	53.79	2,091.18	52.44	1,877.65	46.55
Non- Current Asset						
Receivable from sales of rights v net	51.95	1.38	52.08	1.31	52.21	1.29
Non-current portion of trade receivables - net	-	-	-	-	129.12	3.20
Investments in associates recorded with the equity method	823.87	21.93	865.88	21.71	880.76	21.83
Property, plant, and equipment – net	613.96	16.35	703.61	17.64	819.33	20.31
Right-of-use assets – net	12.16	0.32	14.54	0.36	37.83	0.94
Intangible assets – net	1.35	0.04	0.95	0.02	2.72	0.07
Deferred income tax assets	8.69	0.23	12.62	0.32	57.12	1.42
Other non-current assets						
- Deposit for feasibility of investment project	100.00	2.66	100.00	2.51	100.00	2.48
- Advance for purchase of investments	58.00	1.54	44.50	1.12	-	-
- Deposits and guarantees	65.59	1.75	102.75	2.58	77.20	1.91
Total Non-Current Assets	1,735.57	46.21	1,896.92	47.56	2,156.28	53.45
TOTAL ASSETS	3,756.20	100.00	3,988.10	100.00	4,033.92	100.00

Statement of Financial Position	Consolidated Financial Statements		Consolidated Financial Statements		Consolidated Financial Statements	
	For the Year Ended December 31, 2021		For the Year Ended December 31, 2022		For the Year Ended December 31, 2023	
	Million Baht	%	Million Baht	%	Million Baht	%

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities						
Overdraft and short-term borrowings from financial institutions	704.97	18.77	773.20	19.39	645.62	16.00
Factoring payables	77.62	2.07	99.54	2.50	195.71	4.85
Trade payables						
- Related parties	-	-	-	-	1.32	0.03
- Other parties	216.72	5.77	154.20	3.87	271.79	6.74
Other payables						
- Related parties	1.34	0.04	1.24	0.03	1.09	0.03
- Other parties	65.59	1.74	84.11	2.11	131.90	3.27
Short-term loans from and interest payables to related parties	-	-	-	-	65.36	1.62
Short-term loans from other parties	257.81	6.86	143.92	3.61	154.90	3.84
Current portion of long-term borrowings	77.01	2.05	41.41	1.04	37.78	0.94
Current portion of debentures	287.43	7.65	535.03	13.42	606.04	15.02
Current portion of lease liabilities	2.84	0.08	6.47	0.16	14.31	0.35
Income tax payable	2.32	0.06	2.93	0.07	0.37	0.01
Total Current Liabilities	1,693.65	45.09	1,842.06	46.19	2,126.20	52.71
NON-CURRENT LIABILITIES						
Long-term borrowings - net	158.50	4.22	113.62	2.85	97.16	2.41
Debentures - net	555.27	14.78	638.70	16.02	590.86	14.65
Lease liabilities - net	5.27	0.14	7.59	0.19	14.03	0.35
Deferred tax liabilities	2.57	0.07	3.25	0.08	8.43	0.21
Liability for post-employment benefits	14.32	0.38	16.27	0.41	17.48	0.43
Total Non-Current Liabilities	735.94	19.59	779.43	19.54	727.98	18.05
Total Liabilities	2,429.59	64.68	2,621.49	65.73	2,854.17	70.75
SHAREHOLDERS' EQUITY						
Issued authorized capital	287.85		287.85		287.85	
Paid-up authorized capital	239.87	6.39	239.87	6.01	239.88	5.95
Premium on shares	768.34	20.46	768.34	19.27	768.37	19.05
Retained earnings						
- Appropriated for legal reserve	28.95	0.77	28.95	0.73	28.95	0.72
- Unappropriated	468.33	12.47	490.73	12.30	336.25	8.34
Other components of shareholders' equity	(202.27)	(5.38)	(184.39)	(4.62)	(189.68)	(4.70)
Total Equity Attributable to Owners of the Parent	1,303.23	34.70	1,343.50	33.69	1,183.77	29.35
Non-controlling interests	23.38	0.62	23.11	0.58	(4.02)	(0.10)
Total Shareholders' Equity	1,326.61	35.32	1,366.61	34.27	1,179.75	29.25
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,756.20	100.00	3,988.10	100.00	4,033.92	100.00

Information from Financial Statements and Key Financial Ratios (Cont.)

Consolidated statement of Comprehensive Income: East Coast Furnitech Public Company Limited, and its subsidiaries

Statement of Comprehensive Income	Consolidated Financial Statements		Consolidated Financial Statements		Consolidated Financial Statements	
	For the Year Ended December 31, 2021		For the Year Ended December 31, 2022		For the Year Ended December 31, 2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales – net	1,549.41	96.79	1,418.93	97.01	1,374.50	96.96
Other income						
- Sales of production scraps and supplies	28.64	1.79	14.61	1.00	2.89	0.20
- Interest income	7.56	0.47	13.73	0.94	27.28	1.92
- Others	6.58	0.41	16.13	1.10	11.84	0.84
(Loss) Gain from exchange rate	8.62	0.54	(0.81)	(0.06)	1.02	0.07
Total Revenues	1,600.80	100.00	1,462.59	100.00	1,417.53	100.00
Cost of sales	(1,237.05)	(77.28)	(1,075.42)	(73.53)	(1,127.04)	(79.51)
Cost of distribution	(62.21)	(3.89)	(65.96)	(4.51)	(96.94)	(6.84)
Administrative expenses	(133.97)	(8.37)	(148.17)	(10.13)	(184.08)	(12.99)
Other expenses - losses from fire accident	-	-	-	-	(16.27)	(1.15)
Total Expenses	(1,433.22)	(89.53)	(1,289.55)	(88.17)	(1,424.32)	(100.48)
Operating profit	167.58	10.47	173.04	11.83	(6.79)	(0.48)
Financial cost	(134.92)	(8.43)	(158.47)	(10.83)	(181.72)	(12.82)
Loss on Impairment of Financial Assets	(12.48)	(0.78)	(4.46)	(0.30)	(11.65)	(0.82)
Share of gain (loss) from investments in associates and joint venture	32.42	2.03	28.20	1.93	16.61	1.17
Profit before Income Tax Expense	52.59	3.30	38.31	2.62	(183.56)	(12.95)
Income Tax Expense	(1.67)	(0.10)	(1.12)	(0.08)	37.58	2.65
Profit for the Year	50.92	3.18	37.19	2.54	(145.98)	(10.30)
Actuarial loss of liability for post-employment benefits	(1.37)	(0.09)	-	-	0.54	0.04
Share of other comprehensive loss from associates	44.33	2.77	17.88	1.22	(5.29)	(0.37)
Other comprehensive profit (loss) for the year	<u>42.96</u>	<u>2.68</u>	<u>17.88</u>	<u>1.22</u>	<u>(4.76)</u>	<u>(0.34)</u>
Total Comprehensive Income for the Year	93.88	5.86	55.07	3.76	(150.74)	(10.63)
Profit (Loss) Attributable to:						
Owners of the parent	50.85	3.18	37.46	2.56	(144.46)	(10.19)
Non-controlling interests	0.07	0.00	(0.27)	(0.02)	(1.52)	(0.11)
Profit for the Year	50.92	3.18	37.19	2.54	(145.98)	(10.30)
Total Comprehensive Profit (Loss) Attributable to:						
Owners of the parent	93.81	5.86	55.34	3.78	(149.22)	(10.53)
Non-controlling interests	0.07	0.00	(0.27)	(0.02)	(1.52)	(0.11)
Total Comprehensive Income for the Year	93.88	5.86	55.07	3.76	(150.74)	(10.63)
Basic Earnings per Share	0.05		0.04		(0.15)	
Diluted Earnings per Share	0.05		0.04		(0.15)	

Information from Financial Statements and Key Financial Ratios (Cont.)

Statements of Cash Flows: East Coast Furnitech Public Company Limited and its Subsidiaries

Summary of Cash Flows	Consolidated Financial Statement	Consolidated Financial Statement	Consolidated Financial Statement
	Audited	Audited	Audited
	Year 2021	Year 2022	Year 2023
Profit (loss) for the year	50.92	37.19	(145.98)
Adjustments			
Income tax expense (tax income)	1.67	1.12	(37.58)
Depreciation and amortization	44.43	48.00	39.96
Loss on impairment of financial assets	12.48	4.46	11.65
ขาดทุนจากการด้อยค่าของลูกหนี้การค้า			
Expenses on post-employment benefits	1.00	1.95	1.85
Loss on diminution in value of inventories	0.21	6.30	45.73
Loss on impairment of fixed assets	-	-	2.20
Loss from writing off inventory to compensate customer claims.	7.84	-	-
Share of profit from investment in associate and joint venture - net	(32.42)	(28.20)	(16.60)
Unrealized gain on valuation of fair value of derivatives	0.19	(0.57)	-
Unrealized loss on exchange rate	0.36	0.79	1.13
Loss on written-off assets pertaining to fire accident	-	-	16.27
Gain on sales of equipment	(0.11)	(0.33)	-
Loss on written-off assets	0.03	0.08	0.71
Interest income	(7.56)	(13.73)	(27.28)
Intetest expense	134.92	157.91	181.72
Decrease (increase) in operating assets			
Trade receivables	(135.64)	(146.90)	17.14
Other receivables	15.55	2.30	(10.79)
Receivable from sales of rights	11.00	37.00	-
Inventories	47.68	31.02	(60.91)
Other non-current assets	(2.77)	(0.04)	(0.53)
Increase (decrease) in operating liabilities			
Trade payables	1.57	(62.51)	117.37
Other payables	(13.55)	5.65	3.20
Net Cash Flows Provided by Operations	137.80	81.49	139.26
Interest received	-	-	13.20
Income tax paid	(9.59)	(3.76)	(4.41)
Net Cash Flows Provided by Operating Activities	128.21	77.73	148.05
Increase in restricted deposits at banks	(0.13)	(0.13)	(0.13)
Decrease (increase) in short-term loans to related parties	(30.00)	(68.50)	-
Collections on other installment receivables	15.47	17.87	-
Decrease in short-term loans to other persons	(60.00)	59.00	-
Increase in investment in subsidiary and joint venture	(75.00)	-	(3.57)
Non-controlling interest increases in new subsidiary.	0.50	-	-
Decrease in advance for purchase of investment	12.00	13.50	44.50
Additions to plant and equipment	(149.95)	(188.94)	(89.82)
Proceeds from sales of equipment	-	-	20.00

Summary of Cash Flows	Consolidated Financial Statement	Consolidated Financial Statement	Consolidated Financial Statement
	Audited	Audited	Audited
	Year 2021	Year 2022	Year 2023
Additions to intangible assets	(0.45)	-	(2.15)
Dividends received	-	-	4.07
Interest received	2.07	16.35	16.32
Net Cash Flows Used in Investing Activities	(285.49)	(150.85)	(10.78)
Increase (decrease) in bank overdrafts and short-term borrowings from financial institutions	103.05	68.49	(127.45)
Increase in factoring payables	(9.84)	21.92	96.45
Increase (decrease) in short-term loans from other parties	45.00	(116.00)	11.00
Increase (decrease) in short-term loans from related parties	(53.50)	-	65.10
Proceeds from sales and leaseback of equipment	8.14	10.00	15.98
Decrease in lease liabilities	(3.63)	(5.62)	(8.14)
Increase in long-term borrowings	205.49	-	25.00
Repayments of long-term borrowings	(55.95)	(80.48)	(45.09)
Issuance of debentures	565.00	850.00	556.50
Redemption of debentures	(670.75)	(515.55)	(540.00)
Debenture issuance costs	(12.59)	(19.00)	(8.65)
Refunded guarantee for borrowings	-	6.00	1.55
Non-Controlling interests increase	4.44	-	-
Proceeds from the exercised warrants	0.00	-	0.03
Dividends paid	(11.99)	(15.06)	(10.55)
Interest paid	(120.32)	(139.68)	(163.24)
Net Cash Flows Provided by (Used in) Financing Activities	(7.45)	65.02	(131.49)
Net Increase (Decrease) In Cash And Cash Equivalents	(164.73)	(8.10)	5.78
Cash and Cash Equivalents at Beginning of Year	187.14	22.41	14.31
Cash And Cash Equivalents At End Of Year	22.41	14.31	20.09

Key Financial Ratios

Key Financial Ratios	Consolidated Financial Statements	Consolidated Financial Statements	Consolidated Financial Statements
	For the Year Ended December 31, 2021	For the Year Ended December 31, 2022	For the Year Ended December 31, 2023
LIQUIDITY RATIO			
Current Ratio (Time)	1.19	1.14	0.88
Quick Ratio (Time)	0.28	0.33	0.28
Cash Ratio (Time)	0.08	0.04	0.07
Trade Receivable Turnover (Time)	3.84	2.60	2.26
Average Collection Period (Day)	93.86	138.22	159.62
Inventory Turnover calculated by finished goods only (Time)	2.29	1.96	2.04
Average Holding Period calculated by finished goods only (Day)	157.53	183.81	166.71
Receivable Turnover (Time)	5.73	5.80	5.28
Payment Period (Time)	62.84	62.08	68.25
CASH CYCLE (Day)	188.55	259.95	268.11
PROFITABILITY RATIO			
Gross Profit Margin (%)	20.16	24.21	18.00
Operating Profit Margin (%)	10.01	11.88	(1.34)
Cash to Profit Margin (%)	82.67	46.11	N.A.
Net Profit Margin (%)	3.20	2.54	(10.30)
Return on Equity (%)	4.01	2.83	(11.43)
EFFICIENCY RATIO			
Return on Asset (%)	5.14	5.08	(0.05)
Fixed Asset Turnover (%)	16.54	12.67	(13.46)
Asset Turnover (Time)	0.44	0.38	0.35
FINANCIAL POLICY RATIO			
Debt to Equity Ratio (Time)	1.83	1.92	2.42
Ratio of interest-bearing debt to shareholders' equity (Time)	1.54	1.65	1.89
Debt to Equity Ratio (DE ratio as per Term of Right of Debentures) (Time)	1.53	1.64	1.87
Ratio of interest-bearing debt to earnings before interest, taxes, depreciation, and amortization. (IBD/EBITDA)	8.83	9.23	58.40
Net debt to EBITDA ratio) (Time) ^{1/}	8.74	9.17	57.88
interest coverage ratio (ICR) (Time) ^{2/}	1.72	1.54	0.21
Times Interest Earned (TIE) Ratio (cash basis) ^{3/}	1.96	1.50	1.81
Debt Service Coverage ratio (DSCR) (Time) ^{4/}	0.17	0.16	0.03
Debt Service Coverage Ratio (cash basis) ^{5/}	0.11	0.07	0.15
BE Size to Interest Bearing Debt Ratio ^{6/}	0.26	0.15	0.13
Current Portion of Interest Bearing Debt to Total Interest Bearing Debts Ratio ^{7/}	0.65	0.66	0.69
Loans from Financial Institutions to Total Debts Ratio ⁸	0.39	0.35	0.27
Ratio of loans from financial institutions to interest-bearing debt	0.46	0.42	0.36
Dividend Payout (%) ^{9/}	29.62	28.18	N.A.

The Company determines the conditions of maintaining debt to equity ratio on the requirement of rights to issue and offer for sales of debentures, and the conditions with the financial institutions that provide the financial supports to the Company at the ratio of not more than 4 times and 3 times, respectively. According to the information as at December 31, 2023, the Company could maintain the said ratio at 1.87 times.

Remark: ^{1/} Net Debt to EBITDA Ratio = (Current Liabilities — Cash and Cash Equivalents) / Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)

^{2/} Interest Coverage (ICR) Ratio = Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) / Interest Expense or Financial Cost

^{3/} Times Interest Earned (TIE) Ratio (cash basis) = Operating Cash Flows + Operating Interest Expense + Tax / Operating and Investing Interest Expense

^{4/} Leverage Ratio (Time) = Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) / (Interest Bearing Short-Term Debts + Current Portion of Interest Bearing Long-Term Debts)

^{5/} Debt Service Coverage Ratio (cash basis) = Operating Cash Flows / (Debt Repayment + Investment Expenditure + Purchase of Assets + Dividend Paid)

^{6/} BE Size to Interest Bearing Debt Ratio = Bill of Exchange (BE) and Promissory Note (PN) / Total Interest Bearing Debts

^{7/} Current Portion of Interest-Bearing Debt to Total Interest-Bearing Debts Ratio = (Interest Bearing Short-Term Debts + Current Portion of Interest Bearing Debt) / Total Interest Bearing Debts

^{8/} Loans from Financial Institutions to Total Debts Ratio = Loans from Financial Institutions / Total Debts

^{9/} Dividend Payout = Calculation from Cash Outflow for Dividend in that year / Net Profit Generated in that year



5. GENERAL INFORMATION AND OTHER INFORMATION

5.1 General Information

Securities Registrar

Name : Thailand Securities Depository Co., Ltd.
Office Location : The Stock Exchange of Thailand Building
93, Ratchadaphisek Road, Din Daeng Subdistrict, Din Daeng District, Bangkok 10400
Telephone Number : +662-009-9000
Website : www.set.or.th/contactcenter

Bondholder Representative

Name : PI Securities Public Company Limited
Office Location : 132, Sindhorn Tower 1 Floor 2&3 and Sindhorn Tower 3 Floor 17, 18, and 20, Witthayu Road, Lumpini Subdistrict, Pathum Wan District, Bangkok 10330
Telephone Number : +662-205-7000
Website : <https://www.pi.financial/>
and
Name : Siam Wealth Securities
Office Location : 10/39, The Trendy Office Building Floor A , Soi Sukhumvit 13, Khlong Toei Nuea, Watthana, Bangkok 10110
Telephone Number : +662-430-6543
Website : <https://www.siamwealth.co.th/>

Auditor

Name : Mr. Akadet Pliansakul
Office Location : M.R. & ASSOCIATES Co., Ltd.
Chao Phraya Tower Room 706 No.89,
Soi Wat Suan Phlu Charoenkrung Road, Bangrak Subdistrict, Bangrak District, Bangkok 10500
Telephone Number : +662-630-7500 or +662-714-8842-3 or +662-185-0342
E-Mail : akadet@mrassociates.co.th

Legal Consultant

Name : Mr.Thanun Jaroenrit
Office Location : Krittham Law Office, No. 9, Soi Inthamara 7, Suthisarn Winitchai Road, Samsen Nai Subdistrict, Phaya Thai District, Bangkok 10400
Telephone Number : +662-279-3141 or +662-616-6384
E-Mail : jaroenrit9@gmail.com

Company Secretary and Investor Relations Office

Name : Miss Sarisa Thongkittikul
Office Location : East Coast Furnitech Public Company Limited Branch 2
25/28, Moo 12, Bueng Kham Phroi Subdistrict, Lam Lukka District, Pathum Thani Province, 12150
Telephone Number : 02-152-7301-4 Ext. 212
E-Mail : sarisa@eastcoast.co.th or ir@eastcoast.co.th

5.2 Other Information

-None-

5.3 Legal Disputes

At present, the Company and its subsidiaries have no legal disputes that the Company and its subsidiaries are parties or contestants. Whereas such lawsuits or disputes are not finalized and will have a negative impact on the assets of the Company and its subsidiaries with an amount greater than 5% of the shareholders' equities as of 31 December 2023 in any way.

5.4 Second Market

The Stock Exchange of Thailand (SET) / Market for Alternative Investment (mai)

5.5 Financial Institution contacting regularly as the registrar of debentures

Name	:	Siam Commercial Bank PCL.
Head Office Location:	:	No. 9, Ratchadaphisek Road, Chatuchak, Chatuchak, Bangkok 10900
Telephone Number	:	+662-777-7777
Website	:	https://www.scb.co.th/th

Part 2

Corporate Governance



East Coast Furnitech Public Company Limited (ECF)
Annual Report 2023 (Form 56-1 One Report)





6. CORPORATE GOVERNANCE POLICY

6.1 Overview of Policies and Practices on Corporate Governance Policies and Practices

6.1.1 Policies and Practices Relating to the Board of Directors

The meeting of the Board of Directors No. 1/2012 (first time after changed of its status) was held on 26 October and had the Initiative policy, participated in expressing comments on the policy and made a resolution to approve the corporate governance policy in writing, including the amendment of such policy after the meetings. The policy is being specified based on the principles of good corporate governance in accordance with the relevant rules or guidelines proposed by the regulatory agencies to strengthen the transparency of the business operations at all levels, including operational employees, executives, and the Board of Directors, as a tool for potential and competitiveness enhancement, and to foster sustainable growth to bring long-term benefits to all stakeholders for the whole business chain. This policy has been exercised after the approval of corporate governance policy at the first meeting, after that such policy has been reviewed including the amendments on importance details and good governance practice made after that in order to face challenges in the future. Later, the meeting of the Board of Directors Meeting No. 11/2018 was held on 31 October, 2018 considered and approved the new Corporate Governance Code Policy to substitute the cancelled original version, in order to comply with the principles of 2017 Corporate Governance Code for listed companies prescribed by the Securities and Exchange Commission, effective from 2017 onwards unless there is any changes made in the future. This Corporate Governance Policy has set the principles for the Board of Directors who are the leader or the highest responsible person of the organization to use in business supervision as a guideline for the business to build trustfulness for all shareholders and stakeholders for the benefit of creating sustainable value for the business, meeting the expectations of business sector, investors, as well as the capital market and society as a whole, which will lead to good business performance, ultimately affecting the development and creating the sustainability of the business in the long run.

The Board of Directors has also communicated and monitored the compliance with the corporate governance policy, business ethics, code of conduct for the Company's directors, executives and employees through public

relations and notified all directors, executives and employees for their acknowledgement, this policy is publicly disclosed and accessed by all stakeholders on ECF's website www.eastcoast.co.th under the menu section 'Corporate Governance'

The policies and practices related to sub-committees require the Board of Directors to ensure that the process of director nomination and selection is transparent and clear in order to have the Board of Directors with qualification consistent to specified elements, the practice is that in each year, the Nomination Committee shall be responsible for selecting the Company's directors by following the criteria of new director selection before proposing the name list to the Board of Directors' meeting and the Nomination Committee shall provide opinions. The persons proposed in the name list of Directors must be fully qualified according to the Public Company Limited Act B.E. 2535 (1992), the Notifications of the Securities and Exchange Commission and the Capital Market Supervisory Board, and the relevant notifications of the Stock Exchange of Thailand, as well as the database of the Director Pool from the Thai Institute of Directors (IOD) must be used as a supporting information for the selection of new directors. The persons proposed in the name list must be knowledgeable, competent, dedicated and have skills and experience in the management of main business and other businesses invested by the Company. In addition, the process of director selection must be in accordance with the Company's business strategies, for example, the Company has increased its investment in Energy Business, the Nomination Committee has therefore considered and selected new directors with qualifications, experience, knowledge and expertise in energy to enhance the potential for the overall of the Board of Directors, later, additional directors were considered, selected and nominated because the Company is necessary to finance for further investment in energy business and other future businesses.

The Board of Directors has appointed the Audit Committee consisting of at least 3 independent directors with qualifications and duties in accordance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand, based on the definition of Independent Director who will perform the duties in accordance with the scope of duties, authorities and responsibilities of the Board of Directors as specified, to ensure that the Audit Committee and Independent Directors are independent from the management.

The Board of Directors has recognized the importance of mechanism creation to support directors for their understanding in their roles and responsibilities. All new directors appointed for the first time will participate in directorship orientation presenting company data consisting of: current Board's structure; shareholder's structure, organizational structure, nature of business, past performance results, goals and objectives of business operations specified in the Company's plans, rules and regulations, and relevant regulatory bodies, preparation of stakeholding report, corporate governance policy, insider information policy, so that they will know significant data of the Company. Additionally, directors will attend the training course 'Director Accreditation Program (DAP)' organized by the Thai Institute of Directors, as required by the Office of SEC that the directors of listed companies are required to attend the training.

In determining the remuneration of directors and executives, the Company has established the Remuneration Committee for consider the remuneration criteria and procedures, the Remuneration Committee will propose the remuneration based on the Company's annual business performance in previous year, the performance and responsibility of directors, consideration of the number of subsidiaries, joint ventures that increase according to the business structure, benefits that the Company receives from performing the duties by directors. The remuneration data as primarily defined shall be annually compared with the reference of business size or industry with revenue and net profit nearly similar to those of the Company, including the classification of business sector — Market for Alternative Investment (mai) according to the report on the remuneration of directors and executives of listed companies, by Research Department, Thai Institution of Directors in order to ensure that the remuneration structure and rates are appropriate to the increased obligations and responsibilities and can motivate directors to lead the organization to achieve the planned targets, both short term and long term, and can be compared to the level practical in the industry. The said remuneration proposal must be considered with the opinion of the Remuneration Committee, and has been approved by the Board of Directors.

The Remuneration Committee will propose details of the remuneration structure and rates for directors, in the forms of monetary and non-monetary, after the approval, to the Board of Directors for consideration and approval. The Board shall consider each form of remuneration for appropriateness before proposing to the shareholders' meeting for consideration and approval of annual remuneration for directors. However, the monetary form of remuneration shall be divided into monthly remuneration,

meeting allowance per time, and special remuneration or bonus. At present, non-monetary remuneration has not yet paid to the Board of Directors.

The roles and duties of the Nomination Committee shall also cover the development of Directors including the preparation of director development plan to ensure that all of the Company's directors are knowledgeable, competent and appropriate to effectively perform their duties in accordance with the scope of authorities, duties and responsibilities as determined by the Company, in order to fulfil the policy in encouraging all directors to continuously develop their knowledge.

The Board of Directors has set the guidelines for evaluating the annual performance, the Board of Directors and sub-committees will evaluate their team performance at least once a year to allow the Board of Directors to jointly consider their works and problems in order to improve and make correction. Such performance evaluation will be conducted both in team and individual basis by applying the evaluation form for both team and individual. The overview of evaluation criteria, process and results are provided in the Annual Report Form (56-1 One Report), key areas to be evaluated include the structure and qualifications of the Board of Directors, the Board's meetings, roles, duties and responsibilities of the Board of Directors and other areas such as the relationship between the Board of Directors and the management, self-development of directors and development of executives, etc.

Since the Company's business structure includes the establishment of subsidiaries and the investment in several associated companies, the Board of Directors has therefore established 3 main parts of policies to govern the operations of subsidiaries and associated companies including: the Management Supervision Policy, Financial Control Policy on subsidiaries and associated companies, and Policy of the Shareholders' Agreement or other forms of agreements with similar essence, to ensure that the Board of Directors has the policy framework and mechanism to supervise the policies and operations of subsidiaries and other businesses significantly invested by the Company, at an appropriate level for each business including the subsidiaries and other businesses invested by the Company, with correct and corresponding understanding. The policy to supervise subsidiaries and associated companies covers the materiality of authority in appointing directors, executives, or other important positions in subsidiaries and associated companies, supervising the internal control system of subsidiaries and associated companies, ensuring that subsidiaries and associated companies have correctly and timely disclosed material information.

6.1.2 Policies and Practices Relating to Shareholders and Stakeholders

The Company's Corporate Governance Policy sets out guidelines for the Board of Directors who are the leader or the highest responsible person of the organization to use in business supervision as a guideline for the business to build trustfulness for all shareholders and stakeholders for the benefit of creating sustainable value for the business, meeting the expectations of business sector, investors, as well as the capital market and society as a whole, ultimately leading to the good performance in the long run. One of important goals in corporate governance is business operations with ethics, respecting human rights, creating equality and fairness, responsibility to all shareholders and stakeholders, providing society with benefits, strengthening the community development, and reducing the impact on environment.

One of significant practices is to consider the business operation with ethics, respecting the rights, and responsibility to all shareholders and stakeholders, the policy has been established through the documentation of business ethics and ethics in business operations, to be used as a good guideline for business operations, and the policy and goals of sustainability management. ECF believes that business operations with honesty, ethics, respecting the rights of others, and equally and fairly treating all stakeholders are important foundations for sustainable business.

In terms of shareholders, the Company has practical guidelines in recognizing and paying attention to the fundamental rights of shareholders, such as the right to purchase or transfer shares, the right to receive profit sharing of the business, the right to fully, sufficiently and timely receive and access the Company's information, the right to attend meetings to exercise voting rights at the shareholders' meetings to appoint or remove directors, appoint Auditor and matters that may affect the Company, such as the increase or decrease of capital, profit allocation, dividend payment, amendment of the Company's regulations, objectives or memorandum of association, etc., including the promotion and facilitation to attend the Meeting, exercise their rights of shareholders and also analysts, institutional investors who are interested in the Company's information, as well as setting practice for the agenda of the annual general meeting of shareholders in compliance with corporate governance principles and providing shareholders with full opportunity for inquiries on important issues as detailed in each agenda, etc.

ECF has established the policy to prevent conflict of interest and written guidelines in the business ethics document. The policy has prohibited all directors, executives and employees from taking advantage of their positions as directors, executives or employees of the Company to seek for personal gains, the said policy and guidelines are documented as following details:

1. To manage the conflict of interest or connected transactions with prudence, honesty, fairness, and reasonableness, the transparent processes in approving transactions are in place, taking into account the interests of the Company as a priority, any directors with stakeholding are not entitled to vote for approving any matters in which they, both directly and indirectly, have interests or conflicts of interest, and they are required to disclose accurate and complete information in accordance with the rules of the Office of the Securities and Exchange Commission (SEC) and of the Stock Exchange of Thailand.
2. In case that any transaction is necessary for the Company's benefits, the said transaction is made as if the transaction with any third party has a business agreement in the same way that a reasonable person would do with a normal counterparty with trade bargaining power which has no influence of being a director, executive or related persons which are not involved in the consideration and approval. In addition, they are required to comply with the rules of disclosure in the guidelines set by relevant agencies.
3. Any act that may conflict with the Company's business interests, for example, causing the Company to lose benefits or get lesser benefits than it should be, or it shares the benefits from the Company.
4. To be prohibited from taking any action that is in competition with the Company's business or in any business similar to the Company's.
5. All directors, executives, employees, and workers of the Company including their spouses and children, close relatives, (as definition of the SEC Office) are prohibited to seek for personal benefits from the Company, such as any act to sell products and services to the Company. If there is such act, he/she must submit document to clarify and disclose data to the Company in all cases.
6. All directors and executives are required to annually report their own interests and the interests of those who may have conflicts of interest in accordance with the rules and forms prescribed by the Company. In case of any changes, the Company must be always notified for the update of any data. This rule also covers employees at all levels involved in any work with the risk of conflicts of interest.

7. The Board of Directors will supervise the Company and its subsidiaries to comply with the Securities and Exchange Act, regulations, notifications, orders, or rules of the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, and the Capital Market Supervisory Board. The Company is also required to disclose all related parties transactions based on rules specified by the Stock Exchange of Thailand and of related agencies.
8. All employees should avoid any act that will be in conflict with the Company's interests, whether it comes from contacting with the parties related to the Company's businesses such as business partners, customers, competitors, or from using opportunities or data obtained from being a director or employee for their own benefits and for doing any business that competes with the Company's or for doing any works other than the works of the Company which affects their jobs & duties in the Company.
9. All employees should refrain from holding shares in the competitors of the Company if it causes employee to act or refrain from any act that should be performed for their duties, or if it affects their duties. In the event that the said shareholding happens before joining the Company or before the Company conducts that business, or is acquired through inheritance, that employee is required to report it to his/her supervisor in hierarchical order.
10. All directors, executives, employees of the Company and of all subsidiaries, are responsible for whistleblowing when witnessing the misconduct of any colleague or supervisor, or executives, or directors. However, in case of witnessing any misconduct but ignoring and not whistleblowing, that person shall be deemed as making disciplinary offense as specified in the Company's rules and regulations.

The details are also required to monitor and supervise the compliance, the ethic in business operations is documented as one of important documents to be signed by all directors, executives and employees for their acknowledgment before becoming the Company's personnel.

The Board of Directors supervises to have a policy to prevent and supervise the use of internal information for directors, executives, employees related to secret transactions and worker of the Company and subsidiaries in keeping confidential information and / or internal information of the Company, non-trading or accepting the transfer of the Company's securities, by taking advantage of confidentiality or insider information that has not been disclosed, prohibition of buying or selling the Company's securities within the specified period such as within 30 days, prior to disclosure and after the disclosure of such information through the system of the Stock Exchange of Thailand for 24 hours, etc. The Company has prepared a

circular document within the company and let the Company's directors, the Management, and employees to sign for acknowledging the said policy.

The Company requires all directors, executives, including their spouses and minor children to be responsible in reporting their securities holdings and changes in holding the Company's securities in accordance with the conditions and requirements to the SEC Office, and submitting a copy of such report to the Company Secretary every time in order to be reported in the Board of Directors' meeting for acknowledgement of the securities trading on a quarterly basis.

ECF has also established the policy that all directors and executives are required to report their own interests and the interests of related persons for the Company's directors and executives based on the rules and forms with the definition in the guideline set by the regulatory agency. The Company Secretary shall take responsibility in keeping records and collecting stakeholding reports on a regular basis for at least once a year, and in case of having any significant changes in the data of any directors and executives, these changes must be reported in the Board of Directors' meeting for acknowledgment.

The Board of Directors has established a policy on entering into transactions that may cause conflicts of interest by related transactions that may occur in the future. Directors must comply with various regulations that have been established and directors must not approve any transactions that they or persons who may have conflicts of interest in any other manner with the Company, and disclose such transactions, the Company must comply with the Securities and Exchange Act and the regulations, notifications, orders or requirements of the Stock Exchange of Thailand, and strictly comply with regulations relating to the disclosure of information on connected transactions and the acquisition or disposal of assets of the Company or subsidiaries and according to the accounting standards. In addition, the Company will not make related transactions with related companies that are not normal business operations of the Company and requires the directors to report their interests at least before considering the agenda of the Board's meeting, which will be recorded in the minutes of the Board's meeting. In the case that such director is unable to provide independent opinions, that director will be asked to refrain from participating in the meeting for considering that agenda.

Responsibility to stakeholders is one of the Company's strategies determined by the Board of Directors that the Company's business must be operated with responsibility to all stakeholders throughout the value chain, society, environment, and corporate governance. The details of responsibility to all stakeholders consisting of employees, shareholders, customers, trading partners and accounts

payables, competitors, creditors, communities, society, and environment, are determined to ensure that the Company conducts its businesses with ethics, social and environmental responsibility, without violating the rights of stakeholders, as a guideline to enable all part of organization to achieve the main objectives and goals for sustainability. In case of negative impact caused by the violation on human rights, the Company recognizes the importance and dedication to appropriately remedy such impact.

The company has anti-corruption policy. It has already been approved from the Board of Directors of the Company. Fraud and corruption mean actions or refraining from actions in line with positions or duties including bribery of any forms by offering, promising, giving, demanding, or accepting money, property, or any other improper benefits which causes the wrong use of power with government officers, government agencies private agencies, or those who have duties whether directly or indirectly in order that such persons will act or refrain from performing duties which is to acquire or maintain business or recommending any business to the Company particularly or in order to obtain or maintain any other benefits that are not appropriate for the Company's business, one's own or related persons.

Moreover, the company has prepared practical guidelines in writing to be in line with the anti-corruption policy. The practical guidelines are separated into each topic in order to make it clear, create understanding and can be implemented correctly. It consists of guidelines in the following areas:

1. Giving or receiving gifts, Hospitality
2. Sponsorship
3. Donation
4. Political Contribution
5. Conflict of Interest
6. Facilitation payment
7. Employment of government employees

ECF has joined the Thai Private Sector Collective Action Against Corruption (CAC) project by declaring its intention to join Collective Action Coalition of Thai private sector, and already submitted documents to enter the certification process. ECF has been announced as one of the companies certified under Collective Action Coalition of Thailand's private sector on 30 December 2022.

The company has published anti-corruption policy via website www.eastcoast.co.th Furthermore, the Company has set measures for persons who are not acting in compliance with the policy and practical guidelines of anti-corruption. The company will take disciplinary action against the directors, executives, and employees who

violate the compliance with this policy including direct supervisors who ignore the offense or acknowledge that an offense has been committed but does not take corrective action, which has disciplinary penalties up to the termination of employment and/or retirement. The nonawareness of this policy and/or applicable laws, cannot be used as an excuse for non-compliance with this policy. In the event that it appears that the representative, business intermediary, distributor of products/services, or any of the Company's contractors acting inconsistent with the guidelines under this policy, the Company may terminate the transaction with such persons as proper.

6.2 Business Ethics and Ethics in Business Operations

ECF has prepared the business ethics for directors, executives and employees, including ethics in business operations, specifying details of policies and guidelines to demonstrate the responsibilities to stakeholders, link the practices with the vision, objectives, and operational strategies, corporate values, goals, fair business practices, policy on conflict of interest prevention, respect for human rights, rejection of others' intellectual property or copyright infringement, and anti-corruption.

The Company also requires the monitoring to ensure that the Company's Board of Directors, executives and employees shall comply with the Business Ethics in order to create the corporate culture, for example, requiring the documented Business Ethics to be one of important documents that all directors, executives and employees must sign before starting their work as the Company's personnel, requiring all directors, executives and employees to acknowledge, understand and strictly comply with the Business Ethics as a part of their duties and responsibilities, and requiring the review of Business Ethics for every 2 years in order to make it appropriate to the business situation or environment that maybe changed.

ECF has established a whistleblowing policy and procedure as the tools to enable the Company to accept complaints from both employees and third parties on corruption, infringement or non-compliance with laws, rules and regulations of the Company, and business ethics or ethics in business operations of the Company, which may lead to damages to the Company's properties, image, and reputation.

The business ethics and ethics in business operations will be considered, reviewed and revised as appropriate in accordance with the principles or guidelines that will be further amended in the future. See more details in the full version of the Company's business ethics and ethics in business operations in Attachment or on the Company's website www.eastcoast.co.th

6.3 Significant Changes and Developments on Policies, Practices and Corporate Governance Systems in Previous Year

6.3.1 Information on significant changes and developments related to the review of policies, practices and corporate governance system, or the Charter of the Board of Directors in previous year.

The Company has continually improved its policies, practices, and corporate governance system to enhance the efficiency of corporate governance and to upgrade the corporate governance standards of the Company in compliance with the Principles of Good Corporate Governance for Listed Companies (CG Code) 2017 at least once a year, and has annually considered, reviewed and approved the vision, objectives, operational strategies, corporate values, and goals. The governance system will be considered in line with the vision, and goals set each year, regularly and continuously monitor and supervise the implementation of strategies through the report on the performance of relevant functions.

Managing Director will be responsible for reporting the performance result as given strategies to be in line with the vision and goals on a quarterly basis. The report will be conducted at the same time as considering and acknowledging the performance result, considering, and approving the Company's financial statements which is quarterly held.

6.3.2 Principles of Good Corporate Governance for Listed Companies (CG Code) 2017 not yet complied by the Company






In 2023, the Company is incomplete to comply with the Corporate Governance Code, below table shows the important topics and reasons:

Topic under the Corporate Governance Code	Reason of still not successful
The majority of the Remuneration Committee members are independent directors. (More than 50%)	The Company is considering about the restructuring.
The majority of the Nomination Committee members are independent directors. (More than 50%)	The Company is considering about the restructuring.
Do the shareholders or the Board of Directors approve the remuneration of executive directors/top management level?	Currently, the Remuneration Committee is responsible for approving the Managing Director's remuneration, which has not yet considered and approved the remuneration of the executive committee.
The Board of Directors should clearly state that the term of office of an independent director is a maximum of 9 years, without exception, in the Company's corporate governance.	At present, the Company's policy is stated that in terms of consideration on the tenure of independent director, in case that an existing independent director who will be re-elected for another term of office, his/her term of office must have a term of office continuously from the date of first being appointed as an independent director, not more than 9 years, considering the reasonableness and necessity if appointing that independent director to continue in the position.
The Board of Directors consists of female directors for at least one woman	The Company is considering how to restructure.
The Board of Directors comprises more than 66% of non-executive directors.	At present, the Company's Board has the said ratio of 62.5% but the Company will consider how to further restructure.
The Company should determine the policy for directors and high-level executives to inform the Company's Board about the share trading of the Company at least one day before the transaction in advance.	The Company will consider completing the operation within 2024.
The Company's Board should consider appointing a Sustainability Committee which there is the structure of at least one independent director, including disclosing the details of charter, and roles and responsibilities.	The Company will consider completing the operation within 2024.
The Company should prepare and publish a report of the Sustainability Committee that fully discloses the results of its duties.	The Company will consider completing the operation within 2024.

However, the Company will develop a plan and monitor it to implement any topics that has not yet be complied with the principles of good corporate governance.

6.3.3 The Company has practical guidelines for other areas in accordance with the Principles of Corporate Governance to support following assessments:

- The Company participates in the Annual Corporate Governance Report (CGR) Project annually organized by the Thai Institute of Directors and has been evaluated on the corporate governance and obtained the “Excellent” level result from the 2022 Corporate Governance Report Project, under the collaboration of the Thai Institute of Directors (IOD) and the Stock Exchange of Thailand. The results of evaluation for the past 4 years are shown below:

Year	Level	Symbol
2023	Excellent	
2022	Excellent	
2021	Excellent	
2020	Excellent	
2019	Excellent	

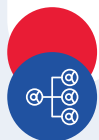
- The Company participates in the Annual General Meeting of Shareholders Quality Assessment Program annually organized by the Thai Investors Association, the Company earned full score of 100 points from the 2023 Annual General Meeting of Shareholders (AGM) Quality Assessment Program by the Thai Investors Association.

Get 100 points From the full score of 100 points Arranged in an excellent level.	2023
Get 100 points From the full score of 100 points Arranged in an excellent level.	2022
Get 100 points From the full score of 100 points Arranged in an excellent level.	2021

- Participating in the Thai Private Sector Collective Action Against Corruption (CAC) Project and ECF is one of companies certified under Collective Action Coalition of Thailand's private sector on 30 December 2022.

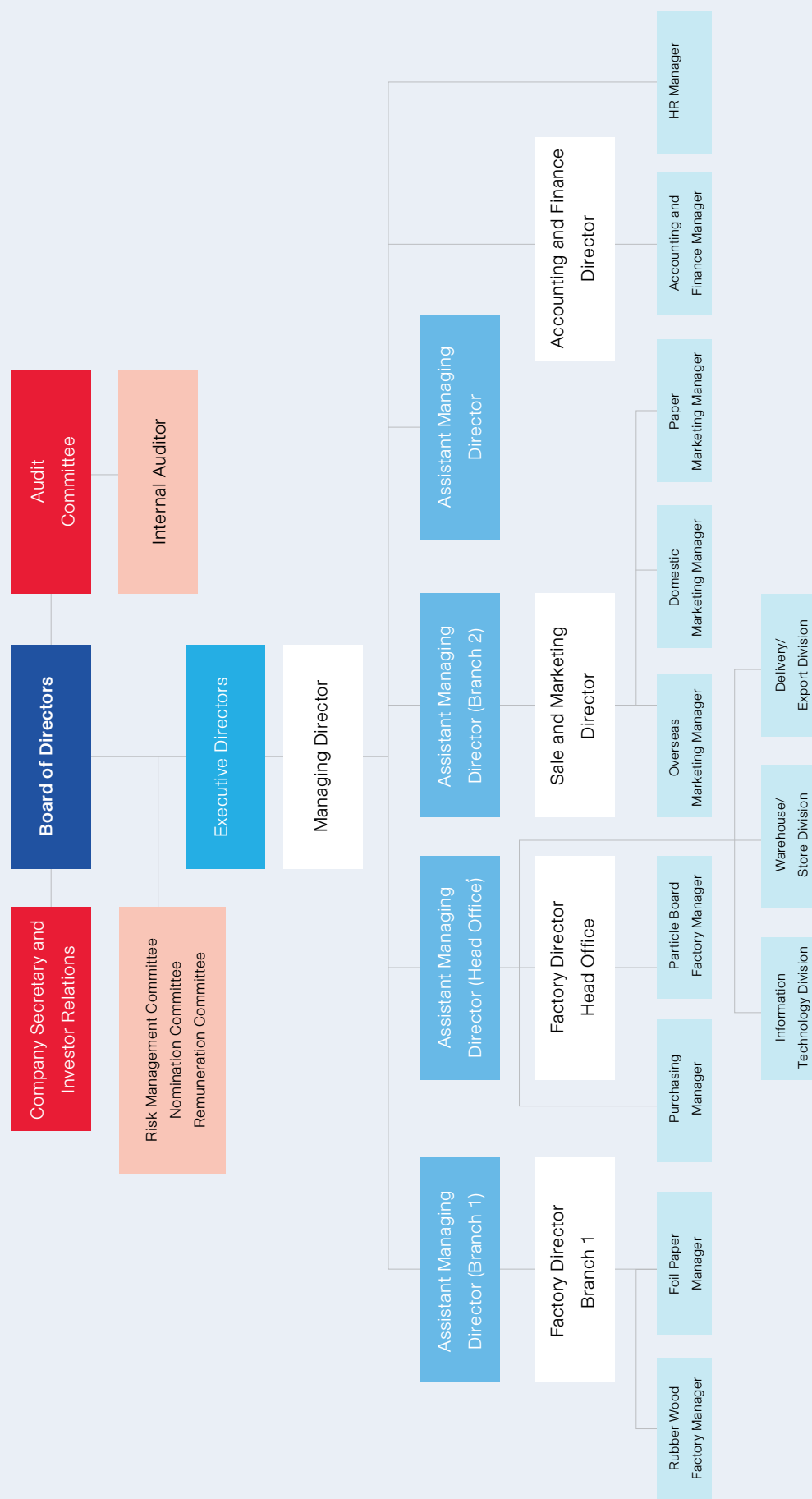
The above assessment results and actions reflect that ECF is committed to conducting business under the principles of good corporate governance, and such achievement requires the cooperations of everyone to always focuses on and adheres to as a guideline.





7. STRUCTURE OF CORPORATE GOVERNANCE AND SIGNIFICANT INFORMATION RELATING TO THE BOARD OF DIRECTORS, SUB-COMMITTEES, EXECUTIVES, EMPLOYEES AND OTHERS

7.1 Governance Structure



7.2 Information about the Board

The Company has defined the qualifications, competencies, independence, and a variety of skills and expertises, and set the details of roles and responsibilities, and the suitability of the Board of Directors in compliance with the needs and operating business strategies of the Company, considering transparency, audit and balances, and efficiency of corporate governance as follows:

7.2.1 Composition of the Board of Directors

At present, the Company's Board of Directors consists of eight (8) directors including four (4) independent directors, one (1) Non-Executive Director and three (3) executive directors and/or shareholders, at least one-third of all directors but not less than 3 directors, must be independent directors and all independent directors must have full qualifications according to the criteria of the SEC Office and the Stock Exchange of Thailand. The independent directors can effectively work with the whole Board of Directors and independently express their opinions. The Company believes that the Board of Directors has been structured to enable clear, balanced and verifiable management, the Company directors and executives of the company shall be able to perform their duties for the benefit of the Company and its shareholders, and the Board of Directors also understand their roles and duties and could perform duties as stipulated in the scope of duties and responsibilities of the Board of Directors.

ECF has a policy to determine the composition of the Board of Directors by considering their industrial knowledge and experience related to the Company's business operations, skills, experience, and knowledge in many areas such as accounting, finance, law, etc., including behavioral abilities such as teamwork, coordination, courage, etc., so that all dimensions are covered to bring benefits and efficiency to the Company's operations.

In addition, the Company's Audit Committee consists of three (3) independent members of the Audit Committee with duties in the same manner as stipulated in the regulations of the Stock Exchange of Thailand, and at least one (1) member of the Audit Committee shall knowledge and experience in reviewing the reliability of financial statement and could perform other duties as a member of the Audit Committee.

The Company has established and documented the scope of authorities to clearly assign and define the authorities between the Board of Directors and the Management.

7.2.2 Information of the board of directors and individual company controllers

Board of Directors

As of 31 December 2023, The Company's Board of Directors consists of 8 Directors as follows.

1. General Terdsak Marom
Chairman of the Board of Directors/ Audit Committee Member/ Independent Director
2. Assoc. Prof. Dr. Montree Socratyanurak
Chairman of the Audit Committee/ Independent Director
3. Assoc. Prof. Songklod Jarusombat
Audit Committee Member/ Independent Director
4. Dr. Ekarin Vasanassong
Non-Executive Director
5. Mr. Paiboon Aroonprasabsuk
Independent Director
6. Mr. Kittiphat Suksawad
Vice President / Authorized Director
7. Mr. Wanlop Suksawad
Director / Authorized Director
8. Mr. Pacharatanapong Suksawad
Director / Authorized Director

The names and number of directors authorized to sign on behalf of the Company are Mr. Wanlop Suksawad, Mr. Kittiphat Suksawad, and Mr. Pacharatanapong Suksawad, two of these three directors jointly sign with the Company's seal affixed.

In the Board of Directors, the Chairman of the Board of Directors is General Terdsak Marom who is an independent director, and not the same person as the Managing Director which is the position of the highest executive of the organization, and qualified to the position of the Chairman of the Board and not the same person as the Managing Director who is responsible in implementing the policies. The Company believes that the composition and operations of the Board of Directors facilitate independent decision-making.

For the principle to be practiced that most members of the Board of Directors should be non-executive directors who could independently express their opinions on the management's performance, this is because the structure of the Board of Directors currently comprises of eight members, consisting of four independent directors, a non-executive director, and three executive directors and shareholders of the Company. The said structure of the Board of Directors shows that the number of independent directors is more than the number of executive directors according to the Principle of Corporate Governance. The structure of the Board of Directors consists of 5 non-executive directors, representing 62.50 % of the total number of directors.

There are four independent directors, who are not the executives, on the Board of Directors. In the Board of Directors, there is 1 independent director named Assoc. Prof. Songklod Jarusombat who is knowledgeable in forest resources, specializing in forest products and social forestry. Such knowledge and specialty are related to the wood furniture business of the company. Additionally, there is another independent director, who is not the executive, named Mr. Paiboon Aroonprasobsuk, who is not the executive, is an independent director with knowledge, competencies, skills and experience in the financial and investment business circles, will also strengthen the structure of the Board of Directors.

The directors appointed to be the independent director shall not be under the authority of executives and major shareholders.

Qualification of the Company's Independent Director

(In accordance with the minimum requirements of SEC and SET)

- Holding no more than 1 % of total voting shares of the Company, Parent Company, Subsidiaries, Joint Ventures, major shareholders or the Company's regulators, this includes the shareholding of persons related to the independent directors.
- Not currently be or never been the Company's executive director, worker, employee, salaried consultant, or regulators, unless it has been at least two years after the person has held the position, prior to the submission of permit application to the SEC. Such prohibition excludes the case that the independent director was a government officer or an advisor for government agency who is the Company's major shareholder or controlling party.
- Not being related by blood or legally registered as father, mother, spouse, sibling or children including spouse of the child of executives, major shareholders, regulators, or persons who will be nominated as executives, or regulators of the Company or subsidiaries.
- Not currently having or never had any relations with the company including the parent company, subsidiaries, affiliate, major shareholder(s), or regulators of the company, in the way that such relation may impede the person from having independent views. Also, the person should not currently be or never be a significant shareholder or regulator of the persons having business relations with the Company, Parent Company, Subsidiaries, Joint Ventures, major shareholders, or the Company's regulators, unless it has been at least two years after the person has held the position, prior to the submission of permit application to the SEC.
- The business relations under the paragraph one includes the normal commercial transactions to operate the business, the rent or the rent-out of real estate, particulars related to assets or services, or giving or receiving financial assistance by accepting or giving loans, guarantee, giving assets as collateral for liabilities as well as other similar circumstances, which affect the Company or the counterparty to have a debt obligation to pay to another party from 3% of the net tangible assets of the Company or from 20 million baht or more, whichever is lower. The calculation of such liabilities shall be in accordance with the method of calculating the value of connected transactions according to the Announcement of the Capital Market Supervisory Board regarding the Rules on Connected Transactions with mutatis mutandis. However, in considering such liabilities, the liabilities incurred during 1 year before the date of business relationship with the same person will be included.
- Not currently being or never been the auditor of the Company, Parent Company, Subsidiaries, Joint Ventures, major shareholders, or the Company's regulators. Also, the person should not currently be or never be a significant shareholder, regulator, or partners of auditing firm providing current auditor for the Company, Parent Company, Subsidiaries, Joint Ventures, major shareholders or the Company's regulators, unless it has been at least two years after the person has held the position, prior to the submission of permit application to the SEC.
- Not currently providing or never provided professional services, legal consulting, nor financial consulting services to the Company, Parent Company, Subsidiaries, Joint Ventures, major shareholders, or the Company's regulators with a fee more than THB 2 million per year. Also, the person should not currently be or never be a significant shareholder, regulator, or partners of current service providers, unless it has been at least two years after the person has held the position, prior to the submission of permit application to the SEC.
- Not currently being representative to represent the company's directors, major shareholders, or the shareholder related to major shareholder.
- Not currently operating under similar business nature and significant competitor of the Company or subsidiaries; or not a significant partner of the partnership, executive director, salaried worker, employee, or consultant; or holding more than 1% of voting shares of any other companies operating similar business nature and significant competitor of the Company or subsidiaries.
- Not under any conditions that may impede the person from having independent views towards the company's operations.

7.2.3 Information about the Roles and Responsibilities of the Board of Directors

The Company has prepared the Charter of the Board of Directors to determine the details of the composition, qualifications, and duties and responsibilities, term of office and election of directors, meeting arrangement, and evaluation of the performance of the Board. In addition, the scope of duties and responsibilities of Chairman and Managing Director is also established as follows:

The key points regarding the scope of duties and responsibilities of the Board of Directors can be summarized as follows:

Perform their duties in accordance with the law, the Company's objectives and regulations as well as the resolutions of the shareholders' meeting with honesty and carefulness on the Company's benefits.

1. Regularly be responsible for shareholders, perform duties to protect the benefits of shareholders, completely disclose information to investors based on standard.
2. Determine policies and directions of the Company's operations.
3. Consider and approve the approval diagram.
4. Supervise, control, and oversee the management to effectively perform duty according to the given policy to maximize the economic value of the business.
5. Consider and approve the investment for business expansion and the joint investment with other entrepreneurs.
6. Responsible for the preparation of financial reports, allow the Company's auditor to examine and / or review and propose to the Audit Committee.
7. Appoint the Executive Committee and determine the scope of authorities and responsibilities of the Executive Committee.

The director or other person who has or may have any conflict of interest or any other conflict with the Company is determined to have no right to vote on that matter.

In addition, in the following cases, the approval by the Board of Directors and the shareholders' meeting must be agreed by votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote.

- Sales or transfers the entire or significant part of business of the Company.

- Acquires or receives of other companies's businesses or a private company 's business to the Company
- Makes, modifies or terminates contracts relating to renting all or part of the Company's business, assigning other persons to manage the Company's business or merging the business with other people under the objective of profit and loss sharing.
- Amends of memorandum of association or regulations
- Increases, reductions of capital, debenture issuance, merges or dissolutions.

At every annual general meeting of shareholders, one-third (1/3) of Directors shall retire by rotation. If the number of Directors is not divisible by three, then the number nearest to one-third (1/3) shall retire by rotation. In this regard, directors to retire by rotation in the first and second years after the registration of the Company shall be determined by drawing lots. In subsequent years, directors who have served the longest term of office shall retire by rotation. The Directors retiring by rotation may be reappointed.

Further information is provided in the Charter of the Board of Director annexed.

Additionally, in consideration and approval or giving comments on the meeting agenda, the Board of Directors has established the policy on minimum quorum during the Board of Directors' resolutions that at least two-thirds of the total number of directors are compulsory.

Scope of duties and responsibilities of the Chairman of the Board

1. Call for the meetings of the Board of Directors, act as the chairman of the Board of Directors and shareholders' meetings as well as have a role in jointly determining the meeting agenda with Managing Director and ensure that important matters have been included in the agenda.
2. Play a role in leading and controlling the meeting to be effective according to the Company's regulations including stipulated by laws as well as support and give opportunities to each director to independently express their opinions.
3. Support and encourage the Board of Directors to perform their duties with the best effort according to the scope of authorities, duties and responsibilities as well as promote an ethical corporate culture and good corporate governance.

4. Supervise, monitor and ensure that the Board of Directors and other sub-committees effectively perform their duties by achieving the Company's objectives and main targets and complying with the Charter as prescribed.
 5. Supervise the use of policies and strategic operational guidelines of the management as well as provide suggestions and support the operations of the management, without engaging in the Company's routine management.
 6. Cast a final vote in the event that the voting result in the meeting of the Board of Directors is tied.
 7. Encourage the sufficient time allocation for the management in proposing matters and enough that the directors will carefully and thoroughly discuss important issues, encourage directors to exercise their prudent discretion and independently express opinions.
 8. Strengthen and manage a good relations between executive directors and non-executive directors and between the Board of Directors and management.
4. Supervise, contact, direct and implement as well as sign in the juristic act, contract, order document, notification or any letters used to contact other agencies or individuals in order to achieve the efficiency and effectiveness of the company's operations.
 5. Supervise employees and workers as well as assign, appoint, remove, postpone, reduce, deduct salaries or wages, conduct disciplinary punishment as well as leave the position in accordance with the rules, regulations or orders set by the Board of Directors and / or the Company.
 6. Have the power to delegate sub-authority and / or assign others to perform specific tasks instead by assigning the sub-authority and/or such assignment to be under the scope of authority in the power of attorney and / or in accordance with the rules, regulations or orders set by the Board of Directors and / or the Company.
 7. Be the leader and behave as a good model according to the company's ethics and business ethics.

However, the use of the power of the Managing Director as mentioned above cannot be done if the Managing Director has a conflict of interest or may have a conflict of interest in any manner with the Company in using such power.

Scope of duties and responsibilities of the Managing Director

The Board of Directors assigned Managing Director to be the leader in managing and administrating the Company under the scope of authorities and duties as follows:

1. Manage the Company's business in accordance with the objectives, regulations, policies, rules, requirements, orders, and resolutions of the Board of Directors 'meeting and/or resolutions of the shareholders' meeting of the Company.
2. Effectively and efficiently operate or perform according to the policy, plan and budgets approved by the Board of Directors.
3. Prepare and deliver the Company's business policies including plans and budgets to the Board of Directors for approval and report the progress according to the plan and budget approved by the Board of Directors on a regular basis every time that the Board of Directors' meeting is held.

ECF has established a guideline for corporate governance policy that Managing Director should devote his/her time to effectively perform the duties for utmost benefit of the Company; therefore, the Company has established the policy to prohibit Managing Director from holding the position of managing director in other listed companies, except for temporarily holding the position of managing director in any of ECF's subsidiaries or associated companies at the beginning phase of business establishment for maximum 3 years. However, in the event of a longer period of position holding, the Board of Directors' meeting must be notified and explained for further consideration and approval.

The Board of Directors, Board of Executives and Managing Director have been granted approval authority to be exercised in accordance with the scope stipulated and specified in the Company's documentation on approval authority.

Determining the authority to approve important credit limits are as follows;

Subject	Board of Directors	Executive Directors	Managing Director
1. Investment budget concerned with core business such as investment in warehouse construction, real estate, or land purchase, that is related to or for use with the current core business or a business in which the Company has already invested in a subsidiary, associated company ^{1/} **Additionally consider the details of credit line in this part in accordance with the full version of Operational Guide – Approval Authority again**	Exceeding the limit of Baht 50,000,000	Not exceeding the limit of Baht 50,000,000	Not exceeding the limit of Baht 20,000,000
2. The first investment in a new business or cancel the investment during the fiscal year 1/	Approval of the investment amount or cancel the investment by accumulating the entire fiscal year per business/project more than 1.5% compared to the size of the assets of the Company according to the consolidated financial statements	Approval of the investment amount or cancel the investment by accumulating the entire fiscal year per business/project more than 0.5% but not more than 1.5% compared to the size of the assets of the Company according to the consolidated financial statements	Approval of the investment amount or cancel the investment by accumulating the entire fiscal year per business/project not more than 0.5% compared to the size of the assets of the Company according to the consolidated financial statements
3. The Company's credit line for the issuance and offering of debt securities, applying a loan with individuals, applying a loan with financial institutions, both short-term and long-term, per time **Additionally consider the details of credit line in this part in accordance with the full version of Operational Guide – Approval Authority again**	Exceeding the limit of Baht 200,000,000	Not exceeding the limit of Baht 200,000,000	
4. Sale of assets under real estate category ^{2/}	Exceeding the limit of Baht 40,000,000	Not exceeding the limit of Baht 40,000,000	Not exceeding the limit of Baht 10,000,000
5. Approval of the purchase of maintenance parts	Exceeding the limit of Baht 30,000,000	Not exceeding the limit of Baht 30,000,000	Not exceeding the limit of Baht 10,000,000
6. Approval of the purchase of office equipment and materials	Exceeding the limit of Baht 20,000,000	Not exceeding the limit of Baht 10,000,000	Not exceeding the limit of Baht 5,000,000

Remarks:

^{1/} Please consider the compliance with the asset acquisition transaction criteria according to the relevant rules and/or notifications of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). Moreover, this clause shall apply to the subsidiary in which the company has the power to control the business and consolidated financial statements are also prepared.

^{2/} Please consider the compliance with the asset acquisition/disposal transaction criteria according to the relevant rules and/or notifications of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) importantly.

7.3 Information of Sub-committees

At present, the Company has five (5) sub-committees including the Audit Committee, Executive Committee, Risk Management Committee, Nomination Committee and Remuneration Committee, the scope of authorities, duties and responsibilities of each sub-committee has been established to reflect the assignments made by the Board of Directors to assist in the Company's corporate governance, screen the information, and express opinions to the Board of Directors with following details:

7.3.1 Information of each sub-committee

1. Audit Committee

Scope of duties and responsibilities of the Audit Committee

1. Review to ensure that the Company and its subsidiaries have accurate financial reporting and disclose adequately.
2. The Audit Committee has the power to consider, select, and propose to appoint an independent person to act as the Company's certified auditor and determine the remuneration of the Company's auditor including attending a meeting with the auditor without the management team at least once a year including the proposal to dismiss the external auditor as well.
3. Review for the Company and its subsidiaries have internal control systems (Internal Control) and internal audit systems (Internal Audit) that are appropriate and effective and consider the independence of the internal audit unit as well as to approve the appointment, transfer, and dismissal of the Head of Internal Audit or any other agency responsible for internal audit.
4. Review the Company's operation to comply with the law on securities and the Stock Exchange of Thailand's requirements and other laws related to the Company's business.
5. Consider connected transactions or transactions that may have conflicts of interest throughout the asset acquisition or disposition of the Company and its subsidiaries to comply with the laws and regulations of the Stock Exchange of Thailand and ensure that such transactions are reasonable and in the best interests of the Company.
6. Prepare the report of the Audit Committee by disclosing in the Company's 56-1 One Report, such report must be signed by the Chairman of the Audit Committee and must contain at least following information:
 - (A) Opinions about the accuracy, completeness and reliability of the Company's financial reports.
 - (B) Opinions on the adequacy of the Company's internal control system.
 - (C) Opinions on the compliance with the Securities and Exchange Act, requirements of the Stock Exchange of Thailand or laws related to the Company's business.
 - (D) Opinions on the suitability of the auditor.
 - (E) Opinions on the transactions that may have conflicts of interest.
 - (F) The number of the Audit Committee meetings and the attendance of each member of the Audit Committee.
 - (G) The overall opinions or observations obtained by the Audit Committee from performing their duties in accordance with the Charter of the Audit Committee.
 - (H) Other particulars that shareholders and general investors should know under the scope of duties and responsibilities assigned by the Board of Directors.
7. The Audit Committee has the power to appoint the Secretary of the Audit Committee to assist the Audit Committee's operation.
8. The Audit Committee has the authority to seek independent opinions from any other professional advisors when deemed necessary at the expense of the Company. The hiring process is in accordance with the Company's rules and regulations and the Audit Committee has the power to request information from various departments of the Company and its subsidiaries for further consideration in various matters.
9. Perform any other acts as assigned by the Board of Directors and agreed by the Audit Committee.
10. In performing the duties of the Audit Committee, in case of finding or suspecting that there are transactions or actions that may have a material impact on the financial position and operating results of the Company, the Audit Committee has to report to the Board of Directors to make improvements by the Company within the time that the Audit Committee deems appropriate. The types of items or actions that must be reported include the following topics:

1. The transactions that cause conflicts of interest.
2. Corruption or something unusual or there is a major defect in the internal control system.
3. Violation of Securities and Exchange Laws, the Stock Exchange of Thailand's requirements or laws related to the Company's business, If the Audit Committee has reported to the Board of Directors about things that have a significant impact on the financial position performance and had discussions with the Board of Directors and executives about the necessity to make improvement, when until the end of the specified time and the Audit Committee finds that the remedial action has been neglected without any appropriate reason, any member of the Audit Committee is able to report the findings to the Securities and Exchange Commission and/or the Stock Exchange of Thailand.
7. In terms of corporate governance, meetings must be held as necessary and appropriate at least once a year and the conclusion of the meeting must be reported to the Board of Directors.
8. Report to the Board of Directors regarding the Company's good corporate governance practices by giving opinions on guidelines and suggestions to improve as appropriate.
9. Report to the Board of Directors when found a practice that does not comply with the business ethics policy and related practices, anti-corruption Policy, and guidelines of personal data protection policy (PDPA) and stipulate penalties to be presented to the Board of Directors.
10. Prepare a report summarizing the performance and corporate governance which will be compiled in the Company's annual report (Form 56-1 One Report).
11. Perform any other duties as assigned by the Board of Directors in relation to corporate governance.

Scope of duties and responsibilities in terms of corporate governance

1. Prepare corporate governance policy, anti-corruption policy, sustainability policy, and related practices including business ethics and good corporate governance guidelines proposed to the Board of Directors.
2. Review the relevant policies at least once a year to be continual, current, and in line with international guidelines and recommendations of the Corporate Governance Department and its allies, Securities and Exchange Commission, and related government agencies.
3. Supervise the performance of executives and employees to be in accordance with the relevant policies about good corporate governance practices, related practices of the Securities and Exchange Commission including anti-corruption measures.
4. Supervise the appointment of departments or suitable personnel to supervise and monitor the implementation of anti-corruption measures of the Company.
5. Supervise the training of executives and employees to educate about business ethics and related practices, anti-corruption policy, and guidelines about privacy policy (PDPA).
6. Review and evaluate the implementation of the policies with directors and management.

The Audit Committee serves for the term of three (3) years, based on the term of office of the Company's directorship, shall regularly meet at least four (4) times per year, and report to the Board of Directors.

2. Executive Committee

Scope of duties and responsibilities of the Executive Committee

1. Have the power to direct, plan and determine the Company's policies and operational strategies in accordance with the economic conditions and competitive conditions to propose to the Board of Directors for approval.
2. Control and supervise the Company's business operation to be in accordance with the policy or business plan including business strategies approved or prescribed by the Board of Directors.
3. Propose the investment plans and/or raise the Company's funds for the consideration and approval by the Board of Directors and / or the shareholders' meeting, as the case may be.
4. Determine the Company's policies, business plans and business strategies under the scope of objectives.
5. Approve the expenditure of investments as specified in the annual expenditure budget approved by the Board of Directors. or according to the resolution of the Board of Directors for its principle.

6. Have the power to purchase, sell, supply, rent, rent purchase, hold, possess, improve, utilize or otherwise manage any property, including investment as the plan approved by the Board of Directors.
7. Have the authority to approve the purchase of assets or payment of any price due to the Company's operations in accordance with the contract and / or agreed with the partner, with details according to the approval authority diagram as prescribed by the Board of Directors.
8. Within the amount authorized by the Board of Directors, the Executive Committee has the authority to approve the purchase, procurement, lease, rent purchase of any property, as well as the investment power and payment of any expenses necessary for the Company's operations, with details according to the approval authority diagram as prescribed by the Board of Directors.
9. Within the amount authorized by the Board of Directors, the Executive Committee has the authority to approve loans, overdraft from the bank, juristic person, or any other financial institution for the Company's benefit in business operations, with details according to the approval authority diagram as prescribed by the Board of Directors.
10. Have the power to consider and determine employee's welfare in accordance with the economic situation and status.
11. Perform other tasks to support the above actions or as assigned by the Board of Directors each time.

The assignment of powers, duties and responsibilities of the Executive Committee as mentioned above will not include the authority and/or assignment of sub-authority for the approval of any items that themselves or the person assigned of sub-authority or the person who may have conflicts (as defined in the Notification of the Capital Market Supervisory Board) has a conflict of interest or other benefits with the Company. The approval of such transactions must be proposed to the meeting of the Board of Directors and / or the shareholders' meeting. (As the case may be) to consider and approve such transactions according to the Company's regulations or related laws.

The approval authorization of the Executive Committee is in accordance with the scope as determined and mentioned in the documented approval authority of the Company.

By setting the authority to approve important credit lines; the details are as shown in Section 7.2.3

3. Risk Management Committee

Scope of duties and responsibilities of the Risk Management Committee

1. Perform in accordance with the risk management policy set by the Board of Directors, conduct risk assessment, guidelines for systematic risk prevention and monitoring in the furniture industry business to reduce the opportunities that the organization will cause damages to an acceptable level, focusing on creating a risk management culture in the organization.
2. Supervise and support the success of risk management by focusing on increasing the importance and taking risks into account in each factor in order to make appropriate decisions.
3. Consider the Company's major risks that are in line with the Company's business such as investment, finance, security, legal, and regulations by giving suggestions on how to prevent and mitigate risks to ensure that the risk is at the acceptable level (Risk Appetite) and the deviation of the acceptable level of risk (Risk Tolerance) along with monitoring and evaluation. Moreover, continually improve operational plans to reduce risks and make them appropriate to the business conditions that occurred at that time.
4. Report on risk assessment supervision results and operations to reduce risks to the Board of Directors to know regularly. If there is an important matter that may affect the Company significantly, it must be reported to the Board of Directors to consider as soon as possible.
5. Setting a working group as deemed proper.
6. Operating any others that the Board of Directors assigns

The Risk Management Committee has a term of office of 3 years or a term of office according to the term of the Company's directorship. And The meeting will hold at least 2 times a year and report to the Audit Committee and the Board of Directors for acknowledgement.

4. Nomination Committee

Scope of duties and responsibilities of the Nomination Committee

1. Select persons who deserve to be nominated as new directors or recruit Managing Director by determining principles or recruitment and selection methods with criteria and transparency and propose to the meeting of the Board of Directors and / or the shareholders' meeting for consideration and approval.
2. Continuously prepare a training development plan related to the duties of directors and knowledge related to the Company's business to the Company's Board of Directors and top executives to increase the potential of the Company's Board of Directors and executives.
3. Prepare the development plan for Managing Director and top executives (Succession Plan) to prepare potential persons to be able to succeed in the event that Managing Director or top executives retires, resigns or is unable to perform their duties.
4. Perform other tasks as assigned by the Board of Directors.

The Audit Committee serves for the term of three (3) years, based on the term of office of the Company's directorship, shall regularly meet at least two (2) times per year, and report to the Board of Directors.

5. Remuneration Committee

Scope of duties and responsibilities of the Remuneration Committee

1. Remuneration Committee will propose a compensation policy, form, and criteria of remuneration payment for directors and Managing Director, to make the form and criteria for remuneration payment appropriate, followings shall be implemented:
 - 1.1 Review the appropriateness of the criteria currently used.
 - 1.2 Consider the information of remuneration payment in other companies that are in the same industry for comparing the suitability.
 - 1.3 Determine the criteria to be appropriate to achieve the expected results to be fair and to reward the people who help the Company's work successfully.

- 1.4 Review all types of compensation forms by considering the amount and proportion of compensation for each form to be appropriate.

- 1.5 Consider the remuneration payment according to the criteria set by the authorities or related recommendations.

2. Evaluate the Managing Director's performance and present it to the Board of Directors for consideration and approval.
3. Consider and determine the annual remuneration of directors and Managing Director
4. Perform other tasks as assigned by the Board of Directors

The Remuneration Committee serves for the term of three (3) years, based on the term of office of the Company's directorship, shall regularly meet at least two (2) times per year, and report to the Board of Directors.

Further information is provided in the sub-committee charter as detailed in the attachment.

7.3.2 List of each committee

1. Audit Committee

As of 31 December 2023, The Company has three Audit Committee members consisting of

1. Assoc. Prof. Dr. Montree Socratyanurak
Chairman of the Audit Committee and
Independent Director
2. General Terdsak Marom
Audit Committee Member and
Independent Director
3. Assoc.Prof. Songklod Jarusombat
Audit Committee Member and
Independent Director

Miss Pimrumpai Boonchana is the secretary of the Audit Committee.

Note: The audit committee member who has knowledge and experience in reviewing the reliability of financial statements is Assoc. Prof. Dr. Montree Socratyanurak. As for his experience in reviewing financial statements, Assoc. Prof. Dr. Montree currently holds the position of Chairman of the Audit Committee in two other listed companies, as well as having held the position of Chairman of the Audit Committee in several other companies in the past as well.

2. Executive Committee

As of 31 December 2023, The Company has 3 Executive Committee members consisting of:

1. Mr. Wanlop Suksawad
Chairman of Executive Committee
2. Mr. Kittiphat Suksawad
Executive Committee Member
3. Mr. Pacharatanapong Suksawad
Executive Committee Member

3. Risk Management Committee

As of 31 December 2023, The Company has four Risk Management Committee members consisting of:

1. Assoc. Prof. Dr. Montree Socratyanurak
Chairman of Risk Management Committee and Independent Director
2. Assoc. Prof. Songklod Jarusombat
Risk Management Committee Member and Independent Director
3. Mr. Kittiphat Suksawad
Risk Management Committee Member
4. Mr. Pacharatanapong Suksawad
Risk Management Committee Member

4. Nomination Committee

As of 31 December 2023, the company appointed 3 Nomination Committee members as follows:

1. Assoc. Prof. Songklod Jarusombat
Chairman of the Nomination Committee and Independent Director
2. Mr. Kittiphat Suksawad
Nomination Committee Member
3. Mr. Pacharatanapong Suksawad
Nomination Committee Member

5. Remuneration Committee

As of 31 December 2023, The company appointed 3 Remuneration Committee members as follows.

1. Assoc. Prof. Dr. Montree Socratyanurak
Chairman of Remuneration Committee and Independent Director
2. Mr. Kittiphat Suksawad
Remuneration Committee Member
3. Mr. Pacharatanapong Suksawad
Remuneration Committee Member

7.4 Information of the Management

The Company's Management includes the top management and top four (4) executives after the top management, consisting of people with knowledge, abilities, skills and experience, as the persons implementing the Company's policies in accordance with the goals, objectives and strategies assigned by the Board of Directors.

7.4.1 List and position of management

As of 31 December 2023, there are six directors as the names are shown below:

1. Mr. Pacharatanapong Suksawad
Managing Director
2. Mr. Attaphol Tanaphol
Assistant Managing Director (Head Office)
3. Ms. Supak Toaphonganan
Assistant Managing Director (Branch 1)
4. Mr. Poramedcharapol Chinnuwat
Assistant Managing Director (Branch 2)
5. Ms. Pachanan Singphu
Assistant Managing Director and Acting of Accounting and Financial Director

Please consider the Organization Chart in Section 7.1 for supporting information, further details is provided in Attachment 1: Details of Directors, Executives and Persons with Control Power, Persons assigned to have direct responsibility in overseeing accounting, for learning about the knowledge, competencies, skills and experience of each executive of the Company.

7.4.2 Remuneration Policy and Criteria for Managing Director and Executives

In order that the remuneration structure can be used as an incentive for the Managing Director and top management to perform their duties in compliance with the main objectives and goals of the Company and consistent with the Company's long-term benefits, the Board of Directors has therefore placed the rules and scope of authorities, duties and responsibilities of the Remuneration Committee in terms of consideration on the appropriateness of salary, short-term remuneration scheme such as bonus, as well as the consideration on deeking for the long-term remuneration scheme such as giving shares or warrants of the Company, etc., the consideration on the comparison of the remunerations set by the Company with the level of remunerations to be paid by business group with same size, same type or similar performance, etc., including the

consideration on actual duty performance of Managing Director in respective year.

Regarding the policy and forms of remuneration for senior management, the Remuneration Committee shall consider and give opinions on the reasonableness and appropriateness of remuneration to be paid to the management, provided that a policy to determine the remuneration is based on the Company's performance, both short term and long term, individual performance to be considered on the performance indicators including financial indicator, business growth rate, revenue, net profit from operations, workflow development indicator, risk management, personnel development, the scope of responsibilities and the Company's competitiveness.

7.4.3 Total amount of managing director and executive compensation.

Compensation in monetary form

Remuneration for Executives	Year 2021		Year 2022		Year 2023	
	No. of Persons (Persons)	Amount (Baht)	No. of Persons (Persons)	Amount (Baht)	No. of Persons (Persons)	Amount (Baht)
Salary	8	14,206,360	8	14,724,360	8	13,317,090
Bonus	8	1,543,030	8	1,991,515	-	-
Provident Fund	8	34,200	8	442,542	8	555,787
Total	8	15,783,590	8	17,158,417	8	13,872,877

Note: Contributions to the provident fund started to increase in 2022 because during the year 2020 - 2021, there was a waiver of deductions to contribute to the provident fund due to the outbreak of COVID-19.

In case that the revisions of additional compensations to the Company's Board of directors and / or executives are not parts of their salaries, wages, benefits, pension, bonus which value more than 1,000,000 Baht for each person/ year, the revision must be brought to a meeting indicating the needs of the additional compensations. The revisions must be reasonable and can be verified as reasonable. For example, by assigning an official vehicle; all expenses involved such as monthly payments and a driver's wages that are worth more than 1,000,000 Baht (for each person / year) must be brought to a meeting for verification and approval by the Audit Committee.

Compensation other than monetary

- None -

7.5 Information about employees

No. of Employees (excluding the management team)

The number of the Company and subsidiaries' employees in the past 3 years (during 2021— 2023) as shown below.

Employee Category	As of 31 December 2021	As of 31 December 2022	As of 31 December 2023
	No. of persons	No. of persons	No. of persons
Full time employees	202	207	349
1. Management	12	11	7
2. Marketing	42	28	42
3. Factory/Production	63	85	92
4. Accounting and Finance	20	20	20
5. Purchasing	10	10	13
6. HR/Admin	36	33	81
7. Store/Warehouse	7	8	84
8. Delivery / Export	7	7	6
9. IT	5	5	4
Part time employees (daily)	954	838	958
Total	1,156	1,045	1,307

Note: In the year 2023, the company has daily employees, approximately 73.30 percent of the total number of employees. Among these, there are employees in the factory/production department who are foreign workers, accounting for 95.30 percent of the total number of daily employees.

In the past year 2023, the number of the company's workforce was appropriate for business operations and there was no risk of labor shortages in important departments. The meaningful change in the number of employees during 2023 was due to the increase in production capacity following additional orders. However, the Company still determines the policy to focus on using more machinery in the production line than before, which can be seen from the value of machinery currently being installed that has increased over the past year so that we can prepare to reduce the impact and manage risks from labor shortages and wages possibly increase in the future.

Remuneration for Staff and Employees and type of compensation

Unit : Baht	Year 2021	Year 2022	Year 2023
Salary, Bonus and Provident Fund for full time employees	81,001,327	71,911,660	72,809,359
Wage for part time employees	181,114,497	142,694,090	174,150,922
Seminar attendance fee	48,500	55,375	51,789
Total	262,164,324	214,661,125	247,012,069

Note: The Board of Directors' Meeting No. 4/2555 held on September 25, 2012, approved the establishment of the provident fund, which the Company completed the establishment on 20 November 2012.

Information about provident funds as of 31 December 2023

Company name / Subsidiary	with/without provident fund	Number of employees attending (person)	Proportion of employees attending to total employees (percent)
East Coast Furnitech Public Company Limited	Yes	81	39.13
VV-D&cor Company Limited	None	None	None
ECF Holdings Company Limited	None	None	None
ECF Power Company Limited	None	None	None
Planet Board Company Limited	None	None	None
SOMEWA Plaza Company Limited	None	None	None
V V RICH Company Limited	None	None	None
ECF Design Company Limited	None	None	None

Note: At present, Planet Board Company Limited, SOMEWA Plaza Company Limited, V V RICH Company Limited and ECF Design Company Limited do not have any commercial income.

In addition, the Company has a policy to consider and select the Provident Fund Manager to reflect the importance of investment management, based on the Investment Governance Code (I Code) because the provident fund is considered as a retirement savings fund for employees; therefore, the Company places the importance on the selection of fund manager who complies with the I Code and responsibly manage the investments, taking into account environmental, social and good governance factors, because it is an investment approach leading to the best benefit in long term for the fund members who are the Company's employees.

The Company has a policy to consider remuneration for employees and workers both in the short term and long term. In case of short-term remuneration, the Company will mainly consider the growth rate of annual performance, and then consider the increasing of remuneration rate to cover the inflation rate in each year and finally consider the increasing rate for individual based on the level of perseverance, intention, dedication, and ability to perform. And the results of work that occur by considering the results of the assessment according to the performance assessment standards that the company set a direction subsequently.

In case of long-term remuneration, the Company will consider the opportunities for employee's career advancement by using the internal evaluation form that is set to be appropriate and complied with the performance indicators of each department as the indicators of employee performance. (individual's Performance) for evaluating the performance and determining the remuneration for executives and employees based on their performance, consisting of 4 areas: Finance, Development & improvement of internal processes to be more efficient, and learning & development. In terms of remuneration for employees, the Board of Directors will consider corporate success in line with economic conditions and compare it to other companies in the same industry. Every year, the Company will provide long-term service award or remuneration to employees who

continuously work with the Company for a long time up to 10 years, 15 years, 20 years and more than 20 years, to create morale for employees who are dedicated to their duties and continuously loyal to the organization.

7.6 Other information

7.6.1 List of persons who are directly responsible for accounting supervision company secretary Head of Internal Audit or internal auditors hired from outside.

The person who is assigned to be directly responsible for the supervision of accounting.

Miss Pachanan Singphu is the person assigned directly responsible for the supervision of the Company's accounting.

The qualifications of those who are assigned to take direct responsibility in supervising accounting as appeared in Attachment 1.

Company Secretary

Miss Sarisa Thongkittikul is ECF's Company Secretary according to Section 89/15 of the Public Limited Companies Act B.E. 2535 and the Public Limited Companies Act B.E. 2551 (No. 4) and is a knowledgeable person with a degree in economics, finance, management, as well as attended a financial advisory training course organized by the Investment Banking Club, Association of Thai Securities Companies, and the Company Secretary Program, Class CSP 110/2020 organized by the Thai Institute of Directors Association (IOD), to perform duties and responsibilities as follows:

1. To basically advise the Board of Directors regarding the related laws, rules and regulations, the Company's Articles of Associations and ensure that the Board of Directors comply with such laws as well as report all significant changes in relevant laws, rules, and regulations to the Board of Directors.

2. To coordinate between the Board of Directors and executive management in the relevant laws, rules, and regulations.
3. To organize the Board of Directors' meeting, the annual general meeting of shareholders, as required by laws.
4. To record the minutes of the said meetings, as well as to monitor the relevant parties to efficiently comply with the said resolutions of those meetings.
5. To disclose to the shareholders and other related parties according to the rules and regulations stipulated by the SEC and SET, and to prepare a policy on good corporate governance of the Company.
6. To be "Contact Person" with all relevant regulatory authorities; SEC, SET and TSD.
7. To take care and keep in custody of important documents, such as
 - Register of Directors
 - Notice and minutes of the Board of Directors' Meeting
 - Notice and minutes of the Shareholders' Meeting
 - The Register of major Shareholders, Register of Directors and Executives
 - Reports of conflicts of interest filed by directors and the management
 - Annual Registration Statement (Form 56-1) / Annual Report
8. To perform other tasks as assigned by the Board of Directors and the Capital Market Supervisory Board including other relevant regulatory agencies announced.

In addition, should the Company Secretary be unable to perform her duty, the Board of Directors shall appoint a new Company Secretary within 90 days after the position is vacant. The Board of Directors is authorized to appoint a director to resume the work during that period.

The qualifications of the Company Secretary are provided in Attachment 1.

Head of Internal Audit or internal auditors hired from outside.

For implementation of the internal control system of the Company, the Company set up the Audit Committee to review in order to ensure the appropriate, adequate and efficient internal control and internal audit system of the Company. The Audit Committee shall coordinate with the auditor, internal auditor, and executives of the Company to review adequacy of internal control system and work system of the associated company for duty performance of the Company in accordance with Securities and Exchange Law, Requirements of the Stock Exchange of Thailand, and laws relating to the Company's business operation.

The Company has established the Internal Audit Unit to perform duties in the Company and report the results of internal audits in the meeting with the Audit Committee, members of the Internal Audit Unit include Miss Pimrumpai Boonchana together with the external party which is ACC-PLUS Consultants Co., Ltd., that is hired by the Company, and Miss Wanna Maluangnon (Managing Director, ACC-PLUS Consultants Co., Ltd.) acts as the Chief of Internal Audit Unit. to perform the duties of auditing and preparing internal control audit system of the Company to enhance check and balance of every department's duty performance. The Company has commenced the hire of ACC-PLUS Consultant Co., Ltd. since Q3 of 2011.

In addition, the Audit Committee also gave an opinion that the Audit Committee has supervised the person holding the position of Internal Audit Supervisor to have the appropriate educational background, experience and training that are sufficient for the performance of such function.

The qualifications of the Internal Audit Head or Internal Auditors to be hired from outside are provided in Attachment 3.

7.6.2 Investor Relations

Miss Sarisa Thongkittikul

contact information.

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7.6.3 Auditor's Remuneration Auditing Office and affiliated.

The Company has the remuneration for the auditor, auditing office and affiliated of the Company and subsidiaries as following details:

1. Audit Fee

In 2023, the Company hired Mr. Akkadej Pliansakul, certified public accountant registration No. 5389 from M.R. & ASSOCIATES Co., Ltd. to be the auditor of the Company and its subsidiaries for 2023. The annual auditor fee is 3,070,000 Baht (Three Million Seventy Thousand Baht only).

In 2023, the Auditor of the Company, Mr. Akadet Pliensakul, certified public accountant registration No. 5389 from M.R. & ASSOCIATES Co., Ltd., has been approved by Securities and Exchange Commission (SEC) has independence and no relationship or gains and loss between the auditor/the Company/its Subsidiaries / the major shareholders / the executives as well as people concerned with such individuals

2. Non-Audit Service

-None-

The total amount of auditor's remuneration Auditing Office and and affiliated was 3,070,000 Baht (Three Million Seventy Thousand Baht only).

7.6.4 The Company's Compliance Unit

At present, Miss Pimrumpai Boonchana, Compliance Unit, is taking on supervising ECF's operations with following responsibilities:

1. Develop the Audit Plan in compliance with the law, rules and regulations of government agencies or regulators related to business operations or the Company's operation, including Code of Conduct and the annual anti-corruption measures.
2. Oversee and review to ensure that the Company has correctly complied with laws, requirements of the Stock Exchange of Thailand or the regulations of government agencies.
3. Give legal opinions to the Board of Directors and the management to ensure that the Company's business operations comply with the law, requirements of SET or regulations of government agencies, and follow up with the management to suspend any transaction or any act that may violate such laws, requirements, or regulations.
4. Review the evidence in case of suspicion that there are any transactions or acts that may violate the laws or the requirements of the Stock Exchange of Thailand or regulations of government agencies which significantly affect or may significantly affect the Company's financial position and performance.
5. Coordinate with the Internal Audit Head and the Internal Audit Committee to review or jointly seek guidelines to enable the Company to have the proper and effective internal control and internal audit systems.
6. Participate in determining and advising on the suitability of the Company's operating procedures to ensure that the policies, guidelines, rules, or codes of conduct required by law are properly complied with.
7. Be a center for collecting and disseminating information, as well as providing knowledge and advice to internal functions on how to perform tasks in compliance with the laws, regulations and rules that must be performed.
8. Assess the risks arising from changes in laws and regulations that may impact on the Company's operating guidelines and seek ways to avoid the impacts.



8. REPORT OF KEY PERFORMANCE ON CORPORATE GOVERNANCE

8.1 Summary on the Performance of the Board of Directors in Previous Year

In the year 2023, the Board of Directors' Meeting No.1/2023 held on 28 February 2023, had a resolution to consider and review the Company's Vision, Mission, Objective, Operational strategy, Corporate values and Long-term target according to the details of the 2023 Corporate Governance Policy and the intent of the Board of Directors. towards the sustainable development goals for the year 2023 of East Coast Furnitech Public Company Limited for the year 2023. The committee had the Initiative policy, participated in expressing comments on the policy and made a resolution to approve the corporate governance policy in writing. The policy is being specified based on the principles of good corporate governance in accordance with the relevant rules or guidelines proposed by the regulatory agencies to strengthen the transparency of the business operations at all levels, including operational employees, executives, and the Board of Directors, as a tool for potential and competitiveness enhancement, and to foster sustainable growth to bring long-term benefits to all stakeholders for the whole business chain. The Board of Directors will consider and review the Company's corporate governance policy to consistently meet the standards and guidelines of good corporate governance.

By the intention of the Board of Directors towards the goals of sustainable development, including goals that will begin operations that are consistent with the context of the company to show the company's commitment in terms of development for sustainability. Currently, the Company has set up a working committee evidently so that they can operate according to the sustainability development plan of the Company which consists of

- Setting targets for reducing greenhouse gas emissions
- Preparing to start collecting data. and the year in which data is expected
- Energy management methods and how to manage water and electricity within the organization

The preliminary operational guidelines have been discussed with those responsible for taking care of the factory and will begin concrete operations in 2023 onwards.

In addition, in previous year, the Board of Directors played a role in considering the investments, restructuring and operations of the Company Group. Restructuring the operations of the Company Group will be in line with the vision of business operation that aims to mitigate risk, including the effects that may occur, and create opportunities to create growth and sustainability for the organization.

In 2023, the Company has reviewed the risk management policy and plan for the Company's executives and employees to be used in responding and operating their duties under critical situations or events that may prevent the organization from continuous operations, or may affect the overall operational result and the Company's performance, to enable the Company to continuously and effectively operate, syetematize, minimize the impact of damage or loss that may occur for efficient and systematic performance. In addition, the Risk Management Committee shall report to the Board of Directors about the consideration of risk factors that may occur to the Company's business operations, including the proposal of continuous risk prevention guidelines. The Board has also considered and reviewed the sustainability management policies and goals, taking into account the alignment with business directions and strategies under the objective "Leading to the Company's sustainable development and growth with social and environmental responsibility and good corporate governance" to reflect the intention and commitment to drive the business by taking into account the issues of corporate governance, as well as environmental and social issues including giving the importance on the respect for human rights as a guideline for operations and creation of understanding among all stakeholders.

The Company has placed importance on the internal control system, both at the executive and operational levels, to achieve the efficiency and effectiveness in all levels of operation. At the Board of Directors Meeting No. 1/2023 dated 28 February 2023, all members of the Audit Committee attended the meeting and assessed the adequacy of the Company's internal control system based on the Form "Adequacy Assessment of the Internal Control System, consisting of 5 areas including: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities. The Audit Committee's opinion is the Company has the appropriate and adequate internal control system regarding transactions with major shareholders, directors, executives or those related to such persons for the Company's business operations.

The objectives of internal control system audit are to promote the management system, internal control, reports of results and good corporate governance, to increase transparency and build the confidence of all shareholders and all stakeholders, with the extend covering testing and evaluation to ensure as appropriate about the adequacy and efficiency of the internal control system existing in the Company, and evaluate the quality of performance in each working system, taking into account the business risks that may arise upon current business environment

The Audit Committee expressed the opinion that the Company has an appropriate and adequate internal control system, including transactions with major shareholders, directors, executives, or persons related to them as regularly and continuously considered and agreed according to the accounting period. The meetings of the Audit Committee presented by the management are appropriate and sufficient for the Company's business operations.

8.1.1 Nomination, Development and Evaluation of the Board of Directors' Performance

Nomination and Appointment of Directors and Top Management

In each year, the Nomination Committee comprising 3 members including 1 Chairman of the Nomination Committee who is an independent director and 2 directors, shall be responsible for selecting the Company's directors by following the criteria of new director selection before proposing the name list to the Board of Directors' meeting and the Nomination Committee shall provide opinions. The persons proposed in the name list of Directors must be fully qualified according to the Public Company Limited Act B.E. 2535 (1992), the Notifications of the Securities and Exchange Commission and the Capital Market Supervisory Board, and the relevant notifications of the Stock Exchange of Thailand, as well as the database of the Director Pool from the Thai Institute of Directors (IOD) must be used as a supporting information for the selection of new directors. The persons proposed in the name list must be knowledgeable, competent, dedicated and have skills and experience in the management of main business and other businesses invested by the Company. In addition, the process of director selection must be in accordance with the Company's business strategies, for example, the Company has increased its investment in Energy Business, the Nomination Committee has therefore considered and selected new directors with qualifications, experience, knowledge and expertise in energy to enhance the potential for the overall of the Board of Directors, or nominated directors with knowledge, ability and experience in accounting and finance and additional investments to support the projects of the Board of Directors, etc.

(1) Independent Directors/the Audit Committee

The Company's Independent Directors / Members of the Audit Committee must be the Company's directors who are appointed by the Board of Directors and approved by the Company's shareholders and have qualifications as required by the Securities and Exchange Act, the Notifications, regulations and / or regulations of the Stock Exchange of Thailand, requiring at least 3 members. At least 1 member of the Audit Committee must be knowledgeable in accounting and finance and be an independent director according to the definition of the Company's independent directors.

The independent directors according to the above qualifications may be assigned by the Board of Directors to decide on the operation of the Company, the parent company, subsidiaries, joint ventures, subsidiaries in the same level, major shareholders or regulator, the decision is made in the form of a Collective Decision.

Qualifications of the members of the Audit Committee

- Appointed by the Company's Board of Directors or the shareholders' meeting to be a member of the Audit Committee

- Qualified as an independent director in accordance with the rules prescribed by the SEC Office and rules deemed appropriate by the Company.
- Not being a director assigned by the Board of Directors to decide on the operations of the Company, the parent company, subsidiaries, joint ventures, subsidiaries in the same level, major shareholders or regulator
- Not being a director of the listed parent company, listed subsidiaries, listed joint ventures, listed subsidiaries in the same level.
- Consider the term of office of independent directors, in case of re-appointment, the term of office counted from the date of first appointment as an independent director should not be over 9 years in total, considering reasonableness and necessity.
- Have sufficient knowledge and experience to be able to act as a Member of the Audit Committee, at least one member of the Audit Committee must have sufficient knowledge and experience to be able to review the reliability of the financial statements.
- Have duties in the same manner as specified in the Notification of the Stock Exchange of Thailand regarding the qualifications and scope of work of the Audit Committee.

(2) Directors and top executives

Directors

In considering and selecting directors, the Nomination Committee will consider and nominate as following criteria:

1. Consider and nominate in accordance with the qualification as stipulated in Section 68 of the Public Company Limited Act, B.E. 2535 (1992) and relevant notifications issued by SEC and SET.
2. In case of a former director to be reelected to hold the position of director, his/her performance during his/her office shall be evaluated and the number of listed companies in which he/she holds a position of director shall be considered, there should not be more than 5 listed companies so as to prevent problem of work efficiency.
3. After completing the selection, a name list of selected persons shall be submitted in the meeting of the Board of Directors for consideration and proposal in the shareholders' meeting for approval and appointment.
4. At every Annual General Meeting of Shareholders, one-third of the directors shall retire by rotation. If the number of directors is indivisible by three, the one nearest to one-third shall apply. Directors due to retire by rotation in the first and second anniversary of Company registration shall be determined by drawing lots. For subsequent years, those directors being in office the longest shall vacate his office. However, the directors who retire by rotation may be re-elected to resume their directorship.
5. In the shareholders' meeting, the vote for appointing a director shall follow the criteria and method below:
 - 5.1 Shareholders have voting power equivalent to their shares.
 - 5.2 Shareholders shall use their voting power as mentioned in 5.1 to elect only one or several candidates, but have no right to unequally allocate their voting power to selected candidates.
 - 5.3 The candidates having highest votes shall be appointed respectively according to number of directors required. In the case where the candidates have equal votes and the equal ranks exceed the number of directors required, the Chairman of the meeting shall cast a final vote.
6. If the position of director becomes vacant due to the reason other than the termination of regular terms, the Board of Director with the resolution agreed by at least three-fourth shareholders' votes shall nominate an individual whose qualification is in accordance with the law with be as a director in the next meeting. If the remaining term is less than two months, the directors who take the vacant position shall be in the position only within the remaining term.

Top management

The Board of Directors has assigned the Nomination Committee to be responsible for considering criteria and procedures for nominating qualified persons to hold the position of Managing Director based on knowledge, skills, experience related to the core business of the Company, management experience, working dedication, characteristics, image and management vision necessary to drive the organization towards the target, good relationships with individuals or organizations, good morals and ethics, understanding in the principles of Sustainability Development. In addition, he/she must be qualified in accordance with the regulations of the regulatory authorities and relevant laws as an important part for consideration criteria and method.

The performance related to the nomination and appointment of directors and top management in previous year

Performance of nomination and appointment of directors

The Company applies a nomination method of directors and top executive through the Nomination Committee. For the performance of director nomination and appointment in previous year, the Nomination Committee Meeting No. 1/2023 was held to consider and approve the proposed name list of directors to replace the directors who shall retire by rotation for the year 2023 and then proposed it to the Board of Directors' meeting for approval and shall propose it to the 2023 Annual General Meeting of Shareholders.

According to Public Limited Company Act B.E. 1992 (2535) and Clause 17 and 18 of Articles of Association of the Company, the main point could be summarized that in every Annual General Meeting of Shareholders, the directors vacate the offices for one-third of number of directors at that time. If number of directors cannot be divided identical to 3 portions, they shall vacate with the number nearest to one-third. The director who retires may be re-selected to return to assume the office again. The director who must vacate the office in the first year and the second year after the Company's registration shall draw lots. For the following years, the director who is in the office for the longest period is the one who vacates the office.

However, the Company made an announcement to invite the minor shareholders to propose the names of qualified candidates for the positions of the directors via the Stock Exchange of Thailand's media channel and also on the Company's web site (www.eastcoast.co.th) from October 31, 2022 — December 31, 2022 but there are no any minor shareholders proposing the names of qualified candidates to this Annual General Meeting of Shareholders.

Currently, the Board of Directors consists of 8 directors. Therefore, at the 2023 Annual General Meeting of Shareholders, one-third of the directors must vacate their office by rotation. There were 3 members of the Board of Directors who were due to retire by rotation. The resolution was proposed by the Nomination Committee as below:

1. General Terdsak Marom
2. Mr. Wanlop Suksawad
3. Mr. Chalee Suksawad

Opinions of the Nomination Committee, with the exception of the director who has conflicts of interest, considered that three directors include General Terdsak Marom, Mr. Wanlop Suksawad and Mr. Chalee Suksawad are qualified persons who meet all the requirements of the law including the rules and regulations as specified by the supervisory authorities. As well as being knowledgeable, competent, dedicated and well experienced in general administration, accounting and finance, and academic aspects concerning in furniture business which results in the benefit of the Company's business. The three retiring directors should be re-elected as Directors and also same positions for another term.

The Board of Director's Opinion: The nominated directors have been passed the thoughtfully and carefully scrutinizing process from the Board of Directors with the exception of the director who has conflicts of interest in this agenda and considered that with the approval from Nomination Committee has carefully scrutinized that the directors who retire by rotation have all the qualifications according to the Public Limited Companies Act, Securities and Exchange Act, the announcement of the Securities and Exchange Commission, Capital Market Supervisory Board and relevant notifications of the Stock Exchange of Thailand including being the competent persons with experience and expertise that would be beneficial for operation of the Company, having suitable qualifications for the Company's business operation and there are no directors having the executive positions in other businesses that may cause conflicts of interest or compete to the Company's business.

Moreover, all the time of being directors of the Company, they jointly supervised the enterprise strongly, devoted their time to attend the meeting, and participated to extremely express their beneficial opinions to the Company and shareholders. Furthermore, after considering the number of companies which the nominated directors have currently their positions, it is found that there is no nominated director having his position in other listed companies exceeding 5 companies, and in the part of proposing for appointment as an independent director, they will be able to express their opinion independently and in accordance with the relevant rules and regulations.

In addition, General Terdsak Marom will serve as an independent director for over 9 years if re-elected this time. (Holding the position of Independent Director of the Company since 26 October 2012) but the Board of Directors considered that he has performed his duties in accordance with the duties and responsibilities of Directors and Executives of the Securities and Exchange Act B.E. 2535 and possessed the qualifications of independent directors since taking the position as the Company's Director, has never had conflicts of interest and made decisions on various agendas for the best interest of the Company and shareholders. Therefore, the retention of competent independent directors with the Company, the more

benefits the Company would gain. The Board of Directors considered and viewed that the person to be nominated as an independent director has qualifications in accordance with the related laws regarding the requirements of independent director.

The method to allow shareholders to appoint each director is applied for the consideration and approval of the 2023 Annual General Meeting of Shareholders in case of the rights of retail investors in appointing directors, that director must be voted for majority votes of the shareholders who attended the Meeting and voted for the election of directors, the shareholders shall vote for the election of individual directors, whereby the shareholders cast all their votes to select nominated persons one by one.

The name list of independent directors and directors approved by the said shareholders' meeting consists of following names and positions:

- | | | |
|--------------------|----------|---|
| 1. General Terdsak | Marom | For the positions of the Chairman of the Board of Directors, Audit Committee and Independent Director |
| 2. Mr. Wanlop | Suksawad | For the positions of the Authorized Signatory Director and Chairman of the Executive Committee |
| 3. Mr. Chalee | Suksawad | For the positions of Vice President of the Board of Directors / Authorized Signatory Director / Nomination Committee/Remuneration Committee and Risk management Committee and Executive Committee |

In previous accounting period, there is no case that the Company's independent directors have a business relationship or professional service, or a person appointed as an independent director has or had a business relationship or professional service in a value exceeding the criteria prescribed in the Notification of the Capital Market Supervisory Board. Besides, the Company has several independent directors, not less than one-third of the total number of directors, and not less than 3 people. At present, the Company has a total of four independent directors, exceeding the requirement of the SEC Office and the Stock Exchange of Thailand.

The Company has a policy to determine the composition of the Board of Directors by using tools, the Board Competency Matrix, which is divided into 3 main topics used for consideration: Knowledge about the industry and experience related to the Company's business operations, Skills, experience and knowledge in various areas such as accounting, finance, law, etc., and Behavioral abilities such as teamwork, coordination, courage, etc. Based on above table, considering the overview of the Board of Directors, the composition of each director covers all topics by setting goals and indicators with a variety of skills, experiences, knowledge, and capabilities covering many areas in the structure of the Board of Directors.

In 2023, the Nomination Committee considered and had an opinion that the composition of the Board is appropriate and completely and sufficiently covers knowledge, experience, competence, and skills which are in line with the Company's business strategy, leading to the benefits and operational efficiency for the Board of Directors.

None of any director of the Company holds the directorship in more than 5 listed companies as stipulated by the corporate governance policy.

Performance of the nomination and appointment of top management

The Nomination Committee considered and appointed Mr. Pacharatanapong Suksawad (The original Name was Mr. Arak Suksawad) to be the Company's top executive or Managing Director due to his qualification in accordance with the rules set by the Company.

Development and Performance Evaluation of the Board of Directors

Development of Directors and Executives

Every Director of the Company meets the regulations of the Stock Exchange of Thailand. All 8 directors are knowledgeable, competent and pass the Director Accreditation Program (DAP) provided by Thai Institute of Directors: IOD). The training program is important for the roles and responsibilities of directors. We have set the policy for the Company Secretary to send the development training information to the members of the Board of Directors to enhance the work efficiency of directors. The director shall consider and choose to attend the trainings in which they are interested to enhance their knowledge.

Performance Evaluation of the Board of Directors and Managing Director

The Board of Directors has set the guidelines for evaluating the annual performance, the Board of Directors and sub-committees will evaluate their team performance at least once a year to allow the Board of Directors to jointly consider their works and problems in order to improve and make correction. Such performance evaluation will be conducted both in team and individual basis by applying the evaluation form for both team and individual, prepared by the Company Secretary. This form shall evaluate the Board of Directors and all sub-committees with the criteria for evaluation applied for both team and individual director as following main topics:

1. Evaluation on the structure and qualifications of the Board of Directors
2. Meetings of the Board of Directors
3. Roles, duties and responsibilities of the Board of Directors

Below details show the performance evaluation process in terms of team and individual:

- 1) The performance evaluation of the Board of Directors in terms of team and individual will be conducted at least once a year.
- 2) The Company Secretary will summarize and present the performance evaluation of the Board of Directors to the Nomination Committee for consideration on the evaluation results and guidelines for development and improvement of operational efficiency.
- 3) The Nomination Committee will propose the results and guidelines for improving the performance of the Board of Directors to the Board of Directors.

The Company has a policy to determine the composition of the Board of Directors by using tools, knowledge composition table, Board Competency Matrix, which divides the main topics used for consideration into 3 main topics: Industry knowledge and experience related to the Company's business operations, Skills, experience and knowledge in various fields such as accounting, finance, law, etc., and Behavioral competency such as teamwork, coordination, confidence, etc. In considering the said table and the overview of the Board of Directors, the compositions of each director shall be gathered and cover every topic, the Nomination Committee considers that the compositions of the Board of Directors are appropriate and completely and adequately cover the knowledge, experience, competencies, and skills, leading the benefits and efficiency to the performance of the Board of Directors.

The Board of Directors determines the performance targets of Managing Director and annually evaluates his/her performance by setting targets and criteria for evaluation that are connected to the strategic plan and annual plan to consider and determine the appropriate remuneration and incentive measures for Managing Director

In addition, the Company has arranged to evaluate the performance of Managing Director by assigning the directors who have no conflict of interest with Managing Director to annually evaluate the performance of Managing Director at least once a year, in each year, those directors will evaluate the performance of Managing Director in previous year in the terms of his/her performance progress that can achieve the targets and objectives as specified by the Company.

The Board of Directors has assigned the Remuneration Committee to set the remuneration policy for Managing Director according to the performance of Managing Director based on the performance evaluation summary of Managing Director prepared by all independent directors as a data for decision. The framework of remuneration policy for Managing Director will be at the same rate as the remuneration in the same industry group and the Committee will also compare the percentage of the Company's net profit in each year as another criteria for consideration. For the policy on the increase in each year will be considered significantly from operating results; the policy on the remuneration for Managing Director in the long term is currently in the process of considering and finding for further suitable guideline.

However, in the case of the remuneration for executive directors, at present, the structure and policy to determine the remuneration for executive directors to be appropriate and consistent with the type of business are studying and not yet finalized. Therefore, after being concluded, the Remuneration Committee will set the policy on the remuneration for executive directors and then propose to the Board of Directors' meeting for further consideration and approval.

Succession Plan

The Nomination Committee has considered and placed the policy about succession plan in order to be well prepared for the vacancy in any position, succession plan is arranged for the continuity of business efficiently. The succession plan is placed for many positions by setting persons with knowledge, competency and experience to continue to perform any vacant position or be promoted to higher position with following details:

1. Arrange the junior executive to co-work with the senior executive in his field and attend policy meeting from

top executives.

2. Identify those with the potential to assume greater responsibility in the organization to prepare them in higher position.
3. Determine the appointment of potential secondary level executives to be successors.
4. Provide opportunities to junior executives to be trained of the concept relating to the leadership, awareness of responsibilities and loyalty to the organization including the guideline of human resource management in the function he/she is in charge.
5. Develop the junior executives to present his plan and performance to top executives.

Managing Director will present to the meeting of the Nomination Committee to consider and acknowledge the guidelines and regularly report the result of succession plan to the Nomination Committee at least once a year. In the meeting of the Nomination Committee, a succession planning process has been put in place for consideration in this agenda as following details:

1. Determine criteria or qualifications of a successor of Managing Director.
 - a. Consider the challenges the Company must encounter in 5 — 10 years.
 - b. Identify the qualifications and skills required to meet those challenges.
 - c. Develop a candidate evaluation process based on established criteria.
2. Identify candidates who may qualify for succession.
 - a. The Board of Directors and Managing Director consider those who may be qualified for joint succession by condiering internal and external persons.
 - b. Assessment processes can be conducted in many methods:
 - i. Assess internal persons, such as assigning jobs of key positions, assigning to do special projects.
 - ii. Assess external persons, such as showing the organization's future vision and strategies.
3. Assess the abilities and potential of those who may qualify for the succession.
 - a. The Board and Managing Director assess the qualifications of each candidate or potential successor.
 - b. Jointly rate each candidate or potential successor.
 - c. Joint committee reviews the assessment and shares opinions.
 - i. Jointly summarize opinions on each candidate or potential successor.
 - ii. Consider the perspectives on different candidates or potential successors.
 - iii. Identify requiried qualifications of each candidate or potential successor for further consideration.
4. Prepare development plan
 - a. for self-preparation of potential successors.
 - b. for further assessment on succession readiness.
5. Review progress
 - a. Further evaluate and summarize the possibility of succession.
 - i. Identify developed candidate or successor data.
 - ii. Identify further improvements needed.
 - b. Actively enter into evaluation process to select the right person.

Performance related to the evaluation of directors and all sub-committees, and the development in previous year

The self-evaluation results of the Board of Directors and all sub-committees, in both team and individual basis for 2023 with average evaluation results based on full score of 100 percent as follows:

Unit: Percentage

Category	Team Evaluation Result	Individual Evaluation Result
1. The Board of Directors	100.00	99.69
2. Audit Committee	100.00	100.00
3. Risk Management Committee	100.00	100.00
4. Nomination Committee	100.00	100.00
5. Remuneration Committee	100.00	100.00

The Nomination Committee presented the results and guidelines for improving the performance of the Board of Directors to the Board of Directors, such as proposing guidelines to assign the secretariat of each sub-committee to present the efficiency development courses or training courses that are considered consistent, appropriate to develop skills, knowledge, abilities and relevant experiences for the Board of Directors and sub-committees.

The Result of Board Competency Matrix

No.**	Age	Genderr	Experience in Directorship (Year)	skill, expertise and work experience													Type			sub-committees				
				Furniture	Experience – General Administration	Accounting	financial	capital market	Merger & Acquisition	risk management	international business	Strategy development	Technology	Marketing	Law	corporate governance : CG	independent director	Non-Executive Director	Executive Director	Audit Committee	Risk Committee	Nomination Committee	Remuneration Committee	
1	87	M	36		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			
2	65	M	16		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
3	59	M	11	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
4	51	M	7		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
5	49	M	16		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
6	81	M	23	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>				
7	55	M	23	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
8	52	M	23	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

Note: No.**

1.General Terdsak Marom

5.Mr.Paiboon Aroonprasobsuk

2.Assoc.Prof.Dr.Montree Socatiyanuak

6.Mr.Wanlop Suksawad

3.Assoc.Prof.Songklod Jarusombat

7.Mr.Kittiphath Suksawad

4.Dr.Ekarin Vasanasong

8.Mr.Pacharatanapong Suksawad

In 2023, Managing Director's performance was evaluated by using the same performance appraisal form as used in 2022, the said appraisal form will be sent to all 5 independent directors/Non-executive director of the Company to assess, the topics for assessment consist of 3 categories:

Category 1: Progress of plan by specifying goals and status of each goal achievement.

Category 2: Performance measurement consists of

1. Leadership
2. Strategy Establishment
3. Compliance with Strategy
4. Planning and Financial Performance
5. Relationship with the Board of Directors
6. Relationship with External Parties
7. Management and Relationship with Personnel
8. Succession
9. Product and Service Knowledge
10. Personal Characteristics

Category 3: Development of Managing Director i.e. what are important strengths to be maintained by Managing Director? and What are the issues that Managing Director should be developed more in following year?

Data from the said assessment can be concluded as follows:

No.	Topic	Total Score	Average Score (Point)	Average Score (Percentage)
1	Leadership	60	59	98.67
2	Strategy Determination	60	59	97.83
3	Compliance with Strategy	60	60	99.50
4	Planning and Financial Performance	60	59	98.33
5	Relationship with the Board of Directors	60	60	100.00
6	Relationship with External Parties	50	50	99.60
7	Management and Relationship with Personnel	60	59	98.67
8	Succession	30	30	98.67
9	Product and Service Knowledge	40	40	99.50
10	Personal Characteristics	60	60	99.83
Total Score		540	535	99.06

The Remuneration Committee's meeting acknowledged the results of such assessment and gave opinion that the results were satisfactory, and notified Managing Director of issues that will help promote, develop, improve capabilities and strengths that should be maintained, and weaknesses that should be further improved for acknowledgment.

In addition, the Board of Directors has established guidelines to supervise the management and development of personnel. At present, the Company's directors represent 100% of the total number of directors or a total of 8 persons have completely passed training courses organized for directors, including Director Accreditation Program (DAP) organized by the Thai Institute of Directors.

During 2022, the Company's directors and executives who attended the trainings and study visits in various courses to increase knowledge and make use of it for the Company's business operations were as follows:

1. **Asso. Prof. Songklod Jarusombati, Chairman of the Nomination Committee, Member of the Audit Committee, Independent Director and Member of the Risk Management Committee attended training course and study visit as follows:**
 - Academic training on the topic Technology and management for the rubber wood industry and economic trees on May 22, 2023.
 - Lecturer to lecture and provide knowledge in the wood utilization course in Phrae Province on 25 May 2023.
 - Circular Economy Seminar Increase new business opportunities in the wood business industry) on July 21, 2023.

2. Dr. Ekarin Vasanassong, Non-Executive Director, attended training course and study visit as follows:

- EEC course on Smart City development organized by AEC Academy on 5 May 2023
- Advanced Audit Committee Program (AACP) course, class 48/2023, organized by the Thai Institute of Directors Association (IOD) on 15 May 2023.
- Seminar on the topic of Robot in Service Business at the 1001 Innotech event at Paragon Hall Siam Paragon on 28 May 2023.
- Seminar on the topic of Robot Application in Hotel Business at Andaman Hotelier, organized by the Southern Thai Hotels Association on June 17, 2023.

3. Miss Sarisa Thongkittikul, Company Secretary and investor relations attended training courses as follows:

- ISO 9001 : 2015 Awareness and Requirement course organized by The Best ISO on 13 September 2023.
- Internal Audit to Complied with ISO 19011 : 2018 for ISO 9001 : 2015 course organized by The Best ISO on 10 November 2023.
- ISO 9001 : 2015 Pre-Audit course organized by The Best ISO on December 13, 2023.

There are totally 2 directors out of 8 directors and the aforementioned top executives participating in training courses or seminars to increase operational knowledge according to the details above.

8.1.2 Meeting attendance and remuneration of individual committee

In 2023, the Company has set the schedule for the Board's meeting for the whole year of 2023 in advance, below table is subject to change, specifically, the meeting to certify financial statements according to the accounting period, as follows:

No.	Audit Committee Meeting	Board Meeting
1	28 February 2023	28 February 2023
2	11 May 2023	11 May 2023
3	14 August 2023	14 August 2023
4	14 November 2023	14 November 2023

At least 4 meetings must be held, in 2023, 7 meetings were held due to the duties and responsibilities of the Board of Directors in accordance with the goals and policies of the business growth, and to ensure thorough monitoring and supervision of operations, covering functions within the organization for appropriate responsibility to the shareholders. In each meeting, the Chairman of the Board will allow the directors, including the management at the meeting, to have the opportunity to propose or give opinions on issues that are beneficial to the Company at the meeting. In addition, Managing Director is also encouraged to consider and select high-level executives to attend the Board of Directors' meetings for presenting information and details of operations and for providing opportunities to high-level executives to continuously develop themselves as the future successors.

The Company Secretary Department will notify and send the agenda of the Board of Directors' meeting along with meeting documents at least 7 days in advance of the meeting date, to enable the directors to manage time for meeting attendance, and data preparation to consider or inquire in each agenda in advance.

The Board of Directors has a policy of holding meetings for non-executive directors so that they have opportunities to meet among themselves as necessary, discuss issues without the attendance of the management, suggest and notify Managing Director of the meeting results, in 2023, the Company held 1 meeting on 14 December 2023. The management acknowledged the conclusion of that meeting with important topics as follows: Many non-executive directors has praised the management of executive team for their determination to adapt themselves to keep up with the situations and negative factors that may recently affect the operations such as war, higher oil prices, cost of living, higher inflation affecting cost and expenses of production and administration. In addition, even if there was a situation of fire accident in the second quarter of 2023 the executives and management team could solve the problem promptly and maintain the sales volume satisfactory. In this

regard, the result came from following up closely on the risk management from the management team and the Company has risk management guidelines are satisfying.

In addition, the Board of Directors has also participated in holding the 2023 Annual General Meeting of Shareholders which is pre-scheduled on 20 April 2023; however, in 2023, none of Extraordinary General Meeting of Shareholders was held.

The information regarding the number of the Board's meetings, the number of attendance of each director for the Board of Directors' meetings during 2021 - 2023 and the annual general meeting of shareholders, is as follows:

Board of Directors

Name of Directors	2021		2022		2023		Percentage of attendance
	Number of meeting	Number of attendance	Number of meeting	Number of attendance	Number of meeting	Number of attendance	
1. General Terdsak Marom	8	8	9	9	8	8	100.00
2. Assoc.Prof.Dr. Montree Socratyanurak	8	8	9	9	8	8	100.00
3. Assoc. Prof. Songklod Jarusombat	8	8	9	9	8	8	100.00
4. Dr. Ekarin Vasanasong	8	8	9	9	8	8	100.00
5. Mr. Kittiphat Suksawad	8	8	8	8	7	7	100.00
6. Mr. Wanlop Suksawad	8	8	8	7	7	6	85.70
7. Mr. Pacharatanapong Suksawad	8	8	8	8	7	7	100.00
8. Mr.Paiboon Aroon-prasobsuk	8	8	9	9	8	8	100.00

Note: In 2022 - 2023, the independent committee had a number of meetings than the executive directors one time because there was one more meeting for independent/non-executive committees in the past year. In this regard, the executive directors comprise Mr.Wanlop Suksawad, Mr.Kittiphat Suksawad (The previous name is Mr.Chalee Suksawad) and Mr.Pacharatanapong Suksawad (The previous name is Mr.Arak Suksawad).

Below shows the details of remuneration for the Company's directors and each sub-committee in 2021 - 2023, paid by the Company, but without the remuneration of the directors paid by the subsidiaries; however, the Company's independent directors shall not receive any remuneration from the Company, subsidiaries or subsidiaries in the same level.

1) Compensation in monetary form

In the 2023 Annual General Meeting of Shareholders held on 20 April, 2023, the meeting approved and determined the 2023 remuneration for directors as follow:

1. Monthly Compensation:

- Chairman of the Board 44,000 Baht per month
- Directors 34,000 Baht per month
- Chairman of the Audit Committee 39,000 Baht per month
- Audit Committee Members 34,000 Baht per month

This has been increased from 2021 and 2022 by another amount of 5,000 baht per month.

2. Meeting Allowance for Board of Directors and all sub committees: THB 12,000 / person / time (The same as compared to 2022) consisting of all committees as follows;

1. Board of Directors
2. Audit Committee
3. Risk Management Committee
4. Nomination Committee
5. Remuneration Committee

3. Bonus or Incentive: Consider from overall operational performance
4. Other types of remuneration are travel allowance, annual health check-up, health insurance, membership fee for golf club, sport club, or member club and warrant of Employee Stock Options (ESOP): - none-

The company approved and determined the remuneration for the directors amounted to not more than THB 9,000,000 increased which is the same remuneration rate as the year 2018 to 2023.

Note: As Corporate Governance Policy, the Company has set out and control the director and senior executive remuneration except salary and meeting allowance as above detail or as approved at the board's meeting. In the case of other remunerations over 1,000,000 Baht/person/year, it must be proposed to the Audit Committee's meeting for approval and declared the reason for such remuneration payment.

In 2022 and 2023, the Company paid remuneration to the Company's directors, and each sub-committee amounting to 5.78 million baht and 5.87 million baht, respectively, as a percentage when compared to the company's sales revenue equal to 0.41% and 0.43%, respectively, an increase of 0.02% compared to the Company's sales revenue.

Board's Remuneration and all sub-committees for the year 2021 — 2023 as shown below.

Board of Directors

Unit : Baht

Name	Year 2021			Year 2022			Year 2023		
	Salary and Bonus	Meeting Allowance	Total	Salary and Bonus	Meeting Allowance	Total	Salary and Bonus	Meeting Allowance	Total
1. General Terdsak Marom	648,000	72,000	720,000	648,000	105,000	753,000	528,000	96,000	624,000
2. Assoc.Prof.Dr. Montree Socratyanurak	528,000	72,000	600,000	528,000	105,000	633,000	408,000	96,000	504,000
3. Assoc. Prof. Songklod Jarusombat	438,000	72,000	510,000	438,000	105,000	543,000	408,000	96,000	504,000
4. Dr. Ekarin Vasanasong	438,000	72,000	510,000	438,000	105,000	543,000	408,000	96,000	504,000
5. Mr.Kittiphat Suksawad	348,000	72,000	420,000	348,000	93,000	441,000	408,000	96,000	504,000
6. Mr. Wanlop Suksawad	348,000	72,000	420,000	348,000	81,000	429,000	408,000	84,000	492,000
7. Mr.Pacharatapanong Suksawad	348,000	72,000	420,000	348,000	93,000	441,000	408,000	96,000	504,000
8. Mr.Paiboon Aroonprasob-suk	438,000	72,000	510,000	438,000	105,000	543,000	408,000	96,000	504,000
Total	3,534,000	576,000	4,110,000	3,534,000	792,000	4,326,000	3,384,000	756,000	4,140,000

Total :

- Mr.Kittiphat Suksawad has changed his name from Mr.Chalee Suksawad to Mr.Kittiphat Suksawad on October 10, 2023.
- Mr.Pacharatapanong Suksawad has changed his name from Mr.Arak Suksawad to Mr.Pacharatapanong Suksawad on October 2, 2023.

Audit Committee

Name	Year 2021				Year 2022				Year 2023			
	Salary	Meeting Allowance	Bonus	Total	Salary	Meeting Allowance	Bonus	Total	Salary	Meeting Allowance	Bonus	Total
1. Assoc.Prof.Dr. Montree Soca-tiyanurak	408,000	36,000	None	444,000	408,000	45,000	None	453,000	468,000	48,000	None	516,000
2. General Terdsak Marom	348,000	36,000	None	384,000	348,000	45,000	None	393,000	408,000	48,000	None	456,000
3. Assoc. Prof. Songklod Jarusombat	348,000	36,000	None	384,000	348,000	45,000	None	393,000	408,000	48,000	None	456,000
Total	1,104,000	108,000	None	1,212,000	1,104,000	135,000	None	1,239,000	1,284,000	144,000	None	1,428,000

Risk Management Committee

Name	Year 2021	Year 2022	Year 2023
	Meeting Allowance	Meeting Allowance	Meeting Allowance
1. Assoc.Prof.Dr. Montree Socratyanurak	18,000	24,000	24,000
2. Assoc. Prof. Songklod Jarusombat	18,000	24,000	24,000
3. Mr.Kittiphat Suksawad	18,000	24,000	24,000
3. Mr.Kittiphat Suksawad	18,000	24,000	24,000
Total	72,000	96,000	96,000

Nomination Committee

Name	Year 2021	Year 2022	Year 2023
	Meeting Allowance	Meeting Allowance	Meeting Allowance
1. Assoc. Prof. Songklod Jarusombat	18,000	21,000	24,000
2. Mr.Kittiphat Suksawad	18,000	21,000	24,000
3. Mr.Pacharatanapong Suksawad	18,000	21,000	24,000
Total	54,000	63,000	72,000

Remuneration Committee

Name	Year 2021	Year 2022	Year 2023
	Meeting Allowance	Meeting Allowance	Meeting Allowance
1.Assoc.Prof. Dr. Montree Socratyanurak	18,000	18,000	24,000
2. Mr.Kittiphat Suksawad	18,000	18,000	24,000
3. Mr.Pacharatanapong Suksawad	18,000	18,000	24,000
Total	54,000	54,000	72,000

8.1.3 Oversight of Subsidiaries and Associated Companies

The Board of Directors has applied a supervisory mechanism to enable them to control, supervise, manage and be responsible for the operations of the subsidiaries, and associated companies. At present, there are 7 subsidiaries and associated companies as follows:

Subsidiaries

1. VV Decor Company Limited in which the Company holds 99.95% of total shares
2. ECF Holdings Company Limited in which the Company holds 94.44% of total shares
3. ECF Power Company Limited in which the Company holds 99.99% of total shares
4. Planet Board Company Limited in which the Company holds 57.00% of total shares
5. SOMEWA Plaza Company Limited in which the Company holds 75.00% of total shares
6. V V RICH Company Limited in which the Company holds 99.97% of total shares
7. ECF Design Company Limited in which the Company holds 50.99 of total shares

Associated Company

1. Green Earth Power (Thailand) Co., Ltd. (GEP) in which the Company holds 20% of total shares

For maintaining the benefits of the Company's investment, the Company assigned persons to be the Company's representatives to serve as the director and Managing Director in the subsidiaries, and the director in the associated company. The scope of authorities and duties of directors and managing director in the subsidiaries shall be same as the scope of authorities and duties of directors and managing director of the Company, the Company representatives acting as directors in the subsidiaries and associated company shall take part in the formulation of policies that are important to the business operations, such as management, investment, etc.

The Company has assigned 3 directors to be the directors in subsidiaries No. 1 to 7 and 2 director to be the director in the associated company. In previous year, there was none of connected transaction with the size requiring the consideration and approval from the Audit Committee and the Board of Directors.

The Board of Directors has established the policies to supervise the operations of subsidiaries and associated companies, which can be divided into 3 main areas including: Management supervision policy, and financial control policy for the subsidiaries, associated company and the providing policy of shareholder agreement, as details stated in Section 1. Corporate Governance Policy, Practical Principle 3.6 and Practical Guideline 3.6, as follows:

The Board of Directors has set up a policy to supervise the operations of subsidiaries and joint ventures, which is divided into 3 (Three) main parts as follows:

1. Policy on management

- In terms of nominating persons to be directors in subsidiaries and joint ventures, the Company will send the person approved by the Board of Directors to be directors and executives in the subsidiaries and associate companies with minimum proportion according to the Company's shareholding in that subsidiaries and associated company. The director and executive to be nominated are required to have qualifications, roles, duties and responsibilities according to relevant laws and regulations.
- The directors and executives appointed according to the approval of the Board of Directors's meeting hold positions in the subsidiaries and associates have scope of main duties and responsibilities as determined by the Board of Directors and / or the shareholders' meeting of the subsidiaries or associated company. However, the appointed directors and executives must have a duty to oversee and maintain the Company's benefits and supervise to be consistent with the policy of the parent company.
- The Company's directors must ensure that the subsidiaries and joint ventures have adequate and appropriate internal control systems to prevent any fraud that may occur to the subsidiaries, joint ventures, as well as to control the subsidiaries, joint ventures to have a clear system to show that the system is adequate to continuously and reliably disclose important transaction information in accordance with the prescribed criteria. The Company's directors and executives are provided of channel to receive information for using in monitoring, supervising the performance and financial status, transactions between subsidiaries, joint ventures and directors including the management of subsidiaries, joint ventures and significant transactions with efficiency. In addition, the internal system audit team will be appointed or an external audit will be hired to audit the internal control system and the internal control system audit will be advised to report the result to the Board of Directors of subsidiaries and associated companies.
- Directors and executives of the subsidiaries that operate the core business must disclose and submit the information of their own interests and related persons to the Board of Directors to know the relationship and transactions with the Company in a manner that may cause conflicts of interest and must avoid the transactions that may cause conflicts of interest with the Company or subsidiaries. The Board of Directors of the subsidiaries has a duty to notify such matters to the Company's Board of Directors within the time specified by the Company in order to provide information for consideration or approval of any matter. The consideration will mainly take into account the common benefits of the Company and subsidiaries, including the compliance with laws, rules and regulations as stipulated by relevant regulators. However, the directors of the subsidiaries must not participate in approving any agenda in which they have gain and loss, or may have direct and indirect conflict of interest as well.
- The transactions between subsidiaries and directors, management or persons who may have conflicts of interest, must be considered and applied of rules for making connected transactions as required by the regulators.

- Directors, executives or persons who may have conflicts of interest will make the transactions with subsidiaries only when such loss transactions have been approved by the Company's Board of Directors without the attendance of directors who have gain and loss or the Company's shareholders' meeting based on the size of transactions to be calculated. (as the case may be). The calculation of the transactions will be applied of criteria specified in the Notification of the Capital Market Supervisory Board and the Notification of the Board of the Stock Exchange of Thailand under the Notification of Connected Transaction Rules and / or any additional amendments currently enforced, unless it is a transaction of trade agreement in the same manner that a reasonable person should do with a general contract party in the same situation, with the bargaining power of trade that has no influence of being a director, executives or persons who may be related, as the case may be, and is a trade agreement approved by the Board of Directors or according to the principles approved by the Company's Board of Directors.
 - The directors, executives, employees, employees or assignees of subsidiaries and joint ventures including their spouse or those who are living together as husband, wife, and underage children of such persons are prohibited to use the inside information of the Company and subsidiaries or associated company, either derived from the act of their duties or in any other way, that have or may have a significant impact on the Company, subsidiaries or associated company or the price of the Company's securities, for their own interest and other interests, whether directly or indirectly and whether or not they receive a return.
 - The Board of Directors of subsidiaries, joint ventures must supervise the disclosure of other important information, such as capital increase, capital reduction, dissolution of the subsidiaries, etc. in order to inform the Board of Directors' meeting.
2. Policy to control the finance of subsidiaries and joint ventures
- The subsidiaries and joint ventures have a duty to deliver monthly, quarterly and annually operating results, financial statements (reviewed version and audited version) as well as information used in the preparation of such financial statements of subsidiaries and joint ventures to the Company, and the Company is allowed to use such information for the purpose of preparing consolidated financial statements or recognizing in accordance with the equity method, as the case may be.
 - The subsidiaries and joint ventures are responsible for preparing budgets, spending, investments and operating results and a comparative summary between the expected numbers of budgets, spending, investments and operating results with the actual numbers and presenting the Board of Directors' meeting of the Company, subsidiaries and joint ventures to acknowledge and monitor the performance to be in accordance with the plan in order to report to the Company.
 - The subsidiaries and joint ventures have a duty to report significant financial issues to the Company when they are detected or requested by the Company to conduct audits and reports.
3. The policy on contracting between shareholders (Shareholders' Agreement) or other forms of contracts that are substantially similar, the Board of Directors will ensure that such agreements are executed. In case of significant investment in other businesses with a shareholding proportion of 20% of voting rights but not over 50% to specify a clear agreement on management power and participation in important decisions, performance monitoring to be used as information in preparing the Company's financial statements in accordance with the standards and timely manner.

The Company has invested in the associated company namely Green Earth Power (Thailand) Co., Ltd. (GEP), through one of subsidiaries namely ECF Power Co., Ltd. which holds 20% of total shares of GEP. There is an agreement between shareholders with following key conditions:

1. GEP and GEP-Myanmar have a dividend payment policy of 90% of net profit after Mandatory Prepayment (MPP) in the ratio of 50% and the annual expense adjustments in that year.
2. After GEP is preparing itself to become a listed company in the Stock Exchange of Thailand, and an independent director has been appointed to the Board's structure of GEP, ECF-Power shall be entitled to nominate 1 director to hold the office until completing one year after the Commercial Operation Date (COD) of Phase No. 1 — 4 is completed, or when ECF-Power sells all its shares to other persons (whichever happens first)
3. In the event that the seller wishes to sell shares in GEP to another investor, ECF-Power has the right to order the seller to simultaneously sell ECF-Power shares to the said investor under the same agreement (Tag Along Right).
4. If any shareholder in GEP wishes to sell shares to outsiders, the Right of First Refusal shall be applied to grant rights of share purchase to all other shareholders first. Each shareholder can transfer shares to affiliated companies without the consent of other shareholders.

5. Until completing one year after the Commercial Operation Date (COD) of Phase No. 1 — 4 is completed, the Company shall maintain its control over the company by: 1) the total shareholding ratio of Mr. Chalee Suksawad, Mr. Arak Suksawad, and Miss Tippawan Suksawad, shall not be less than 25% of total shares, and their status of Single Largest Shareholder must be maintained; and 2. The Company shall have the control power over ECF-Power, either directly or indirectly.
6. ECF-Power is entitled to object (Veto) for reserved matters with details as specified in the Shareholder Agreement.
7. ECF-Power is required to follow the condition of Non-Competition in Myanmar, stipulating that ECF-Power hereby certifies that the Company Group shall not fully or partially invest with other parties, including on their own behalf or appoint any representative for the management or investment in any solar power plant business in Myanmar, unless obtaining written consent from other shareholders upon conditions specified in the agreement among shareholders first.

8.1.4 Monitoring to ensure the compliance with corporate governance policies and practices

The Company has placed the importance on the good corporate governance, determining the relevant policies and practices in the Company's corporate governance policy and business ethics, as well as promoting the actual practice to make all groups of stakeholders confident.

The Company monitored to ensure the compliance with good corporate governance covering anti-corruption, ECF has joined the Thai Private Sector Collective Action Against Corruption (CAC) project by declaring its intention to join Collective Action Coalition of Thai private sector, and already submitted the application to the Thai Institute of Directors (IOD) which is the secretary general of the project committee in 2021. Later, in 2022, the Board of Directors has supervised and followed up on the submission of documents for certification to be completed within the specified time, the Company completely prepared the anti-corruption policy and the corruption risk management manual, and also prepared a self-assessment form to create the anti-corruption system, submitted documents to IOD to enter the certification process. ECF has been announced as one of the companies certified under Collective Action Coalition of Thailand's private sector on 30 December 2022.

The Company has prepared the risk management policy and plan for the Company's executives and employees to be used in responding and operating their duties under critical situations or events that may prevent the organization from continuous operations, or may affect the overall operational result and the Company's performance, to enable the Company to continuously and effectively operate, minimize the impact of damage or loss that may occur for efficient and systematic performance. The Risk Management Committee has added the new topic on the information technology risk management to supervise the management in the preparation and awareness of concrete risk prevention guidelines.

The Company also surveyed on human rights by providing customers and employees with questionnaire in order to find and assess the practical guideline that shall not violate the human rights of the Company's customers and employees. If any defect is found, the Company shall continue to find practical guideline for prevention and improvement to ensure the completeness in all issues.

In addition, the Company reviewed and improved the sustainability management policy, taking into account its alignment with business directions and strategies under the objective "Leading to the Company's sustainable development and growth with social and environmental responsibility and good corporate governance", as further details disclosed in Section 1, Topic 3, Driving Business for Sustainability.

For other important issues, the Company has monitored to ensure the compliance with the good corporate governance with following 4 issues:

1. Prevention from Conflict of Interest

The Board of Directors has established the policy to prohibit directors, executives and employees to not take the opportunity of being the Company's directors, executives or employees to seek for personal benefits. The policies and practical guideline are set out in the Company's Code of Conduct and details of monitoring to ensure the compliance with the said code.

For related transactions that may cause conflicts of interest by related transactions that may occur in the future. Directors must comply with various regulations that have been established and directors must not approve any transactions that they or persons who may have conflicts of interest in any other manner with the Company, and disclose such transactions, the Company must comply with the Securities and Exchange Act and the regulations, notifications, orders or requirements of the Stock Exchange of Thailand, and strictly comply with regulations relating to the disclosure of information on connected transactions and the acquisition or disposal of assets of the Company or subsidiaries and according to the accounting standards. In addition, the Company will not make related transactions with related companies that are not normal business operations of the Company and requires the directors to report their interests at least before considering the agenda of the Board's meeting, which will be recorded in the minutes of the Board's meeting. In the case that such director is unable to provide independent opinions, that director will be asked to refrain from participating in the meeting for considering that agenda.

In 2023, ECF reviewed the Report on Interest Form and data of persons who may have conflicts of interest for directors, executives, and controlling persons, and considered that now, the contents of this Report on Interest Form completely include all relevant data. The Company's directors and executives are required to annually report their own interests and those who may have conflicts of interest with the Company.

Regarding the connected transactions between the Company and persons who may have conflicts of interest in 2023, the Audit Committee reported their opinions to the Board of Directors that the connected transactions were reasonable, fair and at arm's length and the actual transactions are for the benefits of the Company, further information is provided in Topic 9 Internal Control and Related Transactions.

2. Use of Inside Information for Exploitation

The Company has taken care of the use of inside information in accordance with the law and the corporate governance policy prepared by the Company, the Insider Trading policy has been established and issued to protect the confidential information and information affecting the securities price, covering that the directors, executives, and employees related to confidential transactions, and employees of the Company and subsidiaries shall maintain the confidential information and/or inside information of the Company, not make a trading or accept the transfer of the Company's securities by exploiting the secret or inside information that has not yet been disclosed, be prohibited to buy or sell the Company's securities within the specified period, such as within 30 days before the disclosure and after the disclosure of such information through the system of the Stock Exchange of Thailand for not less than 24 hours, etc. The said policy shall be communicated across the organization for consistent understanding, to achieve the compliance. The said policy shall be announced and every employee has already signed the document to acknowledge and agree to comply with the policy.

In order to create a good practice, the Company shall require the supporting functions including: Company Secretary is responsible in always sending emails to remind directors, executives or persons with control power, staff or employees of the Company and its subsidiaries who are assumed to be a person who knows or possesses inside information and has to keep confidential and/or inside information of the Company and its subsidiaries, about the said guideline for at least 30 days prior to the date of the Board of Directors' meeting for approving the Company's financial statements.

In previous year, the Company's directors and executives had not purchased, sold, and transferred the Company's securities during the specified period of securities purchase, sale or transfer prohibition. In addition, if there is any transaction of purchase, sale, or transfer of securities of directors, executives, spouses, and minor children, the Company Secretary will collect and report to the Board of Directors' meeting on a quarterly basis when such transactions occur.

3. Anti-Corruption

The Company has placed importance on the improvement of internal management process to ensure the transparency in operations and verifiability, we always believe that doing business with honesty, integrity and accountability shall benefit the Company in gaining the trustfulness from customers, shareholders, and all groups of stakeholders. The Company has revised the anti-corruption policy in compliance with the Company's operational situation and has published the said policy through its website (www.eastcoast.co.th) and promoted to the Company's employees for acknowledgement. In addition, in previous year, the Company has participated in the Thai Private Sector Collective Action Against Corruption (CAC) Program and has been certified on 30 December 2022. The Company is communicating and publicizing the concept of anti-corruption to the Company's stakeholders by issuing letters to its business partners and customers to refrain from giving/receiving any compensation in forms of cash, things or gifts, as well as prohibit them to not receive/pay any bribes for the Company's business interests, and notify them the process allowing business partners and customers who are unfairly treated to complain and be resolved. In addition, all employees are continuously provided with meeting, training and communicated to acknowledge this anti-corruption policy and practices continuously. In the past, training has been conducted to review policies and practices. Such information is given to employees in all departments in Head Office, Klaeng District, Rayong Province, all permanent employees and Executives has been completely communicated and signed to acknowledge this anti-corruption policy and guidelines.

As for the actions to create a clear guideline, the Company has prepared a corruption risk management manual which has been considered and approved by the resolutions of the Risk Management Committee and the Board of Directors. The policy gives the details of duties and responsibilities, measures to determine the control environment, corruption risk assessment, mechanism for reporting incidents or whistleblowing punishment and remedy, review and revision of risk management manual, etc.

The Company has established the guideline for accepting complaints as well as whistleblowing about any offense or act appeared to be a misconduct and corruption of the Company's personnel against related persons and the Company that will cause any damage to the Company.

The Company's directors, executives and employees at all levels shall not neglect or ignore any act that are considered the corruption related to the Company, and shall notify the supervisor or the person in charge, as well as cooperate in the inspection and investigation of facts. In addition, the Company has also provided channels for receiving complaints from third parties.

The Company shall provide the employees who reject corruption or report the corruption with fairness and protection, they shall not be demoted, punished or provided of negative effects, and the Company shall keep the confidentiality of those involved in the investigation of any corruption act.

In 2023, the Company assessed the corruption risk and found that no corruption risk classified as a material risk to the business was found. The Company has established the guidelines for internal control systems for information system and documentation system with check and balance audit, including working processes to achieve supervision and control for prevention. In addition, previous corruption risks are monitored, or potential corruption risks are analyzed and assessed, then it was found that the internal control is adequate. In 2023, none of any complaint about corruption behaviors, illegal behaviors, corruption, unethical conduct of the Board of Directors, executives and employees which significantly affect in the Company were received.

4. Whistle Blowing

ECF has established the whistle blowing policy and procedure ("Policy") as a tool to enable ECF to receive complaints from both internal employees and external parties about corruption, infringement or non-compliance with laws, the Company's rules and regulations, and business ethics which may lead to damages to the Company's properties, image and reputation. This policy will be beneficial and may be further adjusted to be consistent and appropriate to the circumstances, such policy has stipulated the policy to protect and provide fairness to stakeholders and employees who report the information or are whistleblowers of corruption, infringement or non-compliance with laws, the Company's rules and regulations, and business ethics.

In 2023, ECF did not received any complaints of corruption, infringement or non-compliance with laws, the Company's rules and regulations, and business ethics, or there was no case of negative reputation of the Company due to the management of the Company's Board of Directors and executives, and there was no case where any director, including executive directors, non-executive directors, top executives resigned due to lack of good corporate governance policy or sufficient and appropriate internal control system. ECF has also none of any legal disputes regarding labor and related to business operations with all stakeholders.

8.2 Report on the Performance of the Audit Committee in Previous Year

8.2.1 Number of meetings and attendance of each member of the Audit Committee

Name of Members	Year 2021		Year 2022		Year 2023	
	Number of meeting	Number of attendance	Number of meeting	Number of attendance	Number of meeting	Number of attendance
1. General Terdsak Marom	4	4	4	4	4	4
2. Assoc.Prof.Dr. Montree Socatyanurak	4	4	4	4	4	4
3. Assoc. Prof. Songklod Jarusombat	4	4	4	4	4	4

8.2.2 Performance of the Audit Committee

The Company's Audit Committee consists of 3 independent directors who are knowledgeable, competent, and experience in specific fields, with full qualifications according to the regulations of the Stock Exchange of Thailand. They are independent in performing their duties in accordance with the Audit Committee Charter, as following namelist:

- | | | |
|-----------------------------|--------------|---|
| 1. Assoc. Prof. Dr. Montree | Socatyanurak | Chairman of the Audit Committee/ Independent Director |
| 2. General Terdsak | Marom | Audit Committee/ Independent Director |
| 3. Assoc. Prof. Songklod | Jarusombat | Audit Committee/ Independent Director |

In 2023, the Audit Committee held totally 4 meetings with the number of Audit Committee members attending as required to make a quorum. Other participants including the Certified Public Accountant, and internal control system auditors also attended every meeting with the Audit Committee, in order explain the facts, accounting audit results with evidence and information supporting the presentation in each quarter. Additionally, the Audit Committee invited the Company's executives to attend the meeting to share in clarification on some related issues which are important.

The Audit Committee strictly held the meetings in compliance with with the Audit Committee Charter approved by the Board of Directors, the results of each meeting have been reported in summary for their performance with the recommendations deemed useful for the management to the Board of Directors for acknowledgment, as following summary:

- Quarterly review the quarterly financial statements and annual financial statement for the year 2023 before proposing to the Board of Directors to ensure that the financial reports, accounting entries of the Company and its subsidiaries have been accurately and appropriately prepared according to the accounting standards and legal requirements, the information is adequately disclosed in the notes to the financial statements, as well as to consider quarterly analysis of financial statements on significant issues to ensure that the process of preparing financial statements and disclosing important information is accurate, reliable and in accordance with accounting standards based on generally accepted accounting principles. The Audit Committee is of the opinion that the Company's financial reports have been prepared in accordance with generally accepted accounting principles, are accurate as it should be reliable, and the use of accounting policy is reasonable.
- Review the adequacy of internal control system and internal audit system, the Audit Committee is of the opinion that both systems are effective and appropriate without significant faults, and the internal audit unit is independent, and simultaneously consider and approve the internal audit plan for the year 2023, which will be an audit and follow up on the amendments as previously suggested. For some additional improvements on some non-significant issues, the Audit Committee has set a time frame for the Company to complete the correction as soon as possible. In 2023, the key issues highly prioritized by the Audit Committee Under the situation of war, inflation, and economy, the cost of living and product prices have increased currently, which asks the management to follow up plan closely to manage various risks that may occur, such as managing the company's liquidity and various costs that are likely to increase. In addition, it is still a matter of following up on payment receipts and managing trade receivables that must find a way to reduce the debt collection period to less than before. Including various issues that the internal auditors have noted, please hurry, and find ways or means to complete the management process as soon as possible.
- In 2023, the Board of Directors considered and reviewed the Charter of the Audit Committee. This year, there were no additional amendments at all.
- Review the compliance with rules, regulations and policies in accordance with the Securities and Exchange Act, regulations of the Stock Exchange of Thailand, and laws related to the Company's business. The Audit Committee is of the opinion that the Company has properly complied with the laws.
- Review the connected transactions or transactions that may have conflicts of interest, the Audit Committee is of the opinion that the connected transactions are reasonable, fair and at arm's length, and for the benefit of the Company and comply with the rules and regulations of the SEC Office, the Stock Exchange of Thailand, and such transactions have been fully disclosed in the notes to the financial statements.
- Review the risk management, audit reports and assessment of the risk control system, as well as exchange opinions with senior management. The Company will hold at least 2 meetings per year to consider the risks that may occur in business operations.

In previous year, the Audit Committee considered that the Company's risk management system is adequate and no risk in any aspect that may has a significant impact on the Company's performance was appeared.

- The selection of accounting auditor has considered the performance of the auditors in previous year, taking into account independence, reputation, credibility, ability of review, audit and certification for financial statements, in which the auditor could consistently achieve in a timely manner. The Audit Committee agreed to propose to the Board of Directors for approval to propose in the shareholders' meeting. Mr. Akadet Pliensakul Certified Public Accountant Registration No. 5389 from M.R. & Associates Company Limited has been appointed as an independent auditor and approved by the Office of the Securities and Exchange Commission for the accounting year 2023, with the total remuneration not exceeding the amount requested for approval, in this year, the auditor will have a period of working as the Company's Auditor for 7 years in total.
- In 2023, all member of the Audit Committee had an opinion that the Audit Committee has sufficiently and completely performed its duties in accordance with the Audit Committee Charter.

For the Scope of Authority, Duties and Responsibilities in Corporate Governance

In 2023, the Audit Committee performed the duties in corporate governance with the attendance statistics and the number of meetings in line with the meetings of the Audit Committee.

The Audit Committee performs the duties in accordance with the Charter specified in accordance with the scope of authorities, duties and responsibilities in corporate governance by supervising the preparation and review of corporate governance policy, anti-corruption policy, sustainability policy, and related practices, including business ethics, ethics in conducting businesses and guidelines for good corporate governance to be proposed to the Board of Directors. The Audit Committee has also planned to review related policies at least once a year to ensure the continuity and up-to-date as required by the relevant regulatory authorities, supervised the communication, actually implemented the policies inside the organization, and supervised the appointment of appropriate functions or personnel to take care and monitor the actual implementation of policies and measures.

In the year 2023, the committee still emphasized that there would be a review and communication with the directors, executives, and employees of the company. To be informed through written signature on the policy document and various manuals that the company has provided.

8.3 SUMMARY OF PERFORMANCE OF OTHER SUB-COMMITTEES

8.3.1 Number of meetings and attendances of each sub-committee member

Risk Management Committee

Name of Members	Year 2021		Year 2022		Year 2023	
	Number of meeting	Number of attendance	Number of meeting	Number of attendance	Number of meeting	Number of attendance
1. Asso.Prof.Dr. Montree Socratyanurak	2	2	2	2	2	2
2. Asso. Prof. Songklod Jarusombat	2	2	2	2	2	2
3. Mr.Kittiphat Suksawad	2	2	2	2	2	2
4. Mr.Pacharatanapong Suksawad	2	2	2	2	2	2

Nomination Committee

Name of Members	Year 2021		Year 2022		Year 2023	
	Number of meeting	Number of attendance	Number of meeting	Number of attendance	Number of meeting	Number of attendance
1. Assoc. Prof. Songklod Jarusombat	3	3	2	2	2	2
2. Mr.Kittiphat Suksawad	3	3	2	2	2	2
3. Mr.Pacharatanapong Suksawad	3	3	2	2	2	2

Remuneration Committee

Name of Members	Year 2021		Year 2022		Year 2023	
	Number of meeting	Number of attendance	Number of meeting	Number of attendance	Number of meeting	Number of attendance
1. Assoc.Prof.Dr. Montree Socratyanurak	2	2	2	2	2	2
2. Mr.Kittiphat Suksawad	2	2	2	2	2	2
3. Mr.Pacharatanapong Suksawad	2	2	2	2	2	2

8.3.2 The performance results of the said sub-committees assigned by the Board of Directors

Risk Management Committee

The Risk Management Committee of the Company consists of 4 members, performing duties in accordance with the Risk Management Committee Charter, namely:

- | | | |
|-----------------------------|---------------|---|
| 1. Assoc. Prof. Dr. Montree | Socatiyanurak | Chairman of Risk Management Committee/ Independent Director |
| 2. Assoc. Prof. Songklod | Jarusombat | Risk Management Committee / Independent Director |
| 3. Mr. Kittiphat | Suksawad | Risk Management Committee |
| 4. Mr. Pacharatanapong | Suksawad | Risk Management Committee |

In 2023, the Risk Management Committee held totally 2 meetings with the number of Risk Management Committee members attending as required to make a quorum. Other participants including the Assistant Managing Director and Accounting and Finance Director who are the management level, also attended the meeting with the Risk Management Committee, in order explain the facts, risk management results with evidences and information showing the operation progress to support the presentation in each meeting.

The Risk Management Committee strictly held the meetings in compliance with with the Risk Management Committee Charter approved by the Board of Directors, the results of each meeting have been reported in summary for their performance with the recommendations deemed useful for the management to the Board of Directors for acknowledgment, as following summary:

- Review the risk management, report the result of risk management and the evaluation of risk control system. In 2023, the Company focused on the risk management as following summary:
 1. Operational Risk: At present, ECF could sufficiently and appropriately manage the risk that may arise from the operations and also prevent and address various risks commented in 2023.
 2. Risk of Finance and Exchange Rate: In 2023, ECF has continued to focus on debt management issue as usual, and requested the responsible functions to speed up the follow-ups, demand debt to continuously reduce debt collection period and reduce the amount of long overdue debts as soon as possible. In terms of exchange rate, the Company has considered and prepared the contract for hedging foreign exchange risk to accommodate the possible fluctuations in the currency values, and also considered to find ways for continuously reducing financial costs and stocks.
 3. Production Risk: ECF has the policy to continuously reduce the production costs and expenses, in 2023, the results were seen through the operating figures reflecting a better direction than before.
 4. Risk of New Customers and Reliance on Existing Customers: At present, ECF's Marketing Department has been assigned the policy on the expansion of customer base to other countries in order to reduce the dependence on customers in Japan which currently accounts for the largest proportion of foreign customers, the Company also has a direction to expand the domestic customer base.
 5. Risk of Fire Inside the Factory and Application for Insurance: the plan is followed. The fire incident occurred in the second quarter of 2023, the location of the incident was the production line in the furniture painting section, Branch Office 1, which is in Wang Chan District, Rayong Province. Previously, the Company has been strict about reviewing insurance and coverage limits including giving importance to firefighting and first aid practices. It could greatly help alleviate the damage from the incident.
 6. Compliance Risk: the plan is followed.
 7. Risk of Investment and Business Operations of Subsidiaries and Associated Companies: the plan is followed, the directors, executives and teams assigned by the Company attended the meetings of the Board, the working groups of subsidiaries and associated companies in order to continuously acknowledge business movement and progress. However, in terms of investment in solar power plant projects, despite the delay due to the unrest situation in Myanmar and the outbreak of COVID-19, at present, the project has resumed its construction as planned again, and is under the process of accelerating the construction for Phases 2 - 4 to be completed as soon as possible.
 8. The Company has considered the importance of providing guidelines for preventing IT risks that may occur inside the organization. It was in line as planned.

9. In terms of risks and treatments to society and environment: At present, no risks that may significantly affect business operations were found, but the Company's business operations will focus on guidelines to be in line with the sustainability management policy and goals as the Board of Directors gives direction.
 10. Emerging Risks: At present, none of risks that may significantly affect the business operations were found. However, ECF has continuously monitored the forecast of new risk factors that may occur and affect the Company's business operations. The Risk Management Committee has emphasized closely monitoring the impacts that may occur from the war situation, inflation, oil prices, and the cost of living to determine the direction that may occur. To be able to deal with and resolve such risks on time or mitigate the impacts that may occur to a minimum.
- For 2023, all members of the Risk Management Committee have an opinion that the Risk Management Committee has sufficiently and completely performed its duties in accordance with the Risk Management Committee Charter.

Nomination Committee

The Company's Nomination Committee consists of 3 members, performing duties in accordance with the Nomination Committee Charter, namely:

- | | | |
|------------------------|-------------|---|
| 1. Assoc. Songklod | Jarusombuti | Chairman of the Nomination Committee and Independent Director |
| 2. Mr. Kittiphat | Suksawad | Nomination Director |
| 3. Mr. Pacharatanapong | Suksawad | Nomination Director |

Having Assoc. Songklod Jarusombuti who is an independent director acting as the Chairman of the Nomination Committee. The Nomination Committee has performed its duties in accordance with the Nomination Committee Charter, including as assigned by the Board of Directors with prudence, transparency and fairness; and improved the operating guidelines to cover in line with the Company's business policies and strategies as well as to realize the best interests of shareholders and stakeholders. In 2023, the Nomination Committee held a total of 2 meetings, considering following important matters:

- Consider the appointment of directors to replace those who shall retire with information supporting the consideration; select a person who is fully qualified and suitable according to the laws, Articles of Association, the Public Limited Companies Act B.E. 2535 (1992), Notifications of the Securities and Exchange Commission and of the Capital Market Supervisory Board and related notifications of the Stock Exchange of Thailand, the Company's principles of Corporate Governance, as well as appropriate knowledge, skills, experience to be able to respond to the Company's operational strategies.
- Consider and review the composition of the Board (Board Skill Matrix) to know the composition of the current Board of Directors, and to be used as criteria for the selection of new directors, taking into account the components of skills, knowledge, expertise. and experience of the Board of Directors to be diverse, modern and suitable for the Company's business with the realization of driving the organization towards the goals as set.
- Consider and acknowledge the results of the performance evaluation of all sub-committees.
- Consider and propose the evaluation results and guidelines for developing and improving the operational efficiency to the Board of Directors.
- Consider and acknowledge the guidelines from the Managing Director for reporting on the results of the succession plan.

In addition, in 2023, the Board of Directors has provided the minority shareholders with the opportunity to nominate persons deemed appropriate to be selected as directors. It was appeared that no shareholders nominated persons to participate in the selection process at the 2023 Annual General Meeting of Shareholders.

Remuneration Committee

The Company's Remuneration Committee consists of 3 members, performing duties in accordance with the Remuneration Committee Charter, namely:

- | | | |
|-----------------------------|---------------|------------------------------------|
| 1. Assoc. Prof. Dr. Montree | Socatiyanurak | Chairman of Remuneration Committee |
| 2. Mr. Kittiphat | Suksawad | Remuneration Committee |
| 3. Mr. Pacharatanapong | Suksawad | Remuneration Committee |

In 2023, the Remuneration Committee held a total of 2 meetings, with the number of Remuneration Committee members attending as required to make a quorum.

The Remuneration Committee strictly held the meetings in compliance with with the Remuneration Committee Charter approved by the Board of Directors, as following summary:

1. Consider and review the remuneration payment for the year 2023 for the Board of Directors, and all sub-committee for remuneration consideration and proposal based on the Company's operating results in the past year, the performance and responsibilities of directors, the number of subsidiaries and associated companies according to the business structure, the benefits provided to the Company by the performance of directors. The remuneration information as preliminarily determined shall be compared and referred to the summary result of survey with directors and executives of listed companies in terms of directors' remuneration, classified by business group, income and securities prices based on market price, the said survey was conducted by the Research and Policy Department, Thai Institute of Directors, for the year 2022, and the report was issued in December 2022. The said report shall be prepared by relevant agencies every 2 years.
2. Consider and determine the policy on the evaluation criteria for the performance evaluation of Managing Director, acknowledge the evaluation result and determine the Managing Director's remuneration for the year 2023. The evaluation will take into account various factors such as the success of organization, factors in terms of management ability and leadership, together with the consideration of the Managing Director's evaluation made by all independent directors as supporting information for the consideration of the Remuneration Committee. In 2023, the performance appraisal form was slightly revised to be more detailed in the appraisal.

8.4 Details of the Implementation of the Company's shareholders' meeting in 2023

In addition to the basic rights provided to shareholders by the Company. In 2023, the Company has promoted the exercise of shareholders' rights, the Board of Directors has scheduled the annual general meeting of shareholders within 4 months from the end of the Company's accounting period or no later than 30 April every year. In 2023, the Company held the 2023 Annual General Meeting of Shareholders on Thursday, 20 April 2023 at 10:00 hrs. by means of electronic meeting (E-AGM) based on the rules prescribed by law regarding electronic meeting (E-AGM) to consider the agenda in the Annual General Meeting of Shareholders according to relevant laws. The said meeting has taken into account the guidelines prescribed by the Board of Directors, to be implemented on the shareholders' meeting date and adhered every year

ECF announced an invitation to minority shareholders to propose any issues for the consideration of the Board of Directors to include in the meeting agenda, nominate qualified persons to be elected as directors, and propose questions in advance for the 2022 Annual General Meeting of Shareholders, the invitation letter was disseminated to all shareholders together with relevant details on the Company's website at www.eastcoast.co.th under the menu titled "Investor Relations", all shareholders can propose issues in agenda, nominate persons to be elected as directors from 31 October 2022 - 31 December 2022; and could propose the questions in advance from 31 October 2022 — 31 March 2023 however, none of any shareholders proposed issues in agenda, nominated persons to be elected as directors and sent any questions in advance.

In addition, in terms of meeting style, the Company has taken into account the convenience of all shareholders to equally attend the meeting, is aware of the health and safety of shareholders under the epidemic situation of COVID-19 and has used the meeting management service of OJ International Company Limited which is a service provider of conference control system that has been assessed the consistency of the system with the Electronic Transactions Development Agency with responsibilities of organizing the meeting, collecting voting, and processing the votes for the meeting.

8.5 Details of measures to prevent the use of insider information

The Board of Directors oversees the use of insider information in accordance with the laws and principles of good corporate governance, the policy to prevent and supervise the use of insider information has been established in writing to prevent the use of this information for the trading of the Company's securities or seeking unlawful benefits. The materiality of the policy is summarized as follows:

1. The Company's directors, executives or persons with controlling power, staff or employees and its subsidiaries are assumed as persons who know or possess insider information, must keep it confidential and/or internal information of the Company and its subsidiaries.
2. If any director, executive or person with controlling power, staff or employees of the Company and of its subsidiaries behaves as follows:
 - Buying or selling securities or entering into futures contracts related to securities either for themselves or others; or
 - Disclosing insider information to others, either directly or indirectly, and by any means with or without knowing that the recipient may use such information for the purpose of buying or selling securities or entering into futures contracts related to securities, either for themselves or others. He/she shall be liable to imprisonment for not exceeding 2 years or a fine from THB 500,000 to 2 millions or both (or imprisonment for not exceeding 5 years or a fine from THB 1 million to 5 millions or both) unless it is the act in a manner that does not take advantage of other persons or in a manner announced and specified by the Securities and Exchange Commission.
3. This policy is also effective to spouse and minor child(ren) of directors, executives or persons with controlling power, staff or employees of the Company and of its subsidiaries, the directors, executives or persons with controlling power (including their spouses and minor children) of the Company and of its subsidiaries, who know the insider information, are prohibited to purchase or sell the Company's securities within 30 days prior to disclosure and after 24 hours of disclosure of quarterly financial statements, annual financial statements, and any transactions that are waiting to be presented to the next Board of Directors' meeting, which may affect the price of the Company's shares or securities. In addition, they are also prohibited to disclose such information to others, either directly or indirectly, with or without intention.
4. The directors and executives have a duty to prepare and submit reports on the holding of the Company's securities by themselves, by their spouses or those living together as husband and wife, minor children and juristic persons which have a duty to report spouses or those living together as husband and wife or minor children on their holding shares in total for more than 30% of the total number of voting rights and having the highest shareholding in that juristic person, to the Office of the Securities and Exchange Commission (SEC Office) under Section 59. Any director and newly appointed executive must report within 7 business days from the date of change in securities holding and within T+3 business days from the date of purchase, sale, transfer or acceptance of transfer of the Company's securities.
5. The Company Secretary must quarterly report in the Board of Directors' meeting on the purchase-sale of shares or the holding of the Company's securities of the directors in case of any changes, for acknowledgement.

In 2023, the Company Secretary Department sent e-mail to related persons to notify about the blackout period in advance and none of any director, executive or related employee was found to trade securities during the period the Company required to suspend the trading of any securities. However, the inspection found that the Company's policy is accurately and completely complied.

ECF educated the directors, executives and employees and asked them to sign for acknowledgment and agreeing to comply with such policy. Presently, 100% of the Company's directors and executives signed for acknowledgment and 100% of full-time employees out of the total number of employees classified as being able to obtain the Company's insider information also signed for acknowledgment.

The Company has no case of fines, accusations, or civil actions by regulatory authorities such as the Securities and Exchange Commission (SEC) or the Stock Exchange of Thailand in involving in securities trading or relating to any fraud that the Company's directors or executives use insider information.

8.6 Details of measures to prevent the conflicts of interest / ethics of business operations / business ethics for the Company's directors, executives and employees

The Company requires the details of monitoring to ensure the compliance with the policy to prevent the conflicts of interest, this is one of the policies specified in the written ethics of business operations, and business ethics for the Company's directors, executives and employees. The Company also requires such documents as one of important documents to be signed by all directors, executives and employees for acknowledgment before starting working as the Company's personnel, all employees already signed for acknowledgment.

In 2023, none of any offense as specified in the conflict of interest prevention policy, ethics of business of operations and business ethics for the Company's directors, executives and employees was found, and there was none of connected transactions that are subject to the disclosure or approval of the shareholders' meeting in accordance with the regulations of the Office of the Securities and Exchange Commission. Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand before entering into the transaction.

Besides, there was none of any violation or incompliance with the rules relating to the related party transactions and asset trading which resulted in a fine, accusation, or civil action by regulatory authorities such as the SEC or the Stock Exchange of Thailand,

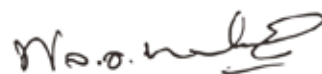
Report on the Responsibilities of the Board of Directors on Financial Reports

Dear All Shareholders,

The Board of Directors of East Coast Furnitech Public Company Limited (“the Company”) has prioritized the duties and responsibilities in supervising the Company’s businesses in accordance with the policy of good corporate governance. Both financial statements and financial information appearing in the Annual Data Form / Annual Report (Form 56-1 One Report) are prepared in accordance with the generally accepted accounting principles, which is accurate, complete, and adequately disclosed in the notes to the financial statements, the accounting policies are appropriately used, consistently practiced, with careful discretion to be beneficial and transparent to shareholders and general investors.

The Board of Directors has established the risk management system, provided and maintained an appropriate and efficient internal control system to create reasonable assurance on the credibility of the financial statements. The property custody has a good protection system without any fraudulent transactions or unusual operations while the related parties’ transactions did not cause any conflicts, the trade conditions are normal business practices, reasonable, with utmost interest of the Company, and relevant rules and laws are also complied. The Board of Directors appointed the Audit Committee to review accounting policies, the quality of financial reports and internal control system, internal audit, risk management system, and report the performance to the Board of Directors, the opinions on this issue are also recorded in the reports of the Audit Committee and the Risk Management Committee which appear in this Form 56-1 One Report.

The Board of Directors expressed an opinion that in overall, the Company’s internal control system is at a satisfactory level, sufficient and appropriate, provides reasonable confidence in the reliability of the consolidated and separate financial statements of the Company as of 31 December 2023, in which the Company’s Auditor audited in accordance with the generally accepted accounting standards and expressed an opinion that the financial statements show the accurate financial position and performance as deemed material Based on the financial reporting standard.



(General Terdsak Marome)

Chairman of the Board



(Mr. Pacharatanapong Suksawad)

Managing Director



9. INTERNAL CONTROL AND RELATED PARTY TRANSACTIONS

9.1 Internal Control

The Company gives precedence to the internal control system both of executive and operation levels for the efficient and effective operation of all levels. At the Board of Directors Meeting of the Company No. 1/ 2024 on 28 February 2024, all audit committee members attended the meeting. The Board of Directors assessed the adequacy of the Company's internal control system in five areas in accordance with Internal Control System Adequacy Assessment Form, including Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities.

9.1.1 Adequacy and Appropriateness of the Company's Internal Control System

The Audit Committee was of the opinion that the Company has the appropriate and adequate internal control system regarding the transactions with major shareholders, directors, executives or persons related to such persons for the Company's business operation. The consideration of such transactions mainly focused on fairness, reasonability and the best interests of the Company, and the said transactions were regarded as if the transactions with a third party. However, the approval of such transactions was performed by the non-stakeholders in such transactions only furthermore.

For implementation of the internal control system of the Company, the Company set up the Audit Committee to review in order to ensure the appropriate, adequate and efficient internal control system and operating system of the Company. The Audit Committee shall review the adequacy of internal control system and operating system of the Company and its subsidiaries in total of 5 areas, consisting of internal control, risk assessment, operating control, information system and data communication, and monitoring system, in collaboration with the Company's operation in

accordance with the Securities and Exchange Law, the requirements of Stock Exchange, and the laws related to the Company's business operation. In the opinion of the review to the Board of Directors, the Board of Directors deemed that the internal control system of the Company and its subsidiaries is adequate and appropriate.

The Company has established the Internal Audit Unit to perform the duties in the Company and attended the meeting with the Audit Committee in order to report the arisen internal audit results. The members of the Internal Audit Unit include Miss Pimrumpai Boonchana together with the third party, ACCPLUS Consultants Co., Ltd., which has been hired by the Company, and Miss Wanna Maluangnon (Managing Director, ACCPLUS Consultants Co., Ltd.) acts as Chief of Internal Audit. to perform the duties of auditing and preparing internal control audit system of the Company in order to enhance check and balance of every department's operation. The Company has commenced the hire of ACC-PLUS Consultant Co., Ltd. since Q3/2011. The Company has provided the adequate personnel for the efficient systematic execution, and established the internal control system regarding monitoring, controlling, and supervising the operation of the subsidiaries and associates in order to ensure the ability to protect the properties of the Company, its subsidiaries, and associates, from the misuse or authorized usage of the directors or executives.

9.1.2 Faults of Internal Control System

In 2023, the significant findings greatly focused on by the Board of Directors are not changed, they are the receipt of payment and account receivables management which are necessary to find ways to make the debt collection period shorter than ever and strictly follow up. The customer groups which always have this problem are retail stores and wholesale stores nationwide due to war, inflation, the rising cost of living, these may be important factors affecting the financial position or liquidity of some customers.

The Issue of giving importance to risk management that may occur. All the time, the Company gives significant importance to insurance coverage in the amount of coverage that must be considered following the current reality of the property or increased stock, fire drill practice, a basic first aid for personnel who work within the Company's production line area. However, during the second quarter of 2023, due to the fire incident causing a One-time Loss from the fire of 109.55 million baht (including the cost of demolishing/moving assets one million baht) was negotiated and agreed to compensate during the third quarter of 2023 at the amount of 93.28 million baht. A net loss thereof equaled 16.27 million baht for the year 2023 from this event. The risk management and internal control guidelines that the company holds, and continuous practice can significantly alleviate these effects.

In addition, some issues noted by the internal auditor should be revised and improved regarding the company's internal control system. The company will proceed with improvements and corrections according to the suggestions to be completed as soon as possible.

9.1.3 Opinions of the Audit Committee in Case of Different Opinions from the Opinions of the Board of Directors or the Auditor with Observations on Internal Control

The Audit Committee has had indifferent opinions from the opinions of the Board of Directors or the auditor at all. Please consider the additional detail in Attachment of the Report of the Audit Committee.

In addition, the Company's auditor, namely Mr. Akaradej Pliensaku, as the auditor of quarterly financial statements and for the year 2023, notified to the Audit Committee No significant deficiencies in the Company's internal control system were found from the audit of the financial statements for the year 2023.

9.1.4 Opinions of the Audit Committee on the Office Holder of Chief of Internal Audit ๙๑๒

In the opinion of the Audit Committee, the officer holder of Chief of Internal Audit has been governed to have the appropriate and adequate educational background, experiences, and trainings for the said duty performance.

At the Audit Committee's Meeting held on 14 August 2021 No. 3/2021, Miss Pimrumpai Boonchana, has been appointed to act for The Chief of Internal Audit, who is the internal personnel of the Company since 15 August 2021 because she is experienced in operation in internal audit, and well acknowledge the internal control system of the Company, and understand the Company's activities and operations. Therefore, it was deemed that she is suitable to enable to appropriately and adequately perform the said duty, and perform the work of Chief of Compliance Department in order to govern the work performance in accordance with the set of regulations of the official agency that governs the Company's business operation.

In addition, the Company has also concurrently hired the third party, ACCPLUS Consultants Co., Ltd., whereas Miss Wanna Maluangnon (Managing Director, ACCPLUS Consultants Co., Ltd.) acts as Chief of Internal Audit of the Company.

The Audit Committee has considered the qualifications of ACCPLUS Consultants Co., Ltd., and Miss Wanna Maluangnon, and deemed to be adequately appropriate for the said duty performance as she is independent and experienced in operating the internal audit in various types of businesses and industries for over 20 years period. In addition, she has been trained in the programs related to work performance of internal audit, for instance, Risk Management Program for Corporate Leader (RCL5/2016) by Thai Institute of Directors (IOD), Internal Audit Training Program on Fraud Audit, organized by the Federation of Accounting Professions, etc. The Company has also appointed Chief of Internal Audit who is the Company's personnel to perform the duty to coordinate with the outsourcing auditor.

9.1.5 Appointment, Removal, and Transfer of the Office Holder of Chief of Internal Audit

The appointment, removal, and transfer of the office holder of the the Chief of Internal Audit shall be approved by the Audit Committee.

9.2 Related Party Transactions

The details of the related party transactions of the company and the persons who may have conflict of interest occurring in 2021, 2022 and 2023 is as follows.

Person who may have conflict of interest	Nature of Relationship	Nature of Transaction	Value of Related Party Transaction (Million Baht)			Necessity and Reasonableness
			Year 2021	Year 2022	Year 2023	
1. Index Living Mall Public Company Limited (ILM)	Director of ILM is spouse of Mr. Pacharatanapong Soksawat who is in the position of shareholder, director authorized signatory director, and executive of Company	Sales of Products: The Company sells particle board furniture to ILM since September 2012.	12.91	42.27	202.66	- The Company sells particle board furniture to ILM since September 2012. The pricing based on the criteria for considering the pricing of the Company is fair and at arm's length basis.
		Trade Receivables: ILM has the accrued balance of product payment whereas total of the said debt has not yet been due for payment.	4.30	26.14	60.61	- Due to the Company's production of some models of furniture products for ILM, therefore, it has been necessary for purchasing PVC paper foil and edge to be used as raw materials in manufacturing furniture for the Group of ILM. Meanwhile, the Company sells paper foil to IIF for using in manufacturing furniture. However, pricing based on the criteria for considering pricing of the Company is fair and at arm's length basis.
		Hire to repair products: Because some products bought from the Company need to be repaired, Index Living Mall has considered repairing by itself and charged such expenses to the Company.	None	None	0.01	- For advertising to participate in publicizing the product has been in line with the mutually agreed price and is a normal trade condition.
		Advertising expenses to participate in product promotion	None	0.26	None	- Product repair costs, Because some products need to be repaired by the Company, Index Living Mall has considered repairing the defective furniture by itself and charged the expense from the Company which mutually agreed upon price is reasonable in practice and general business operations.
		Other creditors: Pay for mutually agreed advertising expenses.	None	None	0.01	
2. Index Interfurn Co., Ltd. (IIF)	Director of IIF is spouse of Mr. Pacharatanapong Soksawat who is in the position of shareholder, director, Authorized signatory director, and executive of the INDEX Group Company.	Sales of Products: The Company sells paper foil product to IIF since 2010.	14.44	13.25	14.86	
		Trade Receivables: IIF has had the outstanding payment of paper foils with the Company, and the receivable aging is within the period of not over 3 months which is the normal product payment of IIF.	4.14	4.38	5.31	
		Purchase of raw materials: The Company purchases surface paper and PVC edges from IFF to produce certain models for sale to Index Living Mall.	None	None	4.52	
		Trade Accounts Payable: The Company purchased surface paper and PVC edges from IFF to produce certain models of products for sale to Index Living Mall.	None	None	1.14	
3. Botlink Co., Ltd.	Director and shareholder is Mr. Pacharatanapong Soksawat, who is in the position of shareholder, director. Authorized signatory director, and executive of the company	Purchase of raw materials: The Company purchases a wireless automatic swimming pool cleaning robot. To be sold in the company's online sales channels.	None	None	0.21	Price and ordering conditions are at the mutually agreed upon price, which is reasonable and for the benefit of the Company.
		Trade Accounts Payable: The Company has an outstanding balance for ordering a swimming pool cleaning robot.	None	None	0.17	

Person who may have conflict of interest	Nature of Relationship	Nature of Transaction	Value of Related Party Transaction (Million Baht)			Necessity and Reasonableness																											
			Year 2021	Year 2022	Year 2023																												
4. Mr. Pacharatanapong Suksawad (Original Name : Mr. Arak Suksawad)	Who is in the position of shareholder, director, authorized signatory director, and executive of the Company.	<p>The Company disposed the right of claim under the Loan Agreement in the credit limit of 19.43 Million Baht together with the accrued interest of the said principal. The payment is divided into 7 installments, 6 months for each installment, starting from December 2019, with 2.78 Million Baht per installment and with interest charged from the said installments at a rate of 6% per annum, with following details:</p> <table><tr><th>Installment No.</th><th>Payment Date</th><th>Amount (Baht)</th></tr><tr><td>1</td><td>This contract date</td><td>2,775,000.00</td></tr><tr><td>2</td><td>30 June 2020</td><td>2,775,000.00</td></tr><tr><td>3</td><td>31 December 2020</td><td>2,775,000.00</td></tr><tr><td>4</td><td>30 June 2021</td><td>2,775,000.00</td></tr><tr><td>5</td><td>31 December 2021</td><td>2,775,000.00</td></tr><tr><td>6</td><td>30 June 2022</td><td>2,775,000.00</td></tr><tr><td>7</td><td>31 December 2022</td><td>2,784,749.25</td></tr><tr><td colspan="2">Total</td><td>19,434,749.25</td></tr></table> <p>When calculating the interest at the rate of 6% per annum until completing the repayment, the interest amount is 1,685,420.74 Baht, therefore, total payment amount is 21,120,169.99 Baht.</p> <p>In the event that Mr. Arak Suksawad fails to collect the loan from IFEC, or can collect partial repayment, or fails to acquire the solar power plant project from CR Solar Company Limited, the Company has no duty to be responsible for such case with Mr. Arak Suksawad, and Mr. Arak Suksawad shall pay the fee for selling the right of claim to the Company until completion.</p>	Installment No.	Payment Date	Amount (Baht)	1	This contract date	2,775,000.00	2	30 June 2020	2,775,000.00	3	31 December 2020	2,775,000.00	4	30 June 2021	2,775,000.00	5	31 December 2021	2,775,000.00	6	30 June 2022	2,775,000.00	7	31 December 2022	2,784,749.25	Total		19,434,749.25	5.96 and accrued interest re-ceiveable of 1.07 million Baht	Paid the principal in full but still has accrued interest of 1.69 million baht	None	As the Company has lent 50,000,000 Baht to Inter Far East Energy Corporation Public Company Limited ("IFEC") in accordance with the Loan Agreement dated 26 December 2016 ("Loan Agreement"), on 24 December 2019, the Company is a creditor of IFEC under the Loan Agreement in total amount of 58,304,246.58 Baht, consisting of principal in the amount of 50,000,000 Baht and accrued interest in the amount of 8,304,246.58 Baht. The Company agreed to dispose the right of claim under the Loan Agreement to 2 buyers, namely Mr. Komwit Boonthamrongkit at the selling price of 38,869,497.33 Baht and Mr. Arak Suksawad at the selling price 19,434,749.25 Baht. The selling prices and conditions are determined in accordance with the Company's pricing criteria are fair and reasonable for the Company's benefits.
			Installment No.	Payment Date	Amount (Baht)																												
			1	This contract date	2,775,000.00																												
			2	30 June 2020	2,775,000.00																												
			3	31 December 2020	2,775,000.00																												
			4	30 June 2021	2,775,000.00																												
			5	31 December 2021	2,775,000.00																												
			6	30 June 2022	2,775,000.00																												
			7	31 December 2022	2,784,749.25																												
			Total		19,434,749.25																												

Person who may have conflict of interest	Nature of Relationship	Nature of Transaction	Value of Related Party Transaction (Million Baht)			Necessity and Reasonableness
			Year 2021	Year 2022	Year 2023	
5. Mr. Wanlop Suksawad	Mr. Wanlop Suksawad who is in the position of shareholder, authorized signatory director, and executive of the Company.	Land rent under lease agreement (warehouse)	None	None	0.13	The rental rate is as assessed by the appraisal company that has been approved by the Office of the Securities and Exchange Commission. and as approved by the Company's Board of Directors Meeting No. 6/2022 on 11 August 2022
		Other payables – land rent under the lease agreement (warehouse)	None	None	0.01	
		The company borrowed money from him which had an interest rate of 5.25% per annum and was due upon call.	The company had a short-term loan from these two people equal to 153.5 million baht, which had no outstanding balance as of December 31, 2021, and had a total interest expense of 0.87 million baht.	The Company had short-term loans from directors, directors' spouses, and close relatives of directors (5 people) during the year equal to 174 million baht, which had no outstanding balance as of December 31, 2022, and had total interest expenses of 2.07 million baht.	29 million baht and accrued interest 0.12 million baht	
6. Mrs. Waraporn Suksawad	Wife of Mr. Wanlop Suksawad	The company borrowed money from her which had an interest rate of 5.25% per annum and was due upon call.			36 million baht and accrued interest 0.14 million baht	According to mutually agreed conditions and for the benefit of the Company, because there was a lower interest rate compared to obtaining a loan from a financial institution, which was fair, reasonable, and beneficial to the Company
7. Mr. Pacharatanapong Suksawad (Original Name : Mr. Arak Suksawad)	Who is in the position of shareholder, director, authorized signatory director, and executive of the Company.	The company borrowed money from him which had an interest rate of 5.25% per annum and was due upon call.	None		None	
8. Miss. Paphatsa Suksawad (Original Name : Miss Tippawan Suksawad)	Daughter of Mr. Wanlop Suksawad and younger sister of Mr. Pacharatanapong Suksawad	The company borrowed money from her which had an interest rate of 5.25% per annum and was due upon call. (The payment has been made.)	None		0.01 million baht and accrued interest 0.001 million baht.	
9. Miss Kridchanok Pattamasattayasonthi	Spouse of Mr. Pacharatanapong Suksawad	The company borrowed money from her which had an interest rate of 5.25% per annum and was due upon call.	None		None	

Audit Committee's Opinions

The Audit Committee considered the related party transactions of the Company and the persons who may have conflict of interest, interests, or potential conflict of interest in the future in accordance with the Notification of Securities and Exchange Commission (SEC) at the Audit Committee Meeting No.1/2024, held on 28 February 2024, and the Committee agreed that such related party transactions in accordance with the reasonable and fair conditions and at arm's length basis.

1. Policies or Trends for Entering the Related Party Transactions Including Acquisition or Disposal of the Company's Properties in the Future

Measures and Procedures for the Approval of Related Party Transactions

In case of having the related party transactions of the Company or its subsidiaries with the related persons and the persons who may have conflict of interest, interests, or potential conflict of interest in the future as trade agreement in the same nature into which a person of ordinary prudence should perform with the general contractual party under the same situation by exercising trade negotiation power without any influence as the director, executive, or any related person, as well as having normal trade condition or market price under the reasonable, accountable, and non-benefit transfer, the Management of the Company can perform such implementation normally under the principles approved by the Company's Board and must prepare the summary report to the Audit Committee at every quarter.

In the case that the related party transactions are not normal transactions, the Company will have comments by the Audit Committee on the necessity and appropriation of such transactions. In the case that the Audit Committee is not expert in considering on the potential related party transactions, the Company will consider having an independent price valuer, independent specialist, or account auditor to comment on the said related party transactions to the Audit Committee ;so that the Audit Committee shall use to support the decisions and give opinions to the Board of Directors or the shareholders as the case may be for approving the said transactions prior to entry into the transactions. However, the Company shall disclose the related party transactions in notes to financial statements audited by the Company's auditor, and disclose the said related party transactions in Form 56-1 One Report in

accordance with the rules and laws on Securities and Exchange, and the regulations, notifications, and orders, or requirements of the Stock Exchange of Thailand. The person who may have conflict of interest or interest in the related party transaction shall not have the voting rights to resolve in entering the said related party transactions.

Policies or Trends for Entering the Related Party Transactions in the Future

In the future, if the Company needs to enter the related party transactions with a person who may have conflict of interest with the Company, the Company shall establish the conditions based on normal trade characteristics and as market prices, which can be comparatively referred to conditions or prices arisen with the similar type of business that the Company performs with the third party. However, the Company shall assign the Audit Committee to provide the opinions regarding price, rate of return, as well as necessity and appropriation of such related party transactions. In the case where the Audit Committee is not expert in considering on the potential related party transactions, the Company shall consider assigning an independent price valuator, independent specialist, or account auditor to provide the comments on such related party transactions for the Audit Committee to use in supporting the decision making and providing the opinions to the Board of Directors or shareholders as the case may be. However, the Company shall disclose such related party transactions in notes to financial statements audited by the Company's auditor, and disclose the said related party transactions in Form 56-1 One Report pursuant to the rules and law on securities and exchange, and regulations, notifications, orders or requirements of the Stock Exchange of Thailand.

For the said potential related party transactions in the future, the directors shall comply with the determined rules, and the directors shall not approve any transactions of which they or any person may have conflict of interest in any other nature with the Company, and shall disclose the said transactions. The Company shall strictly comply with the securities and exchange law, and regulations, notifications, orders or requirements of the Stock Exchange of Thailand, and comply with the requirements relation to the disclosure of the information of entry into the connected transactions and acquisition or disposal of the properties of the Company or its subsidiaries, and pursuant to the established accounting. In addition, the Company shall not enter into the related party transactions with the related companies for the Company's non-normal business operations.

2. Approval of Principles relating to Trade Agreement with General Commercial Conditions for Entering the Related Party Transactions between the Company and its Subsidiaries with the Directors, Executives and Related Persons

The Company and its subsidiaries have currently entered the related party transactions with the related persons. In the future, the Company and its subsidiaries may additionally enter the related party transactions with the directors, executives or related persons. If the trade agreement of the said transactions is in the same nature as a person of ordinary prudence should perform with the general contractual party under the same situation by exercising the trade negotiation power without any influence as the director, executive, or any related person. However, the Board of Directors' Meeting No. 1 /2012 (after transformation) held on 26 October 2012 resolved to approve the principle relating to the trade agreement with the general trade conditions in entering the transactions between the Company and the connected persons to be used as the operation road map in the future.

3. Investor Protection Policy

To protect the investor in the future in the case where the Company has entered the related party transactions with the persons who may have conflict of interest, interest or potential conflict of interest in the future, the Company shall propose the said transactions through the Board of Directors' Meeting where the Audit Committee attends the Meeting. However, to supervise in order to ensure the fair related party transactions, and the appropriate pricing policy, the Board of Directors shall perform its duties in accordance with the securities and exchange law, and regulations, notifications, and requirements of the Stock Exchange of Thailand, as well as the compliance with the requirements relating to the disclosure of information of entry into the connected transactions, and acquisition or disposal of the properties of the Company and its subsidiaries.

Part 3

Financial statements



East Coast Furnitech Public Company Limited
Form 56-1 One Report 2023





To the Shareholders and the Board of Directors of East Coast Furnitech Public Company Limited

Opinion

I have audited the consolidated financial statements of East Coast Furnitech Public Company Limited and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders’ equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, I have also audited the separate financial statements of East Coast Furnitech Public Company Limited (“the Company”), which comprise the separate statement of financial position as at December 31, 2023, and the separate statement of comprehensive income, the separate statement of changes in shareholders’ equity and the separate statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of East Coast Furnitech Public Company Limited and its subsidiaries as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended, and the accompanying separate financial statements present fairly, in all material respects, the financial position of East Coast Furnitech Public Company Limited as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and the Separate Financial Statements” section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (“the Code of Ethics for Professional Accountants”) that are relevant to my audit of the consolidated financial statements and the separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated financial statements and the separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements and the separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Accuracy, Completeness and Proper Cutoff of the Company's Revenue from Sales of Goods

Risk description

Revenue from sales of goods is the increase in economic benefits in form of inflows or enhancements of assets triggered by the Company's performance obligation on transfers of goods to the customers that is attributable to the Company's core business activities. Revenue from sales is directly significant to financial performance of the Company and its amount is material to the financial statements. In addition, the Company's sales of goods in each year comprise voluminous number of entries through various sales channels. Accordingly, the assurance is required to ensure that the Company's sales were accounted for with accuracy, completeness and proper cutoff.

Significant accounting policies and other information relating to revenue from sales of goods were disclosed in Notes 3, 16 and 28 to the financial statements.

Responses to the risk

I have performed the following key audit procedures as responses to the identified and assessed significant risk in order that such risk shall be managed to the appropriate and acceptable level and enable financial statements to be free from material misstatement:

- Read, inquire and gather understanding in the Company's revenue streams and revenue recognition policies on the Company's sales of goods.
- Test and assess efficiency, effectiveness and reliability of the design and operations of internal controls relating to revenue streams.
- Perform analytical reviews of information relating to sales of goods.
- Perform substantive test on sales of goods e.g. vouching of supporting documents for sales of goods, reconciliation of entries and amounts of sales between accounting and tax reporting, and cutoff test both before and after yearend on sales of goods whether they were recorded in the proper period.

Other Information

Management is responsible for the other information. The other information comprises the information included in Form 56-1 One Report but does not include the consolidated financial statements and the separate financial statements as well as my auditor's report thereon. The aforesaid other information is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated financial statements and the separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated financial statements and the separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements and the separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the aforesaid other information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order that they shall acknowledge and arrange the correction on such misstatement as appropriate.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements and the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements and the separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements and the separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the separate financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, the matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements and the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and separate financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the Group's internal control.
- Evaluate appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements and the separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the separate financial statements, including the disclosures, and whether the consolidated financial statements and the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements and the separate financial statements of the current period and are, therefore, the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Mr. Akadet Pliensakul)
Certified Public Accountant
Registration No. 5389

M.R. & ASSOCIATES CO., LTD.
Bangkok
February 28, 2024



STATEMENTS OF FINANCIAL POSITION

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2023 AND 2022

ASSETS

	Note	In Baht			
		Consolidated		Separate Financial Statements	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
CURRENT ASSETS					
Cash and cash equivalents		20,086,227	14,310,446	15,143,748	8,470,500
Trade receivables					
- Related parties	4, 5	65,917,231	30,523,025	120,322,491	77,718,513
- Other parties - net	5	372,586,370	565,506,816	322,246,388	546,609,934
Other receivables					
- Related parties	4	836,575	11,892,448	-	8,839,384
- Other parties - net	5	49,970,194	53,296,815	42,662,768	27,333,649
Inventories - net	6	1,229,749,669	1,277,149,018	1,225,334,189	1,276,065,521
Short-term loans to and interest receivables from related parties	4	98,500,000	98,500,000	-	4,914,467
Short-term loans to other person	32	40,000,000	40,000,000	-	-
Total Current Assets		1,877,646,266	2,091,178,568	1,725,709,584	1,949,951,968
NON-CURRENT ASSETS					
Restricted deposits at banks	7	52,206,217	52,078,174	52,206,217	52,078,174
Non-current portion of trade receivables - net	5	129,115,740	-	129,115,740	-
Investment in subsidiaries accounted for using the cost method - net	8	-	-	954,851,630	962,406,630
Investment in associate and joint venture accounted for using the equity method	4, 9, 10	880,764,209	865,881,051	3,569,800	-
Property, plant and equipment - net	11, 14, 19	819,329,208	703,610,128	813,420,467	695,581,982
Right-of-use assets - net	12	37,827,266	14,539,522	37,827,266	14,539,522
Intangible assets - net	13	2,715,139	949,821	2,643,205	918,246
Deferred tax assets	24	57,122,483	12,618,884	56,084,332	11,069,480
Other non-current assets					
- Deposit for investment project	33	100,000,000	100,000,000	100,000,000	100,000,000
- Advance for purchase of investment		-	44,500,000	-	44,500,000
- Deposits and guarantees	4, 9, 19	77,196,525	102,746,903	54,155,525	79,304,303
Total Non-Current Assets		2,156,276,787	1,896,924,483	2,203,874,182	1,960,398,337
TOTAL ASSETS		4,033,923,053	3,988,103,051	3,929,583,766	3,910,350,305

The accompanying notes are an integral part of these financial statements.



STATEMENTS OF FINANCIAL POSITION (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2023 AND 2022

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Baht			
		Consolidated		Separate Financial Statements	
	Note	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
CURRENT LIABILITIES					
Bank overdrafts and short-term borrowings from financial institutions	7, 11, 14	645,619,422	773,201,776	645,619,422	773,201,776
Factoring payables	5	195,713,971	99,539,242	195,713,971	99,539,242
Trade payables					
- Related parties	4	1,319,110	-	1,169,496	-
- Other parties		271,794,185	154,203,723	252,192,146	149,080,302
Other payables					
- Related parties	4	1,091,923	1,235,880	11,008	549,544
- Other parties	8, 16	131,897,399	84,112,816	94,620,905	79,038,724
Short-term loans from and interest payables to related parties	4	65,362,979	-	170,701,787	102,256,968
Short-term loans from other parties	15	154,898,288	143,915,993	114,898,288	99,915,993
Current portion of long-term borrowings	11, 19	37,782,595	41,410,371	37,782,595	41,410,371
Current portion of debentures	17	606,042,538	535,030,156	606,042,538	535,030,156
Current portion of lease liabilities	4, 20	14,308,974	6,473,353	14,308,974	6,473,353
Income tax payable		366,834	2,933,827	-	1,678,267
Total Current Liabilities		2,126,198,218	1,842,057,137	2,133,061,130	1,888,174,696
NON-CURRENT LIABILITIES					
Long-term borrowings - net	11, 19	97,162,792	113,621,603	97,162,792	113,621,603
Debentures - net	17	590,862,633	638,699,816	590,862,633	638,699,816
Lease liabilities - net	4, 20	14,033,591	7,590,582	14,033,591	7,590,582
Deferred tax liabilities	24	8,434,957	3,254,006	8,434,957	3,254,006
Liability for post-employment benefits	18	17,482,762	16,265,675	16,035,805	15,063,240
Total Non-Current Liabilities		727,976,735	779,431,682	726,529,778	778,229,247
Total Liabilities		2,854,174,953	2,621,488,819	2,859,590,908	2,666,403,943
SHAREHOLDERS' EQUITY					
Authorized share capital - 1,151,385,108 common shares,					
Baht 0.25 par value	21	287,846,277	287,846,277	287,846,277	287,846,277
Issued and paid-up share capital - 959,505,590 common shares in 2023 and 959,487,590 common shares in 2022, Baht 0.25 par value	21	239,876,398	239,871,897	239,876,398	239,871,897
Premium on shares	21	768,373,859	768,342,356	768,373,859	768,342,356
Retained earnings					
- Appropriated for legal reserve	22	28,950,000	28,950,000	28,950,000	28,950,000
- Unappropriated		336,250,605	490,727,738	250,184,397	424,173,905
Total		1,373,450,862	1,527,891,991	1,287,384,654	1,461,338,158
Other components of equity		(189,680,711)	(184,387,118)	(217,391,796)	(217,391,796)
Equity attributable to Owners of the Parent		1,183,770,151	1,343,504,873	1,069,992,858	1,243,946,362
Non-controlling interests	8	(4,022,051)	23,109,359	-	-
Total Shareholders' Equity		1,179,748,100	1,366,614,232	1,069,992,858	1,243,946,362
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,033,923,053	3,988,103,051	3,929,583,766	3,910,350,305

The accompanying notes are an integral part of these financial statements.



STATEMENTS OF COMPREHENSIVE INCOME

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022

		In Baht			
		Consolidated		Separate Financial Statements	
	Note	2023	2022	2023	2022
REVENUES					
Net sales	4, 28	1,374,503,469	1,418,925,924	1,303,624,910	1,393,507,066
Other income					
- Interest income	4	27,278,811	13,729,478	14,433,089	2,531,283
- Sales of production scraps and supplies		2,887,145	14,609,041	2,887,145	14,609,041
- Others	4, 9, 28	11,842,749	16,133,195	11,788,872	12,984,854
Gain (loss) on exchange rate		1,019,149	(808,140)	1,022,647	(811,763)
Total Revenues		1,417,531,323	1,462,589,498	1,333,756,663	1,422,820,481
EXPENSES					
Cost of sales	4, 6	1,127,041,329	1,075,421,605	1,084,501,347	1,068,868,987
Distribution costs		96,937,997	65,963,934	66,591,048	53,180,906
Administrative expenses	4, 6, 11, 13, 28	184,076,205	148,167,389	168,192,039	127,622,825
Other expenses - losses from fire accident	6	16,267,610	-	16,267,610	-
Total Expenses		1,424,323,141	1,289,552,928	1,335,552,044	1,249,672,718
Profit (Loss) from Operating Activities		(6,791,818)	173,036,570	(1,795,381)	173,147,763
Finance Costs	4, 20	(181,721,129)	(158,469,548)	(183,424,558)	(160,562,268)
Loss on Impairment of Financial Assets	5, 8	(11,650,478)	(4,456,782)	(18,589,468)	(1,845,387)
Share of Profit from Investment in Associate and Joint Venture - Net	9, 10	16,606,951	28,199,800	-	-
PROFIT (LOSS) BEFORE INCOME TAX EXPENSE		(183,556,474)	38,310,040	(203,809,407)	10,740,108
Tax Income (Income Tax Expense)	24, 27	37,578,393	(1,124,808)	40,003,201	(84,144)
PROFIT (LOSS) FOR THE YEAR		(145,978,081)	37,185,232	(163,806,206)	10,655,964
Other Comprehensive Income (Loss) for the Year					
<i>Item that will not be reclassified subsequently to profit or loss</i>					
- Actuarial gain on remeasement of liability for post-employment benefits (net of income tax effect in consolidated and separate financial statements by Baht 100,148 and Baht 92,961, respectively, in 2023)	18, 24	536,024	-	370,766	-
<i>Item that will be reclassified subsequently to profit or loss</i>					
- Share of other comprehensive income (loss) from associate	9	(5,293,593)	17,881,100	-	-
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		(4,757,569)	17,881,100	370,766	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		(150,735,650)	55,066,332	(163,435,440)	10,655,964

The accompanying notes are an integral part of these financial statements.



STATEMENTS OF COMPREHENSIVE INCOME (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022

	Note	In Baht			
		Consolidated		Separate Financial Statements	
		2023	2022	2023	2022
Profit (Loss) Attributable to:					
Owners of the parent		(144,459,089)	37,458,931	(163,806,206)	10,655,964
Non-controlling interests		(1,518,992)	(273,699)	-	-
Profit (Loss) for the Year		(145,978,081)	37,185,232	(163,806,206)	10,655,964
Total Comprehensive Income (Loss) Attributable to:					
Owners of the parent		(149,216,658)	55,340,031	(163,435,440)	10,655,964
Non-controlling interests		(1,518,992)	(273,699)	-	-
Total Comprehensive Income (Loss) for the Year		(150,735,650)	55,066,332	(163,435,440)	10,655,964
Basic Earnings (Loss) per Share	25	(0.1506)	0.0390	(0.1707)	0.0111
Diluted Earnings (Loss) per Share	25	(0.1506)	0.0390	(0.1707)	0.0111

The accompanying notes are an integral part of these financial statements.



STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022

	In Baht	Consolidated										
		Other Components of Equity										
		Retained Earnings			Surplus on Business Combination under Common Control	Share of Other Comprehensive Income (Loss) from Associate	Loss on Change in Proportion of Investment in Subsidiary	Total Other Components of Equity	Equity Attributable to Owners of the Parent	Non-Controlling Interests	Total Shareholders' Equity	
Issued and Paid-up Share Capital	Premium on Shares	Appropriated for Legal Reserve	Unappropriated									
239,871,897	768,342,356	28,950,000	468,332,252	(217,391,796)	27,552,624	(12,429,046)	(202,268,218)	1,303,228,287	23,381,058	1,326,611,345		
-	-	-	(15,063,445)	-	-	-	-	(15,063,445)	-	(15,063,445)		
-	-	-	37,458,931	-	17,881,100	-	17,881,100	55,340,031	(273,699)	55,066,332		
239,871,897	768,342,356	28,950,000	490,727,738	(217,391,796)	45,433,724	(12,429,046)	(184,387,118)	1,343,504,873	23,109,359	1,366,614,232		
-	-	-	-	-	-	-	-	-	(25,612,418)	(25,612,418)		
4,501	31,503	-	-	-	-	-	-	36,004	-	36,004		
-	-	-	(10,554,068)	-	-	-	-	(10,554,068)	-	(10,554,068)		
-	-	-	(143,923,065)	-	(5,293,593)	-	(5,293,593)	(149,216,658)	(1,518,992)	(150,735,650)		
239,876,398	768,373,859	28,950,000	336,250,605	(217,391,796)	40,140,131	(12,429,046)	(189,680,711)	1,183,770,151	(4,022,051)	1,179,748,100		

The accompanying notes are an integral part of these financial statements.



STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022

	Note	In Baht						
		Separate Financial Statements						
		Issued and Paid-up Share Capital	Premium on Shares	Retained Earnings		Total	Other Component of Equity	
				Appropriated for Legal Reserve	Unappropriated		Surplus on Business Combination under Common Control	Total Shareholders' Equity
Beginning balance as at January 1, 2022		239,871,897	768,342,356	28,950,000	428,581,386	1,465,745,639	(217,391,796)	1,248,353,843
Payment of dividends	26	-	-	-	(15,063,445)	(15,063,445)	-	(15,063,445)
Total comprehensive income for the year		-	-	-	10,655,964	10,655,964	-	10,655,964
Ending balance as at December 31, 2022		239,871,897	768,342,356	28,950,000	424,173,905	1,461,338,158	(217,391,796)	1,243,946,362
Proceeds from the exercised warrants	21	4,501	31,503	-	-	36,004	-	36,004
Payment of dividends	26	-	-	-	(10,554,068)	(10,554,068)	-	(10,554,068)
Total comprehensive loss for the year		-	-	-	(163,435,440)	(163,435,440)	-	(163,435,440)
Ending balance as at December 31, 2023		239,876,398	768,373,859	28,950,000	250,184,397	1,287,384,654	(217,391,796)	1,069,992,858

The accompanying notes are an integral part of these financial statements.



STATEMENTS OF CASH FLOWS

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022

	In Baht			
	Consolidated		Separate Financial Statements	
	2023	2022	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) for the year	(145,978,081)	37,185,232	(163,806,206)	10,655,964
<i>Adjustments</i>				
Income tax expense (tax income)	(37,578,393)	1,124,808	(40,003,201)	84,144
Depreciation and amortization	39,955,733	47,999,463	39,913,181	39,765,656
Loss on impairment of financial assets	11,650,478	4,456,782	18,589,468	1,845,387
Expenses on post-employment benefits	1,853,258	1,945,017	1,436,022	742,582
Loss on diminution in value of inventories	45,728,264	6,302,182	45,432,608	6,334,628
Loss on impairment of fixed assets	2,200,000	-	-	-
Share of profit from investment in associate and joint venture - net	(16,606,951)	(28,199,800)	-	-
Unrealized gain on valuation of fair value of derivatives	-	(565,578)	-	(565,578)
Unrealized loss on exchange rate	1,126,311	792,457	1,129,810	796,081
Loss on written-off assets pertaining to fire accident (see Note 6)	16,267,610	-	16,267,610	-
Gain on sales of equipment	-	(328,769)	-	-
Loss on written-off assets	707,169	80,566	295,569	80,338
Interest income	(27,278,811)	(13,729,478)	(14,433,089)	(2,531,283)
Interest expense	181,721,129	157,907,048	183,424,558	159,999,768
<i>Decrease (increase) in operating assets</i>				
Trade receivables	17,144,203	(146,902,286)	41,993,543	(144,527,878)
Other receivables	(10,787,518)	2,300,209	(10,593,769)	1,891,000
Receivable from sales of rights	-	37,000,000	-	37,000,000
Inventories	(60,907,870)	31,020,205	(57,280,233)	30,477,422
Other non-current assets	(530,000)	(44,578)	(520,000)	(64,178)
<i>Increase (decrease) in operating liabilities</i>				
Trade payables	117,370,560	(62,506,685)	102,742,328	(67,369,550)
Other payables	3,202,535	5,650,205	(3,754,701)	3,327,150
Net Cash Flows Provided by Operations	139,259,626	81,487,000	160,833,498	77,941,653
Interest received	13,204,516	-	13,204,516	-
Income tax paid	(4,411,402)	(3,755,061)	(1,601,659)	(948,999)
Net Cash Flows Provided by Operating Activities	148,052,740	77,731,939	172,436,355	76,992,654



STATEMENTS OF CASH FLOWS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022

	In Baht			
	Consolidated		Separate Financial Statements	
	2023	2022	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in restricted deposits at banks	(128,042)	(128,114)	(128,042)	(128,114)
Decrease (increase) in short-term loans to related parties	-	(68,500,000)	4,100,000	9,500,000
Collections on other installment receivables	-	17,864,228	-	17,864,228
Decrease in short-term loans to other persons	-	59,000,000	-	35,000,000
Increase in investment in subsidiary and joint venture	(3,569,800)	-	(3,569,800)	(999,700)
Additions to plant and equipment	(89,821,335)	(188,940,660)	(89,748,306)	(181,267,715)
Proceeds from sales of equipment	20,000,000	-	-	-
Additions to intangible assets	(2,153,148)	-	(2,092,400)	-
Decrease in advance for purchase of investment	44,500,000	13,500,000	44,500,000	13,500,000
Dividends received	4,065,984	-	-	-
Interest received	16,322,016	16,352,628	7,290,760	4,716,234
Net Cash Flows Used in Investing Activities	(10,784,325)	(150,851,918)	(39,647,788)	(101,815,067)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (decrease) in bank overdrafts and short-term borrowings from financial institutions	(127,449,860)	68,490,165	(127,449,860)	68,490,165
Increase in factoring payables	96,452,909	21,918,937	96,452,909	21,918,937
Increase (decrease) in short-term loans from related parties	65,100,000	-	63,700,000	(34,901,020)
Increase (decrease) in short-term loans from other parties	11,000,000	(116,000,000)	15,000,000	(130,000,000)
Proceeds from sales and leaseback of equipment	15,984,000	10,000,000	15,984,000	10,000,000
Decrease in lease liabilities	(8,135,740)	(5,616,013)	(8,135,740)	(5,616,013)
Increase in long-term borrowings	25,000,000	-	25,000,000	-
Repayments of long-term borrowings	(45,086,587)	(80,479,418)	(45,086,587)	(80,479,418)
Issuance of debentures	556,500,000	850,000,000	556,500,000	850,000,000
Redemption of debentures	(540,000,000)	(515,550,000)	(540,000,000)	(515,550,000)
Debt issuance costs	(8,649,765)	(19,000,000)	(8,649,765)	(19,000,000)
Refunded guarantee for borrowings	1,549,000	6,000,000	1,549,000	6,000,000
Proceeds from the exercised warrants	36,004	-	36,004	-
Dividends paid	(10,548,968)	(15,063,445)	(10,548,968)	(15,063,445)
Interest paid	(163,243,627)	(139,679,469)	(160,466,312)	(134,436,729)
Net Cash Flows Provided by (Used in) Financing Activities	(131,492,634)	65,020,757	(126,115,319)	21,362,477



STATEMENTS OF CASH FLOWS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022

	In Baht			
	Consolidated		Separate Financial Statements	
	2023	2022	2023	2022
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,775,781	(8,099,222)	6,673,248	(3,459,936)
Cash and Cash Equivalents at Beginning of Year	14,310,446	22,409,668	8,470,500	11,930,436
CASH AND CASH EQUIVALENTS AT END OF YEAR	20,086,227	14,310,446	15,143,748	8,470,500
Supplementary disclosures of cash flow information:				
a. Cash and cash equivalents at end of year				
Cash in hand	367,418	387,511	302,418	322,511
Current accounts at banks	10,984,966	6,828,097	7,820,196	2,793,652
Savings deposits at banks	4,000,497	2,879,138	2,287,788	1,138,637
Short-term fixed deposits at banks	4,733,346	4,215,700	4,733,346	4,215,700
Total	20,086,227	14,310,446	15,143,748	8,470,500
b. Non-cash transactions				
Purchases of equipment by means of payables	14,387,467	11,992,479	14,357,737	11,985,207
Sales of equipment by means of receivable	-	20,000,000	-	-
Transfer of fixed assets to right-of-use assets	22,244,917	4,083,550	22,244,917	4,083,550
Transfer of non-current assets to fixed assets	143,292,356	18,988,520	143,292,356	12,988,520
Transfer of non-controlling interests to other payables	25,612,418	-	-	-
Increase in right-of-use assets and lease liabilities from the new leases	6,430,371	1,562,148	6,430,371	1,562,148
Dividends receivable from associate	-	4,065,984	-	-
Dividends payable	5,100	-	5,100	-
c. Supplementary disclosures of cash flow information				
Total cash outflow for leases	16,966,550	12,512,096	16,794,550	12,512,096

The accompanying notes are an integral part of these financial statements.



EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2023 AND 2022

1. GENERAL

East Coast Furnitech Public Company Limited (“the Company”), formerly East Coast Furnitech Co., Ltd., was registered as a limited company in Thailand on October 12, 1999. The Company was transformed from being juristic person as a limited company (juristic entity registration number 0107555000449) under the Civil and Commercial Code to a limited public company under the Public Limited Companies Act B.E. 2535 on October 18, 2012 and was registered in the Market for Alternative Investment on March 26, 2013. The Company is engaged in manufacturing and sales of self-assembled furniture made from particle board, rubber wood furniture, dried sawn lumbers, laminating papers, and furniture-decorating supplies for domestic and international markets.

The Company’s head office is located at 37/9 Moo 10 Banbung-Klaeng Rd., Tambon Tangkwian, Amphur Klaeng, Rayong 21110. The Company’s total number of branches is 3, comprising two branches located in Rayong and a branch located in Pathumthani.

As at December 31, 2023, the Company’s major shareholders are five individuals in Suksawad family whose total percentage of shareholding is 50.13% whereby three of five are the Company’s directors.

VV-Décor Co., Ltd. (“VVD”), the subsidiary of which shares are held at 99.95% by the Company, was registered a limited company in Thailand on May 11, 2011 and is engaged in sales of laminating papers and furniture-decorating supplies in domestic market. The registered office of the subsidiary is located at 25/28 Moo 12 Tambon Bungkamproy, Amphur Lamlukka, Pathumthani.

ECF Holdings Co., Ltd. (“ECF-H”), the subsidiary of which shares are held at 94.44% by the Company, was registered a limited company in Thailand on February 23, 2015 and is engaged in sales of sundry goods imported from abroad and furniture through the local sale agents. The registered office of the subsidiary is located at 37/4 Moo 10 Banbung-Klaeng Rd., Tambon Tangkwian, Amphur Klaeng, Rayong.

ECF Power Co., Ltd. (“ECF-P”), the subsidiary of which shares are held at 99.99% by the Company, was registered a limited company in Thailand on January 16, 2017 and is engaged as holding company in the renewable energy business e.g. biomass or solar energy. The registered office of the subsidiary is located at 37/7 Moo 10 Banbung-Klaeng Rd., Tambon Tangkwian, Amphur Klaeng, Rayong.

Planet Board Co., Ltd. (“PNB”), the subsidiary of which shares are held at 57% by the Company, was registered a limited company in Thailand on December 19, 2017 whereby PNB is during the rearrangement of new business plan to replace the previous manufacturing and sales of wood-base panel, i.e. MDF board and particle board. The registered office of the subsidiary is located at 25/28 Moo 12 Tambon Bungkamproy, Amphur Lamlukka, Pathumthani.

Somewa Plaza Co., Ltd. (“SOMEWA”), the subsidiary of which shares are held at 75% by the Company, was registered a limited company in Thailand on June 14, 2021 whereby SOMEWA is during the rearrangement of new business plan to replace the previous e-commerce and online platform for retail sales of goods through internet. The registered office of the subsidiary is located at 25/28 Moo 12 Tambon Bungkamproy, Amphur Lamlukka, Pathumthani.

VV Rich Co., Ltd. (“VVR”), the subsidiary of which shares are held at 99.97% by the Company, was registered as limited company in Thailand on February 10, 2022 and is engaged in cultivation and sales of agricultural products. The registered office of the subsidiary is located at 37/9 Moo 10 Banbung-Klaeng Rd., Tambon Tangkwian, Amphur Klaeng, Rayong.



NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2023 AND 2022

ECF Design Co., Ltd. (“ECFD”), a venture company in the form of joint venture between the Company (at investment proportion of 51%) and the business alliance which is a private company from China (at investment proportion of 49%), was registered as limited company in Thailand on July 27, 2023 in order to conduct its business relating to purchase of furniture goods from the Company and export for sales in the international market. The joint venture agreement between both parties for ECFD as well as the ECFD’s company regulations feature substance that both parties jointly control and manage ECFD under consensus from both parties. Such joint venture was approved by the Board of Directors’ meeting on April 7, 2023. The registered office of ECFD is located at 25/28 Moo 12 Tambon Bungkamproy, Amphur Lamlukka, Pathumthani.

2. BASIS FOR THE FINANCIAL STATEMENT PREPARATION

The accompanying financial statements are prepared in Thai Baht, which is core functional currency of the Company, and are in the Thai language in accordance with the financial reporting standards in Thailand including interpretations and guidelines promulgated by the Federation of Accounting Professions (“TFAC”), applicable rules and regulations of the Securities and Exchange Commission as well as the announcements of Department of Business Development. Accordingly, the accompanying financial statements are intended solely to present the financial position, financial performance, and cash flows in accordance with the financial reporting standards in Thailand.

Except as otherwise disclosed in significant accounting policies, the accompanying financial statements have been prepared under the historical cost convention.

The consolidated financial statements for the years ended December 31, 2023 and 2022 included the accounts of the Company and its subsidiaries (“the Group”) in which the Company has the controlling power or direct / indirect shareholding as discussed in Note 1.

Significant intercompany transactions between the Company and subsidiaries included in consolidated financial statements have been eliminated.

Starting from January 1, 2023, the Group adopted Conceptual Framework for Financial Reporting, Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), Thai Accounting Interpretation (TSIC), Thai Financial Reporting Interpretation (TFRIC) and accounting guidance that were revised by TFAC, in overall, for the Thai financial reporting standards to be more explicit and appropriate whereby this revision became effective for the accounting period starting on or after January 1, 2023. Notwithstanding, there is a significant change relating to recognition in TAS 16 “Property, Plant and Equipment” that proceeds before intended use of property, plant and equipment shall be recognized as revenue together with related cost in profit or loss while such items were previously regulated to be recognized as deduction to cost of property, plant, and equipment. The adoption of such revised TAS / TFRS / TSIC / TFRS and accounting guidance did not have any material effect to the Group’s financial statements.

In addition, TFAC revised several TAS, TFRS and accounting guidance which become effective for the accounting period starting on or after January 1, 2024 and issued the new TFRS 17 “Insurance Contracts” to supersede TFRS 4 that will become effective for the accounting period starting on or after January 1, 2025. In overall, this revision is done for more explicit and appropriate in word and substance as well as for alignment with the new TFRS 17. The Group has not yet adopted the aforesaid revised or new TAS, TFRS and accounting guidance in preparation of the accompanying financial statements and has no policy to adopt early before the effective periods. In overall, management has preliminarily assessed and believed that there is no material effect to the financial statements of the Group upon adoption. However, certain revised TAS and TFRS feature significant changes as follows:



NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2023 AND 2022

TAS 1 (Presentation of Financial Statements), TFRS 7 (Financial Instruments: Disclosures), and TAS 34 (Interim Financial Reporting) from change relating to disclosures on accounting policies

In this part there are changes in provisions from previously disclosing significant accounting policies to disclosing material accounting policies instead. In addition, the new provisions also give guidelines for practical use on the definition of being material to influence decisions for the disclosed information. Thus, the effect on the financial statements is disclosures on accounting policies and other related matters in the notes to financial statements (both annual and interim), from 2024 and onwards, will be fewer and more concise.

The Group disclosed information for the year ended December 31, 2022 for being the comparative information in the financial statements for the year ended December 31, 2023 in form of corresponding figures.

For convenience of the readers, an English translation of the financial statements has been prepared from the Thai language statutory financial statements that are issued for domestic financial reporting purposes.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and subsidiaries.

Significant intercompany transactions between the Company and subsidiaries included in consolidated financial statements have been eliminated.

Subsidiary is a company controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies as well as the variable returns of a company so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity. When an entity loses control of a subsidiary, investment retained in the former subsidiary is measured at its fair value while any gain or loss is recognized in the statement of comprehensive income.

Foreign Currencies

Transactions in foreign currencies

Transactions in foreign currencies are translated to Thai Baht at the exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of comprehensive income.

Non-monetary assets and liabilities denominated in foreign currencies which are carried under historical cost convention are translated to Thai Baht at the exchange rates ruling at the dates of the transactions.



NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2023 AND 2022

Investment in Associate and Joint Venture

Investment in associate and joint venture in the consolidated financial statements is accounted for using the equity method.

Associate is the entity in which the Company or the Group has significant influence, but not control, over the financial and operating policies. Joint venture is joint arrangement in the entity in which the Company or the Group has joint control among other venturers in that entity. The consolidated financial statements of the Group include share of profit or loss of associate and joint venture, on an equity accounted basis, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the share of loss exceeds its interest in any associate and joint venture, the investment in such associate and joint venture shall be reduced to nil and recognition of further loss shall be ceased except to the extent that the Company or the Group has legal or constructive obligations or consents to settle the obligations on behalf of the associate and joint venture.

Other Investments

Investment in unit trusts which is held by the Company for trading (if any) is stated at fair value. Gains or losses arising from changes in the fair value of investment or sales of investment are included as profit or loss in statement of comprehensive income. In case the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold and the part still remained is determined using the weighted average method applied to the carrying amount of the total holding of the investment.

Fair value of unit trusts is determined from the net asset value of mutual fund that issued the particular unit trust which is the Level 1 inputs of the fair value hierarchy.

Investment in short-term bill of exchange (debt securities) that is held to maturity (if any) is stated at amortized cost net of allowance for impairment (if any).

Use of Estimates

In order to prepare financial statements in conformity with the Thai financial reporting standards, management needs to use estimates and set assumptions that affect revenues, expenditures, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

The estimates and underlying assumptions used in preparation of these financial statements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant estimates and underlying assumptions used in preparation of these financial statements which may be affected by significant uncertainty are as follows:

- Allowance for impairment of trade and other receivables, and loan receivables
- Net realizable value and allowance for losses on diminution in value of inventories
- Allowance for impairment of plant and equipment
- Useful lives and residual values of building and equipment, right-of-use assets and intangible assets
- Consideration for cancellation or renewal options of leases and discount rates of lease liabilities
- Expected periods and amounts that deferred tax assets will be utilized
- Assumptions and parameters used in calculation of liability for post-employment benefits
- Assessment and estimates of the fair values of financial assets and financial liabilities.



NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2023 AND 2022

Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at cost include cash on hand and cash at financial institutions. Cash equivalents (if any) are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturity of three months or less and without restriction of use or being collateral and that are subject to a low or an insignificant risk of change in value.

Restricted deposits at banks or being collateral were separately presented as “Restricted deposits at banks” under non-current assets in the statements of financial position.

Trade Receivables, Other Receivables, and Allowance for impairment

Trade and other receivables are carried at original invoice amount or at accrued amount net of allowance for impairment.

The Group provides allowance for impairment in accordance with the policy discussed in the section of “Financial instruments”.

Inventories

Inventories are valued at the lower of cost and net realizable value and net of allowance for diminution in value (Impairment) for obsolete and slow-moving inventories. Cost is calculated and determined using the First-In, First-Out method.

Costs of inventories comprise the purchase cost, conversion costs, and other costs incurred in bringing the inventories to their present location and condition. In case of own-manufactured inventories and work in process, costs of inventories include the appropriate allocation of production overheads which is based on normal capacity of production facilities.

Net realizable value is the estimated selling price in ordinary course of business less necessary costs to sell.

The Group determines the allowance for diminution in value for obsolete and slow-moving inventories based on consideration of inventory physical condition and estimates derived from past information and experiences.

Property, Plant and Equipment

Land, building and equipment are stated at cost net of accumulated depreciation and allowance for impairment (if any). When assets are retired or disposed of, their carrying values are eliminated from the accounts and any gain or loss resulting from their retirement or disposal is included in the statement of comprehensive income. Costs of asset dismantlement, removal, and restoration are included as part of asset cost and subject to depreciation.

Depreciation is charged to the statement of comprehensive income on a straight-line method over the useful lives of each significant part of an item of assets. Depreciation methods, residual values, and useful lives are reviewed at each financial year-end, at least, and adjusted if appropriate. In determining the depreciable amount, residual value of particular asset is measured at amount estimated receivable currently for the asset if the asset is already of the age and in the condition expected at the end of its useful life. The useful lives of the assets are as follows:

**NOTES TO FINANCIAL STATEMENTS (Continued)****EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

DECEMBER 31, 2023 AND 2022

	<u>No. of Years</u>
Land improvement	5 and 20
Building and building improvement	5 and 20
Building and building improvement on leased land	20 (Not over the lease term)
Machinery and equipment	3 - 15
Electric system	5 and 10
Furniture, fixtures and office equipment	5
Showroom equipment	5
Vehicles	5
Utilities	5

No depreciation has been charged for land and assets under construction or installation.

Right-of-use Asset

The Group measures right-of-use asset at cost less accumulated depreciation and the allowance for impairment (if any) with the adjustment pertaining to re-measurement of lease liabilities (if any).

At commencement date, cost of the right-of-use asset comprised (1) the amount of initial measurement of lease liability, (2) lease payments made at or before the commencement date, less any lease incentives received, (3) initial direct costs incurred by the lessee (if any) and (4) an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease (if any and being material).

Depreciation is charged as expense in profit or loss and calculated by the straight-line method attributable to the related lease terms as follows:

	<u>Period</u>
Land	20 years
Building	3 years
Vehicles and equipment	3 - 15 years

Intangible Assets

Intangible assets are computer programs that are stated at cost net of accumulated amortization and allowance for impairment (if any). Amortization is made on a straight-line method over the useful lives of the assets of 5 years.

Amortization

Amortization is charged as part of distribution costs and administrative expenses in the statement of comprehensive income on the straight-line method over the useful life of each type of intangible asset. Intangible assets with an indefinite useful life (if any) are not amortized but are tested for indication of impairment at each reporting date. Amortization methods, residual values, and useful lives are reviewed at least at each financial year-end and adjusted if appropriate.



NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2023 AND 2022

Impairment of Non-financial Assets

The carrying amounts of the assets of the Group are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts (the higher of asset's fair value less cost to sell or value in use) shall be estimated and reviewed. The review is made for individual assets or for the cash-generating unit.

In case that the carrying value of an asset exceeds its recoverable amount, the Group recognizes the impairment loss by reducing the carrying amount of the asset to its recoverable amount and by recording the devaluation in the statement of comprehensive income. The reversal of impairment losses recognized in prior years is recorded as part of other income when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased. The reversal of the impairment losses shall not exceed the carrying amount of the asset, net of depreciation or amortization, that would have been determined had no impairment losses been recognized for the asset in prior years.

Trade and Other Payables

Trade and other payables are stated at cost.

Lease Liability

At commencement date, the Group measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group's incremental borrowing rates (average interest rates on borrowings with similar term and characteristics to the underlying asset) shall be used. The lease payments that are not paid comprised (1) fixed payments less any lease incentives receivable, (2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (if any), (3) amounts expected to be payable under residual value guarantees (if any), (4) exercise price of a purchase option if it is reasonably certain to exercise that option (if any) and (5) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease (if any).

After commencement date, the Group measures the lease liability by (1) increasing the carrying amount to reflect interest on the lease liability (if any), (2) reducing the carrying amount to reflect the lease payments made and (3) re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments (if any). Interest on lease liability and variable lease payments not included in the measurement of the lease liability (if any) is charged as expense in profit or loss.

Lease fees attributable to short-term lease (not exceeding 12 months from commencement date) and lease of low-value asset (based on physical characteristics of the asset) are charged as expense in profit or loss.

Sales and leaseback of the asset which the Group (as seller and lessee) has assessed that it is not a sale for financial reporting, the Group continues to recognize the transferred asset as previously done and accounts for the lease liability equal to the amount of proceeds from the transfer of that assets.



NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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Employee Benefits

Short-term benefits

Salaries, wages, bonuses and contributions to social security fund are recognized as an expense upon their occurrences and on an accrual basis.

Post-employment benefits

Obligations on defined contribution plan which is the provident fund are recognized as an expense in the statement of comprehensive income when contribution to the fund on an accrual basis.

Obligations on post-employment benefits which are defined benefit plan that will be settled to the employees upon retirement or termination are calculated by estimating the amount of future benefits that employees have earned in return for their service in the prior and current periods. The benefits are discounted using the project unit credit method to determine present value of obligations. The calculation is annually performed or at least every three years by the qualified actuary. Expenses from the liability for post-employment benefits comprise past service cost, current service cost and interest cost which are recognized as profit or loss whereas actuarial gain/loss on measurement is recognized as other comprehensive income or loss.

Surplus on Business Combination under Common Control

Business combination under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same persons, group of persons, entity, or group of entities both before and after the business combination, and that control is not transitory.

Unrealized gain or loss on internal restructuring of the entities under common control is the difference between the carrying amounts of the obtained assets and the purchase costs of the assets incurred on internal restructuring of the entity of group of entities under common control whereby such purchase of assets is the combination of the entities under the same shareholders and management. Such unrealized gain or loss is presented as "Surplus on business combination under common control" which is separately presented under other components of equity in the statement of financial position. When the assets relating to surplus on business combination under common control are retired or disposed of, the corresponding surplus on business combination under common control is directly transferred to the unappropriated retained earnings.

Revenue Recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably whereby there is consideration about characteristics, amount, timing as well as uncertainty of revenue and contractual cash flows from contract with customer.

Sales are recognized, at a point in time, net of discounts and considerations paid to customer or buyer when delivery has taken place and transfer of risks and rewards of ownership as well as control of goods to the buyer has been completed.

Short-term service income (within 1-2 days) is recognized, at a point in time, when the Group has rendered the services to customer and on an accrual basis.



NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2023 AND 2022

Interest income (financial income that is not core business) is recognized over time on a time proportion basis that reflects the effective yield on the asset, if significant.

Rental income on operating lease is recognized over time on a straight-line basis over the lease term.

Dividend income is recognized at a point in time on the date the Group's right to receive payments is established which in case of investment in quoted securities is usually the ex-dividend date. Dividends from investment in associate and joint venture are treat as capital return and, therefore, being a deduction to the value of investment accounted for using the equity method.

Revenue from services on cryptocurrency-mining is recognized at the time that the business transaction in blockchain system is confirmed whereby the subsidiary is remunerated with cryptocurrency (the digital currency asset) of which cost is initially measured based on fair value (closing price) prevailing on the date on which such asset is received. Fair value pertains to central website that summarized information relating to cryptocurrency and such fair value is considered the Level 2 inputs of the fair value hierarchy. However, this business activity of subsidiary (ECF-H) ended in the end of 2022.

Other income is recognized on an accrual basis.

Expense Recognition

Other than the lease fees attributable to short-term lease and lease of low-value asset, other expenses are recognized on an accrual basis.

Borrowing Costs

Interest and financial charges on liabilities acquired for construction of building and installation of machinery and equipment is capitalized as part of the cost of the asset. The capitalization of such finance costs is ceased when the construction or installation are completed and ready for their intended use.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Principal market is the market with the greatest volume and level of activity for the asset or liability. Market participants comprise buyers and sellers in the principal or most advantageous market for the asset or liability whereby market participants are independent of each other, knowledgeable and having a reasonable understanding, able to enter into a transaction for the asset or liability, and willing to enter into a transaction for the asset or liability.

To increase the consistency and comparability in fair value measurements and related disclosures in the financial statements, the fair value hierarchy is categorized into 3 levels with respect of the inputs to valuation techniques used to measure the fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities ("Level 1 inputs"), secondary priority to other observable inputs ("Level 2 inputs"), and the lowest priority to unobservable inputs ("Level 3 inputs").

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.



NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2023 AND 2022

Financial instruments

Recognition and measurement

Financial assets are initially measured at fair value, plus transaction costs in case of financial assets that are not measured at fair value through profit or loss. Financial assets shall be classified and measured with respect to the business model on asset management and characteristics of the asset's contractual cash flows which is divided into three categories i.e. amortized cost, fair value through other comprehensive income, and fair value through profit or loss. Upon changes in business model on financial asset management are known, the affected financial assets shall be considered for proper reclassification.

Financial liabilities are initially measured at fair value net of transaction costs. Financial liabilities shall be classified and measured at amortized cost except for financial liabilities measured at fair value through profit or loss (such liabilities include derivative liabilities). Reclassification of financial liabilities is prohibited.

Classification and measurement

Assets classified and measured at amortized cost

- Cash and cash equivalents, and restricted deposits at banks
- Trade receivables
- Other receivables (including refundable advances and deposits or guarantees)
- Loan receivables

Assets classified and measured at fair value through other comprehensive income - none

Assets classified and measured at fair value through profit or loss

- Derivatives assets (other receivables)

Liabilities classified and measured at amortized cost

- Bank overdrafts and short-term borrowings
- Trade payables
- Other payables (including accruals and deposits or guarantees with payment condition)
- Long-term borrowings and debentures
- Lease liabilities

Liabilities classified and measured at fair value through profit or loss

- Derivatives liabilities (other payables)

Impairment

Impairment loss from expected credit loss of financial assets is recognized under the General approach in the following stages:

- Stage 1 (performing): the 12-month expected credit loss is recognized in profit or loss. Interest income (if any) is calculated based on gross carrying amount without netting the allowance for expected credit loss.
- Stage 2 (under-performing): upon significant rise in credit risk and not being at low level, the Group recognizes the full lifetime expected credit loss in profit or loss. Interest income (if any) is calculated based on the same principle to Stage 1.
- Stage 3 (non-performing or credit-impaired): upon significant rise in credit risk of financial asset that is considered as credit impaired, the Group recognizes the full lifetime expected credit loss in profit or loss. Interest income (if any) is calculated based on gross carrying amount net of the allowance for impairment.



NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2023 AND 2022

For trade receivables and contract assets (e.g. accrued service income), the Group adopts the Simplified approach by recognizing the full lifetime expected credit loss for financial assets considered as aforesaid. In consideration and measurement of expected credit loss for both General approach and Simplified approach, the historical credit loss is combined with the forward looking information pertaining to the assets and significant factors relating to economic environment. For receivables and loan receivables, the Group categorizes the population by focusing on aging balance information whereby the past records were captured for historical credit loss of approximately three year.

Hedge accounting

Hedge accounting is aimed for reflecting the impacts in the financial statements that are caused in risk management activities using the financial instruments on management of exposures to the risks and such risks shall affect profit or loss and/or other comprehensive income. Relationships and related accounting treatment of hedge accounting are divided into three categories i.e. fair value hedge, cash flows hedge, and hedge of net investment in foreign entity.

Derivative financial instruments are used to manage fair value risk exposed by change in foreign exchange rates arising from operating activities. Derivatives are not intended to use for trading purpose. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments. Derivatives are recognized initially at fair value and then are re-measured at fair value. Gain or loss on re-measurement to fair value is recognized as profit or loss.

The fair value of derivatives is the quoted market price at the statement of financial position date, which is the Level 2 inputs of the fair value hierarchy whereby such price is the present value of the quoted derivative price where market approach was used as valuation technique and core information used in evaluation was the adjusted exchange rates in market to fit for the issued instrument which was computed by bank who was the counterparty.

Provisions

A provision is recognized in the statement of financial position when there is a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Income Tax

Income tax on the profit or loss for the year, which is recognized in the statement of comprehensive income, is current tax and deferred tax.

Current tax

Current tax is the amount of tax payable or recoverable which is calculated from taxable profit or loss for the year, using tax rates enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.



NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2023 AND 2022

Deferred tax

The group is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not recognized for the initial recognition of assets and liabilities that affect neither accounting nor taxable profit to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, at the tax rates that are expected to apply to the period when the deferred tax asset is realized or the tax liability is settled based on tax rates that have been enacted as at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available against which the asset can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Earnings (Loss) per Share

Basic earnings (loss) per share is determined by dividing profit (loss) for the year, attributable to owners of the Company, by the weighted average number of common shares outstanding during the year whereas diluted earnings (loss) per share is determined by dividing the profit (loss) for the year, attributable to owners of the Company, by the weighted average number of common shares outstanding during the year after adjusting the effect from dilutive potential common shares.

4. TRANSACTIONS WITH RELATED PARTIES

Related parties are those parties controlled by the Company or have power control over the Company, directly or indirectly or significant influence, to govern financial and operating policies of the Company.

Types of relationship of related parties are as follows:

Name of Companies / Persons	Type of Business	Type of Relationship
VVD	See detail as discussed in Note 1	Subsidiary
ECF-H	See detail as discussed in Note 1	Subsidiary
ECF-P	See detail as discussed in Note 1	Subsidiary
PNB	See detail as discussed in Note 1	Subsidiary
SOMEWA	See detail as discussed in Note 1	Subsidiary
VVR	See detail as discussed in Note 1	Subsidiary
ECFD	See detail as discussed in Note 1	Joint venture
Green Earth Power (Thailand) Co., Ltd.	Holding company in energy business	Associate
GEP (Myanmar) Company Limited (incorporated and operated in Myanmar)	Manufacturing and sales of electricity generated from solar power	Subsidiary of associate and co-directors
East Cost Design Co., Ltd.	Manufacturing and sales of furniture	Co-directors and co-shareholders
East Coast Industry Co., Ltd.	Sales of furniture	Co-directors and co-shareholders
V-Chat Décor Co., Ltd.	Manufacturing and sales of laminating papers	Co-directors and co-shareholders
V-Chat Industry Co., Ltd.	Manufacturing and sales of dried sawn lumbers	Co-directors and co-shareholders

**NOTES TO FINANCIAL STATEMENTS (Continued)****EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

DECEMBER 31, 2023 AND 2022

Name of Companies / Persons	Type of Business	Type of Relationship
B.V. Parawood Co., Ltd.	Manufacturing and sales of furniture and dried sawn lumbers	Co-directors and co-shareholders
Bot Link Co., Ltd.	Purchase and sell all types of robot	Co-director and co-shareholder
Index Living Mall Public Co., Ltd.	Sales of furniture	Directors are spouse
Index Interfurn Co., Ltd.	Manufacturing and sales of furniture	Directors are spouse
Khun Wallop Suksawad	-	Shareholder and director (key management)
Khun Kittiphat Suksawad	-	Shareholder and director (key management)
Khun Pacharatanapong Suksawad	-	Shareholder and director (key management)
Khun Paphatsa Suksawad	-	Shareholder and relative of directors
Khun Waraporn Suksawad	-	Shareholder and relative of directors
General Terdsak Marrome	-	Director (key management)
Khun Montee Socatayanurak	-	Director (key management)
Khun Songklod Jarusombuti	-	Director (key management)
Khun Ekarin Vasanason	-	Director (key management)
Khun Phaiboon Arunprasobsuk	-	Director (key management)

Key management is person having authority and responsibility for planning, directing and controlling the activities of the entity, either directly or indirectly, including the Company's director (whether being as executive or otherwise).

Pricing policies for transactions with related parties are as follows:

Type of Transaction	Pricing Policies
Purchases - sales of inventories	Prices approximated market prices
Interest income / interest expense	Referenced to MOR
Dividend income	Rate announced at the meeting of the investee
Other income	Mutually agreed price
Purchases of raw materials / inventories / supplies	Prices approximated market prices
Purchases - sales of equipment (if any)	Mutually agreed price
Land lease fee (decrease in lease liabilities)	Price approximated market price
Other service and lease fees	Mutually agreed price
Key management's remunerations	Mutually agreed amount
Guarantee of credit facilities by directors and/or related persons	No guarantee charge between parties

Transactions with related parties for the years ended December 31, 2023 and 2022 are as follows:

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2023	2022	2023	2022
Sales of inventories				
Subsidiaries	-	-	132,234	84,543
Related companies	217,514	55,522	202,351	42,272
Total	217,514	55,522	334,585	126,815



NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2023 AND 2022

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2023	2022	2023	2022
Interest income				
Subsidiary	-	-	12	699
Associate	9,850	8,281	-	-
Related persons	121	222	121	222
Total	9,971	8,503	133	921
Other income				
Subsidiary	-	-	-	3,659
Related company	10	-	10	-
Total	10	-	10	3,659
Purchases of inventories				
Subsidiaries	-	-	1,339	5
Related companies	4,732	-	210	-
Total	4,732	-	1,549	5
Advertising expenses				
Related company	-	261	-	261
Land lease fee				
Related person	129	-	129	-
Interest expense				
Subsidiaries	-	-	4,783	6,826
Related persons	1	2,066	-	722
Total	1	2,066	4,783	7,548
Key management's remunerations				
Short-term benefits	18,676	20,160	15,316	16,798
Post-employment benefits	875	1,177	571	472
Total	19,551	21,337	15,887	17,270

Outstanding balances with related parties as at December 31, 2023 and 2022 are as follows:

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2023	2022	2023	2022
Trade receivables				
Subsidiaries	-	-	59,714	51,580
Related companies	65,917	30,523	60,608	26,139
Total	65,917	30,523	120,322	77,719
Other receivables				
Subsidiaries	-	-	-	1,849
Associate	837	4,902	-	-
Related person	-	6,990	-	6,990
Total	837	11,892	-	8,839

**NOTES TO FINANCIAL STATEMENTS (Continued)****EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

DECEMBER 31, 2023 AND 2022

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2023	2022	2023	2022
Short-term loans and interest receivables				
Interest receivables				
Subsidiaries	-	-	-	814
Short-term loans				
Subsidiaries (interest rate at 5.5% p.a. and due at call)	-	-	-	4,100
Associate (interest rate at 10% p.a. and due under mutual agreement that is attributable to percentage of shareholding by ECF-P)	98,500	98,500	-	-
Total	98,500	98,500	-	4,914
Guarantees on construction of power plant project				
Associate	20,000	20,000	-	-
Trade payables				
Subsidiaries	-	-	994	-
Related companies	1,319	-	175	-
Total	1,319	-	1,169	-
Other payables				
Subsidiary	-	-	5	400
Associate	780	150	-	150
Related company	1	780	1	-
Related persons	311	306	5	-
Total	1,092	1,236	11	550
Short-term loan and interest payables				
Interest payables				
Subsidiary	-	-	18,889	14,406
Related persons	263	-	262	-
Short-term loans				
Subsidiary (interest rate at 5.5% p.a. and due at call)	-	-	87,851	87,851
Related persons (interest rate at 5.77% p.a. and due at call)	65,100	-	65,000	-
Total	65,363	-	170,702	102,257
Lease liabilities - net (land lease term of 20 years)				
Related person	1,782	-	1,782	-

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

	Consolidated (In Thousand Baht)			
	December 31, 2022	Movements during the year		December 31, 2023
		Increase	Decrease	
Short-term loans to Green Earth Power (Thailand) Co., Ltd.	98,500	-	-	98,500
	Separate Financial Statement (In Thousand Baht)			
	December 31, 2022	Movements during the year		December 31, 2023
		Increase	Decrease	
ECF-H	4,100	-	4,100	-



NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2023 AND 2022

	Consolidated (In Thousand Baht)			
	December 31,	Movements during the year		December 31,
	2022	Increase	Decrease	2023
Short-term loans from				
Director	-	29,000	-	29,000
Relatives of directors	-	36,100	-	36,100
	Separate Financial Statement (In Thousand Baht)			
	December 31,	Movements during the year		December 31,
	2022	Increase	Decrease	2023
ECF-P	75,651	2,000	3,300	74,351
PNB	12,200	-	-	12,200
Director	-	29,000	-	29,000
Relatives of directors	-	36,000	-	36,000

5. TRADE AND OTHER RECEIVABLES

As at December 31, 2023 and 2022, trade receivables classified by outstanding period are as follows:

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2023	2022	2023	2022
Trade receivables				
<i>Related companies</i>				
Current	45,984	24,001	87,508	35,337
Overdue :				
Not exceeding 3 months	19,933	6,522	19,196	17,154
Between 3 months - 6 months	-	-	-	8,017
Between 6 months - 12 months	-	-	80	10,508
Over 12 months	-	-	13,538	6,703
Total	65,917	30,523	120,322	77,719
<i>Other companies - net</i>				
Current	314,064	270,996	279,366	257,164
Overdue :				
Not exceeding 3 months	50,587	60,102	36,277	54,091
Between 3 months - 6 months	1,721	50,333	414	49,521
Between 6 months - 12 months	9,469	160,729	7,143	159,243
Over 12 months	28,882	45,147	24,039	41,862
Total	404,723	587,307	347,239	561,881
Less Allowance for impairment for expected credit loss	(32,137)	(21,800)	(24,993)	(15,271)
Net	372,586	565,507	322,246	546,610
Non-current portion of trade receivables				
Current	130,429	-	130,429	-
Less Allowance for impairment for expected credit loss	(1,313)	-	(1,313)	-
Net	129,116	-	129,116	-

**NOTES TO FINANCIAL STATEMENTS (Continued)****EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

DECEMBER 31, 2023 AND 2022

In March and September 2023, the Company entered into the installment payment agreements with a portion of its trade debtors whereby such debtors were generally overdue between 1 month and 13 months as at the end of 2022. Such debtors have economically suffered from the COVID-19 situation for a while. In order to maintain the payment ability of the debtors as well as preventing the Company from the impact of bad debts, the Company and these debtors, therefore, entered into such agreements with different deals for each debtor. In overall, the monthly installment periods are between 12 months and 36 months with interest charge at 6.6% p.a. As at December 31, 2023, the balance with such debtors was summarized below:

Current portion - net	104,950	Thousand Baht
Non-current portion - net	129,116	
Total	<u>234,066</u>	Thousand Baht

As at December 31, 2023 and 2022, the Company discounted, under factoring, its trade receivables amounting to approximately Baht 227.9 million and Baht 117.6 million, respectively, (including balance with related parties of approximately Baht 55.5 million and Baht 13.4 million, respectively) with four local financial institutions and two local financial institutions, respectively, (under credit facilities totalling Baht 210 million and Baht 100 million, respectively), whereby such financial institutions can take recourse action on the Company amounting to approximately Baht 195.7 million and Baht 99.5 million, respectively. The Company presented such amounts of the obligation under recourse action as “Factoring payables” in statements of financial position.

The credit terms given to customers as per the Group’s policy are 30-90 days.

As at December 31, 2023 and 2022, other receivables - other parties - net are as follows:

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2023	2022	2023	2022
Deposits for purchases of raw materials and inventories	14,982	5,218	14,927	5,218
Prepaid expenses	9,974	8,355	9,936	8,338
Value-added tax receivable	8,270	7,675	6,003	5,345
Other receivables *	7,687	4,785	7,687	4,785
Interest receivables	5,339	5,902	268	3,831
Receivables from sales of fixed assets (see Note 8)	-	21,400	-	-
Others	7,715	3,959	7,839	3,814
Total	<u>53,967</u>	<u>57,294</u>	<u>46,660</u>	<u>31,331</u>
Less Allowance for impairment for expected credit loss *	<u>(3,997)</u>	<u>(3,997)</u>	<u>(3,997)</u>	<u>(3,997)</u>
Net	<u>49,970</u>	<u>53,297</u>	<u>42,663</u>	<u>27,334</u>



NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2023 AND 2022

6. INVENTORIES - NET

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2023	2022	2023	2022
Finished goods	541,820	564,800	537,092	563,701
Work-in-process	568,735	597,262	568,735	597,262
Raw materials	104,846	72,258	104,846	72,258
Factory supplies	71,136	53,789	71,136	53,789
Inventories in transit	1,564	1,663	1,564	1,663
Total	1,288,101	1,289,772	1,283,373	1,288,673
Less Allowance for diminution in value for obsolete and slow moving inventories	(58,351)	(12,623)	(58,039)	(12,607)
Net	1,229,750	1,277,149	1,225,334	1,276,066

As at December 31, 2023 and 2022, written-down amount of inventory cost to net realizable value which was recognized as part of cost of sales in the statements of comprehensive income for the years ended December 31, 2023 and 2022 amounting to approximately Baht 12.2 million and Baht 12.8 million, respectively.

During 2023, the management changed accounting estimates relating to allowance for diminution in value of slow-moving and obsolete inventories. Such change was the increase in loss rate of each inventory age in order that such rate be more aligned with actual and current information that changed from the past. Such change resulted in the increase in loss on diminution in value of inventories in 2023 of approximately Baht 27.9 million, which was presented as part of "Administrative expenses" in the 2023 statements of comprehensive income.

Losses from fire accident

On April 7, 2023, there was a fire accident in a portion of manufacturing area (color-spraying area) of the rubber-wood furniture factory that is the 1st branch, located in Amphur Wangchan, Rayong province. Losses resulted from such fire accident primarily comprised of those mainly pertaining to (1) inventories and (2) plant and equipment with the carrying amounts of approximately Baht 77.92 million and Baht 31.63 million, respectively (totalling approximately Baht 109.55 million). The Company has fire accident insurance policy with a local insurance company of Baht 546.0 million. Later in September 2023, the Company had a conclusion and agreement, in written, with the insurance company that the Company is entitled to receive insurance claim on such fire accident of approximately Baht 93.28 million. The Company, therefore, recognized loss on written-off assets, as mentioned above, net of related insurance claim received in the consolidated and separate statements of comprehensive income for the year 2023 as follows:

	In Thousand Baht
Loss on written-off assets from fire accident	108,549
Cost of dismantlement and relocation of damaged assets	1,000
Insurance claims on fire accident	(93,282)
Net - Other expenses	16,267

**NOTES TO FINANCIAL STATEMENTS (Continued)****EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

DECEMBER 31, 2023 AND 2022

7. RESTRICTED DEPOSITS AT BANKS

As at December 31, 2023 and 2022, the Company has collateralized its fixed deposits with four and three local banks, respectively, amounting to approximately Baht 52.2 million and Baht 52.0 million, respectively, as guarantees for its credit facilities with such banks.

8. 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)	
	2023	2022	2023	2022	2023	2022
VV-Decor Co., Ltd.	1,000	1,000	99.95	99.95	1,000	1,000
ECF Holdings Co., Ltd.	45,000	45,000	94.44	94.44	42,500	42,500
ECF Power Co., Ltd.	909,283	909,283	99.99	99.99	909,282	909,282
Planet Board Co., Ltd.	50,000	50,000	57.00	57.00	7,125	7,125
Somewa Plaza Co., Ltd.	2,000	2,000	75.00	75.00	1,500	1,500
VV Rich Co., Ltd.	1,000	1,000	99.97	99.97	1,000	1,000
Total					962,407	962,407
Less Allowance for impairment					(7,555)	-
Net					954,852	962,407

During 2023 and 2022, the subsidiaries did not declare any dividends to the shareholders.

During 2023, the management considered and determined direction of Planet Board Co., Ltd. and Somewa Plaza Co., Ltd., and decided not to take any action plan of business for these two companies. The Company, therefore, recorded loss for impairment of investment in such companies of approximately Baht 7.125 million and Baht 0.43 million, respectively, in the 2023 separate statement of comprehensive income. In addition, advance received for share subscription from other shareholders of the Planet Board Co., Ltd. of approximately Baht 25.6 million was reclassified in the consolidated financial statements as previously presented as non-controlling interests to other current financial liabilities (other payables) in respect of the occurrence of obligation for settlement.

Significant financial information of PNB in the financial statements for the years 2023 and 2022 which included non-controlling interests at the proportion of 43% is as follows:

	In Million Baht	
	2023	2022
Current assets	15.0	14.6
Non-current assets	4.9	7.2
Current liabilities	25.8	0.2
Shareholders' equity (Capital deficiency)	(5.9)	21.6
Other income	0.7	0.8
Profit (loss) for the year	(1.9)	0.6
Total comprehensive income (loss) for the year	(1.9)	0.6

At the Board of Directors' meeting on November 10, 2022, the Board of Directors passed the resolution approving the cessation of ECF-H's mining and sales of cryptocurrency operations as well as sales of the related assets used in such operations to a local non-related company at the price approximated carrying amount of the assets in November 2022 (the selling price amounted to Baht 20 million that incurred gain on sales of approximately Baht 0.3 million).



NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2023 AND 2022

9. INVESTMENT IN ASSOCIATE ACCOUNTED FOR USING THE EQUITY METHOD

	Percentage of Shareholding by Subsidiary (ECF-P)	Consolidated (In Thousand Baht)			
		Authorized Share Capital		Investment Value	
		2023	2022	2023	2022
<i>Investment in associate</i>					
Green Earth Power (Thailand) Co., Ltd. ("GEP")	20.00	2,252,716	2,252,716	877,549	865,881
				-	4,066

Share of profit and other comprehensive loss from GEP for the year 2023 amounted to approximately Baht 17.0 million and Baht 5.3 million, respectively.
Share of profit and other comprehensive income from GEP for the year 2022 amounted to approximately Baht 28.2 million and Baht 17.9 million, respectively.

GEP holds the entire shares of its subsidiary, i.e. GEP (Myanmar) Company Limited ("GEPM"), whereby GEP is engaged as a holding and management company in the 220-megawatt solar power plant project (divided into 4 phases) of GEPM which is located in Minbu province, Myanmar.

ECF-P has placed the guarantee for construction of the solar power plant of its associate amounting to Baht 20.0 million which is refundable upon completion of construction of the solar power plant (all four phases). Such guarantee was presented as part of "Deposits and guarantees" in the consolidated statements of financial position as at December 31, 2023 and 2022.

ECF-P has used its 4,505,433 share certificates (the entire shares invested) of investment in GEP as guarantee for payments of construction costs of the solar power plant project in Myanmar of GEPM to two subsidiaries of Meta Corporation Public Company Limited who are the construction contractors. This guarantee shall be continued until the payments for construction works of such project are completed.

**NOTES TO FINANCIAL STATEMENTS (Continued)****EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

DECEMBER 31, 2023 AND 2022

Significant financial information of GEP for the years 2023 and 2022 is as follows:

	In Million Baht	
	2023	2022
Current assets (including other subscription receivables)	265.6	284.9
Non-current assets	4,570.3	4,391.6
Current liabilities	2,103.4	2,114.8
Non-current liabilities	156.5	50.0
Core revenues	334.0	377.1
Profit for the year	90.8	135.0
Total comprehensive income for the year	64.3	224.4
Shareholders' equity (not deducting other subscription receivables)	2,576.0	2,511.7
The Group's interest at the investment proportion	515.2	502.3
Other reconciling item	-	1.2
Purchase price of investment in excess of the Group's interest	362.4	362.4
Carrying amount of investment in which equity method is applied	877.6	865.9

10. INVESTMENT IN JOINT VENTURE ACCOUNTED FOR USING EQUITY METHOD

On July 27, 2023, ECFD was established with the registered and paid-up share capital of Baht 7 million. Share of loss from ECFD for the year 2023 amounted to approximately Baht 0.36 million.

Significant financial information of ECFD for the year 2023 is as follows:

	In Million Baht
Current assets	6.4
Current liabilities	0.1
Core revenues	-
Loss for the year / Total comprehensive loss for the year	(0.7)
Shareholders' equity	6.3
The Company's interest at the investment proportion	3.2
Carrying amount of investment in which equity method is applied	3.2



NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2023 AND 2022

11. PROPERTY, PLANT AND EQUIPMENT - NET

	Consolidated (In Thousand Baht)				
	Beginning Balance as at January 1, 2023	Movements During the Year			Ending Balance as at December 31, 2023
		Addition	Deduction	Transfer	
Cost					
Land	217,538	-	-	-	217,538
Land improvement	41,097	-	4,334	14,933	51,696
Building	208,211	-	20,821	70,966	258,356
Building improvement	72,535	2,913	5,400	67,090	137,138
Machinery and equipment	372,917	4,829	3,831	7	373,922
Electric system	50,035	-	12,632	(18,725)	18,678
Furniture, fixtures and office equipment	20,235	2,963	242	-	22,956
Vehicle	54,017	-	-	-	54,017
Utilities	3,897	-	-	-	3,897
Construction in progress and machinery under installation	209,727	194,561	-	(171,983)	232,305
Total Cost	<u>1,250,209</u>	<u>205,266</u>	<u>47,260</u>	<u>(37,712)</u>	<u>1,370,503</u>
Accumulated Depreciation					
Land improvement	11,681	2,123	300	-	13,504
Building	88,904	8,945	10,778	-	87,071
Building improvement	30,202	6,571	336	-	36,437
Machinery and equipment	316,906	10,667	3,568	-	324,005
Electric system	18,059	4,880	1,420	(15,380)	6,139
Furniture, fixtures and office equipment	17,794	982	224	-	18,552
Vehicle	53,697	213	-	-	53,910
Utilities	<u>3,897</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,897</u>
Total Accumulated Depreciation	<u>541,140</u>	<u>34,381</u>	<u>16,626</u>	<u>(15,380)</u>	<u>543,515</u>
Allowance for Impairment					
Buildings and building improvement	2,527	-	-	-	2,527
Machinery and equipment	<u>2,932</u>	<u>2,200</u>	<u>-</u>	<u>-</u>	<u>5,132</u>
Total Allowance for Impairment	<u>5,459</u>	<u>2,200</u>	<u>-</u>	<u>-</u>	<u>7,659</u>
Net	703,610				819,329

**NOTES TO FINANCIAL STATEMENTS (Continued)****EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

DECEMBER 31, 2023 AND 2022

	Separate Financial Statements (In Thousand Baht)				
	Beginning Balance as at January 1, 2023	Movements During the Year			Ending Balance as at December 31, 2023
		Addition	Deduction	Transfer	
Cost					
Land	217,538	-	-	-	217,538
Land improvement	41,097	-	4,334	14,933	51,696
Building	208,211	-	20,821	70,966	258,356
Building improvement	72,535	2,913	5,400	67,090	137,138
Machinery and equipment	372,917	4,829	3,831	7	373,922
Electric system	50,035	-	12,632	(18,725)	18,678
Furniture, fixtures and office equipment	19,558	2,963	242	-	22,279
Vehicle	54,017	-	-	-	54,017
Utilities	3,897	-	-	-	3,897
Construction in progress and machinery under installation	201,756	194,459	-	(171,983)	224,232
Total Cost	<u>1,241,561</u>	<u>205,164</u>	<u>47,260</u>	<u>(37,712)</u>	<u>1,361,753</u>
Accumulated Depreciation					
Land improvement	11,681	2,123	300	-	13,504
Building	88,904	8,945	10,778	-	87,071
Building improvement	30,202	6,571	336	-	36,437
Machinery and equipment	316,906	10,667	3,568	-	324,005
Electric system	18,059	4,880	1,420	(15,380)	6,139
Furniture, fixtures and office equipment	17,174	960	224	-	17,910
Vehicle	53,697	213	-	-	53,910
Utilities	3,897	-	-	-	3,897
Total Accumulated Depreciation	<u>540,520</u>	<u>34,359</u>	<u>16,626</u>	<u>(15,380)</u>	<u>542,873</u>
Allowance for Impairment					
Buildings and building improvement	2,527	-	-	-	2,527
Machinery and equipment	2,932	-	-	-	2,932
Total Allowance for Impairment	<u>5,459</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,459</u>
Net	<u>695,582</u>				<u>813,421</u>

In 2023, the subsidiary (PNB) had certain power equipment that was not used whereby the management considered its fair value (cost approach) less cost of disposal and noted the impairment of approximately Baht 2.2 million. Such loss was, therefore, recognized and presented as part of "Administrative expenses" in the 2023 consolidated statement of comprehensive income.



NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2023 AND 2022

	Consolidated (In Thousand Baht)				
	Beginning Balance as at January 1, 2022	Movements During the Year			Ending Balance as at December 31, 2022
		Addition	Deduction	Transfer	
Cost					
Land	217,538	-	-	-	217,538
Land improvement	41,097	-	-	-	41,097
Building	189,852	-	-	18,359	208,211
Building improvement	70,908	100	-	1,527	72,535
Machinery and equipment	419,880	15,285	29,125	(33,123)	372,917
Electric system	50,035	-	-	-	50,035
Furniture, fixtures and office equipment	19,026	1,324	169	54	20,235
Vehicle	54,282	-	265	-	54,017
Utilities	3,897	-	-	-	3,897
Construction in progress and machinery under installation	88,555	141,126	15	(19,939)	209,727
Total Cost	1,155,070	157,835	29,574	(33,122)	1,250,209
Accumulated Depreciation					
Land improvement	9,966	1,715	-	-	11,681
Building	79,672	9,232	-	-	88,904
Building improvement	25,974	4,228	-	-	30,202
Machinery and equipment	334,551	20,786	9,392	(29,039)	316,906
Electric system	12,892	5,167	-	-	18,059
Furniture, fixtures and office equipment	16,826	1,131	163	-	17,794
Vehicle	51,873	2,089	265	-	53,697
Utilities	3,897	-	-	-	3,897
Total Accumulated Depreciation	535,651	44,348	9,820	(29,039)	541,140
Allowance for Impairment					
Buildings and building improvement	2,527	-	-	-	2,527
Machinery and equipment	2,932	-	-	-	2,932
Total Allowance for Impairment	5,459	-	-	-	5,459
Net	613,960				703,610

**NOTES TO FINANCIAL STATEMENTS (Continued)****EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

DECEMBER 31, 2023 AND 2022

	Separate Financial Statements (In Thousand Baht)				
	Beginning Balance as at January 1, 2022	Movements During the Year			Ending Balance as at December 31, 2022
		Addition	Deduction	Transfer	
Cost					
Land	217,538	-	-	-	217,538
Land improvement	41,097	-	-	-	41,097
Building	189,852	-	-	18,359	208,211
Building improvement	70,908	100	-	1,527	72,535
Machinery and equipment	400,755	5,805	520	(33,123)	372,917
Electric system	50,035	-	-	-	50,035
Furniture, fixtures and office equipment	18,437	1,236	169	54	19,558
Vehicle	54,282	-	265	-	54,017
Utilities	3,897	-	-	-	3,897
Construction in progress and machinery under installation	84,697	137,008	10	(19,939)	201,756
Total Cost	1,131,498	144,149	964	(33,122)	1,241,561
Accumulated Depreciation					
Land improvement	9,966	1,715	-	-	11,681
Building	79,672	9,232	-	-	88,904
Building improvement	25,975	4,227	-	-	30,202
Machinery and equipment	333,782	12,622	459	(29,039)	316,906
Electric system	12,891	5,168	-	-	18,059
Furniture, fixtures and office equipment	16,244	1,093	163	-	17,174
Vehicle	51,873	2,089	265	-	53,697
Utilities	3,897	-	-	-	3,897
Total Accumulated Depreciation	534,300	36,146	887	(29,039)	540,520
Allowance for Impairment					
Buildings and building improvement	2,527	-	-	-	2,527
Machinery and equipment	2,932	-	-	-	2,932
Total Allowance for Impairment	5,459	-	-	-	5,459
Net	591,739				695,582

As at December 31, 2023 and 2022, the Company's land, building and building improvement, machinery and equipment of which carrying amount totalling approximately Baht 574.9 million and Baht 396.7 million, respectively, were used as guarantees for the credit facilities with financial institutions as discussed in Notes 14 and 19.

As at December 31, 2023 and 2022, cost of the Company's building and building improvement and equipment which have been fully depreciated but still in use amounting to approximately Baht 380.5 million and Baht 339.3 million, respectively.

Depreciation of plant and equipment for 2023 amounted to approximately Baht 34.4 million in the consolidated and separate financial statements whereas for 2022 amounted to approximately Baht 44.3 million in the consolidated financial statements and Baht 36.1 million in separate financial statements.



NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2023 AND 2022

12. RIGHT-OF-USE ASSETS - NET

	Consolidated and Separate Financial Statements (In Thousand Baht)			
	Balance as at	Movements During the Year		Balance as at
	January 1, 2023	Increase	Decrease	December 31, 2023
Land and building				
Cost	-	4,461	-	4,461
Accumulated depreciation	-	(683)	-	(683)
Net	-			3,778
Vehicles and equipment				
Cost	45,584	39,594 *	(437)	84,741
Accumulated depreciation	(31,044)	(20,085) *	437	(50,692)
Net	14,540			34,049
Total	14,540			37,827

* including amounts transferred from fixed assets of approximately Baht 37.7 million and Baht 15.4 million, respectively.

	Consolidated and Separate Financial Statements (In Thousand Baht)			
	Balance as at	Movements During the Year		Balance as at
	January 1, 2022	Increase	Decrease	December 31, 2022
Vehicles and equipment				
Cost	12,390	34,685 *	(1,491)	45,584
Accumulated depreciation	(231)	(32,291) *	1,478	(31,044)
Net	12,159			14,540

* including amounts transferred from fixed assets of approximately Baht 33.1 million and Baht 29.0 million, respectively.

Depreciation for the years 2023 and 2022 amounted to approximately Baht 4.7 million and Baht 3.3 million, respectively.

13. INTANGIBLE ASSETS - NET

	Consolidated (In Thousand Baht)			
	Beginning	Movements During the Year		Ending
	Balance as at January 1, 2023	Addition	Deduction	Balance as at December 31, 2023
Cost	11,278	2,153	-	13,431
Accumulated amortization	(10,328)	(388)	-	(10,716)
Net	950			2,715

	Separate Financial Statements (In Thousand Baht)			
	Beginning	Movements During the Year		Ending
	Balance as at January 1, 2023	Addition	Deduction	Balance as at December 31, 2023
Cost	11,088	2,093	-	13,181
Accumulated amortization	(10,170)	(368)	-	(10,538)
Net	918			2,643

**NOTES TO FINANCIAL STATEMENTS (Continued)****EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

DECEMBER 31, 2023 AND 2022

Consolidated (In Thousand Baht)					
	Beginning Balance as at January 1, 2022	Movements During the Year			Ending Balance as at December 31, 2022
		Addition	Deduction	Transfer	
Cost	11,278	-	-	-	11,278
Accumulated amortization	(9,928)	(400)	-	-	(10,328)
Net	1,350				950

Separate Financial Statements (In Thousand Baht)					
	Beginning Balance as at January 1, 2022	Movements During the Year			Ending Balance as at December 31, 2022
		Addition	Deduction	Transfer	
Cost	11,088	-	-	-	11,088
Accumulated amortization	(9,802)	(368)	-	-	(10,170)
Net	1,286				918

Amortization for each of the years 2023 and 2022 amounted to approximately Baht 0.4 million which was presented as part of “Administrative expenses” in statements of comprehensive income.

14. BANK OVERDRAFTS AND SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2023	2022	2023	2022
Bank overdrafts	53,356	54,305	53,356	54,305
Loans under packing credits	293,880	376,836	293,880	376,836
Loans under promissory notes	294,487	338,901	294,487	338,901
Loans under trust receipts	3,896	3,160	3,896	3,160
Total	645,619	773,202	645,619	773,202

As at December 31, 2023 and 2022, the Company had overdraft lines with four local banks totalling Baht 60 million and Baht 75 million, respectively, which bear interest at Minimum Overdraft Rate.

As at December 31, 2023 and 2022, the Company had packing credit facilities with four local banks totalling Baht 293 million and Baht 330 million, respectively, which bear interest rates referenced to Minimum Loan Rate.

As at December 31, 2023 and 2022, the Company had promissory note facilities with four local banks totalling Baht 377 million and Baht 380 million, respectively, which bear interest ranging between 5.50% and 6.77% p.a. in 2023 and between 4.97% and 5.75% p.a. in 2022.

As at December 31, 2023 and 2022, the Company had trust receipt facilities with three local banks totalling Baht 98 million and Baht 113 million, respectively, which bear interest rates referenced to Minimum Loan Rate.

The abovementioned credit facilities are guaranteed by certain directors and relatives of directors of the Company as well as their land and fixed deposits, the Company’s fixed deposits as discussed in Note 7, and the Company’s land, buildings, and machinery and equipment as discussed in Note 11.



NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2023 AND 2022

15. SHORT-TERM LOANS FROM OTHER PARTIES

As at December 31, 2023, this account represented short-term loans under loan agreements whereby a portion of the balance presented in the consolidated financial statements amounting to Baht 40 million was secured by the Company's common shares of totalling 22.4 million shares held by two directors and a relative of such two directors, made by the Company and a subsidiary with several non-related persons between April and December 2023. These loans bear interest ranging between 7% p.a. and 8% p.a. which have maturities not exceeding nine months.

As at December 31, 2022, this account represented short-term loans under loan agreements whereby a portion of the balance presented in the consolidated financial statements amounting to Baht 44 million was secured by the Company's common shares of totalling 22.4 million shares held by two directors and a relative of such two directors, made by the Company and a subsidiary with several non-related persons between April and December 2022. These loans bear interest ranging between 5% p.a. and 7% p.a. which have maturities not exceeding nine months.

16. OTHER PAYABLES - OTHER PARTIES

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2023	2023	2023	2022
Other payables	39,832	29,600	33,815	27,611
Advance received for share subscription awaiting repayment	25,613	-	-	-
Accrued advertising and sales promotion expenses	25,015	17,846	25,015	17,846
Accrued interest	13,101	9,176	12,462	8,537
Advances from customers	8,198	5,624	5,512	5,536
Accrued salary, wage, and welfares	4,534	7,219	4,494	6,886
Accrued sales discount	4,482	3,525	4,482	3,525
Accrued electricity	3,885	3,812	3,885	3,812
Others	7,237	7,311	4,956	5,286
Total	131,897	84,113	94,621	79,039

During 2023 and 2022, the Company transferred beginning advances from customers to revenue from sales amounting to approximately Baht 1.6 million and Baht 5.4 million, respectively.

**NOTES TO FINANCIAL STATEMENTS (Continued)****EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

DECEMBER 31, 2023 AND 2022

17. DEBENTURES

	Consolidated and Separate Financial Statements (In Thousand Baht)	
	2023	2022
Debentures	1,206,500	1,190,000
Less Deferred direct transaction costs on debenture issuance	(9,595)	(16,270)
Net	1,196,905	1,173,730
Less Due for payments within one year	(606,042)	(535,030)
Net	590,863	638,700

As at December 31, 2023 and 2022, such debentures had fair values of approximately Baht 1,201.6 million and Baht 1,183.5 million, respectively (fair value is the level 2 inputs of the fair value hierarchy which was the price announced and referenced by the Thai Bond Market Association).

As at the end of 2023, the Company had current portion of debentures totalling Baht 609.5 million whereby the management has been considering and determining the appropriate and sufficient measures for serving the redemption of such debentures. Such measures (of which partially in progress), for instance, are issuance and offering of new debentures and/or requesting and obtaining the additional credit facilities from financial institutions, both in local and abroad, and/or disposal of assets held for investing activities by the Group, if appropriate.

On December 8, 2021, the Company limitedly issued and offered the registered, unsubordinated, and secured debentures to the institutional investors of 340,000 units of which face value per unit is Baht 1,000. Such debentures bear interest rate at 6.80% p.a. whereby interest is payable on a quarterly basis and will mature for redemption on December 8, 2023. The abovementioned debentures have significant conditions which include maintaining Debt-to-Equity ratio at the rate not exceeding 4:1. These debentures are guaranteed by ECF-P's common share of 34,452,569 held by the Company.

On June 9, 2022, the Company limitedly issued and offered three series of the registered, unsubordinated, and unsecured debentures to the institutional investors of 200,000 units, 409,500 units and 240,500 units of which face value per unit is Baht 1,000. Such debentures bear interest rates at 7%, 7.15% and 7.30% p.a., respectively, whereby interest is payable on a quarterly basis and will mature for redemption on June 9, 2023, June 9, 2024 and June 9, 2025, respectively. The abovementioned debentures have significant conditions which include maintaining Debt-to-Equity ratio at the rate not exceeding 4:1.

On May 11, 2023, the Company limitedly issued and offered three series of the registered, unsubordinated, and unsecured debentures to the institutional investors of 200,000 units, 74,800 units and 25,200 units of which face value per unit is Baht 1,000. Such debentures bear interest rates at 6.85%, 7.05% and 7.15% p.a., respectively, whereby interest is payable on a quarterly basis and will mature for redemption on May 11, 2024, May 11, 2025 and May 11, 2026, respectively. The abovementioned debentures have significant conditions which include maintaining Debt-to-Equity ratio at the rate not exceeding 4:1.

On November 17, 2023, the Company limitedly issued and offered three series of the registered, unsubordinated, and secured debentures to the institutional investors of 179,000 units, 28,000 units and 49,500 units of which face value per unit is Baht 1,000. Such debentures bear interest rates at 7.30%, 7.60% and 7.30% - 9.00 % p.a., respectively, whereby interest is payable on a quarterly basis and will mature for redemption on May 17, 2025, February 17, 2026 and November 17, 2028, respectively. The abovementioned debentures have significant conditions which include maintaining Debt-to-Equity ratio at the rate not exceeding 4:1.

Direct transaction costs on debenture issuance were debenture issuance costs, which were recorded as deferred item and systematically amortized on straight-line method as part of finance costs over the term of related debentures.



NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2023 AND 2022

18. LIABILITY FOR POST-EMPLOYMENT BENEFITS

Movements of liability for post-employment benefits for the years ended December 31, 2023 and 2022 are as follows:

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2023	2022	2023	2022
Balance as at January 1	16,266	14,320	15,063	14,320
Past service cost	-	773	-	-
Current service cost	1,508	1,029	1,124	621
Interest cost	345	144	312	122
Expense recognized as profit or loss in statements of comprehensive income	1,853	1,946	1,436	743
Actuarial gain on re-measurement	(636)	-	(463)	-
Balance as at December 31	17,483	16,266	16,036	15,063

Significant assumptions used in calculation of liability for post-employment benefits are as follows:

Discount rate	2.65% p.a. in 2023 and 2.52% p.a. in 2022 for the parent 2.52% - 3.16% p.a. in 2023 and 2.30% - 3.54% p.a. in 2022 for subsidiaries
Salary escalation rate	3% p.a. in 2023 and 2022 for the parent 5% p.a. in 2023 and 2022 for subsidiaries
Employee turnover rate	8% - 40% p.a. in 2023 and 2022 for the parent 2% - 23% p.a. in 2023 and 2022 for subsidiaries

The abovementioned changes in significant assumptions may affect the sensitivity of the provision for post-employment benefits in respect of information as per calculation report of the qualified actuary as follows:

Significant Assumptions - Consolidated	Liability may increase (decrease) from changes in significant assumptions (In Thousand Baht)	
	If assumption increased	If assumption decreased
Discount rate (increase/decrease by 1%)	(1,047)	1,176
Salary escalation rate (increase/decrease by 1%)	1,157	(1,051)
Employee turnover rate (increase/decrease by 20%)	(1,633)	1,929
Significant Assumptions - Separate Financial Statements		
Discount rate (increase/decrease by 1%)	(923)	1,032
Salary escalation rate (increase/decrease by 1%)	1,018	(929)
Employee turnover rate (increase/decrease by 20%)	(1,554)	1,837

In the end of the year 2023, the abovementioned provisions were recalculated and re-measured by the qualified actuary. Thus, actuarial gain on re-measurement in 2023 comprised of (1) gain from experience adjustment in the consolidated and separate financial statements of approximately Baht 518 thousand and Baht 337 thousand, respectively, and (2) gain from changes in financial assumptions in the consolidated and separate financial statements of approximately Baht 118 thousand and Baht 126 thousand, respectively.

The weighted average maturities of the abovementioned provisions in 2023 and 2022 were approximately 8.1 years and 9.2 years, respectively, in the consolidated financial statements and 8.0 years and 9.0 years, respectively, in the separate financial statements.

**NOTES TO FINANCIAL STATEMENTS (Continued)****EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

DECEMBER 31, 2023 AND 2022

19. LONG-TERM BORROWINGS

This account represented long-term borrowings from three local banks and a local leasing company which comprised of:

	Consolidated and Separate Financial Statements (In Thousand Baht)	
	2023	2022
1) Loans under facilities of Baht 105 million, repayable monthly until June 2026, bear interest rate referenced to Minimum Loan Rate	44,615	63,150
2) Loans under facilities of Baht 105 million, repayable monthly until December 2027, bear interest rate referenced to Minimum Loan Rate	60,330	55,700
3) Loans under facilities of Baht 30 million, repayable monthly until July 2026, bear interest ranging between 2% and 7% p.a.	30,000	30,000
4) Loans under facilities of Baht 15.49 million, repayable monthly until September 2023, bear interest at 10.5% p.a.	-	6,182
Total	134,945	155,032
Less Current portion	(37,782)	(41,410)
Net	97,163	113,622

The above loans have guarantees as discussed in Note 11. The aforesaid loans 3) are guaranteed by the Company's two directors and Thai Credit Guarantee Corporation (TCG) while the loans 4) are secured by cash which the Company has deposited with the lender amounting to Baht 7.55 million, which was presented as part of "Deposits and guarantees" in the consolidated and separate statements of financial position as at December 31, 2022.

In addition, the Company must comply with certain loan covenants and undertakings as well as waivers e.g. maintaining Debt Service Coverage Ratio, Debt-to-Equity Ratio, and Current Ratio, etc.

20. LEASE LIABILITIES

	Consolidated and Separate Financial Statements (In Thousand Baht)		
	Balance as at January 1, 2023	Movements During the Year Increase Decrease	Balance as at December 31, 2023
Land and Building	-	4,460 570	3,890
Vehicles and equipment	14,064	17,954 7,565	24,453
Total	14,064	22,414 8,135	28,343

	Consolidated and Separate Financial Statements (In Thousand Baht)		
	Balance as at January 1, 2022	Movements During the Year Increase Decrease	Balance as at December 31, 2022
Vehicles and equipment	8,118	11,562 5,616	14,064



NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2023 AND 2022

	Consolidated and Separate Financial Statements (In Thousand Baht)	
	2023	2022
Lease liabilities		
- Due for payments within one year	14,628	8,911
- Due for payments between 2-5 years	15,334	6,561
- Due for payments exceeding 5 years	2,623	-
Total	32,585	15,472
Less Deferred interest	(4,242)	(1,408)
Lease liabilities - net of deferred interest	28,343	14,064
Less Current portion	(14,309)	(6,473)
Net	14,034	7,591

Decrease in lease liabilities during 2023 and 2022 entirely pertained to lease payments as scheduled.

Amortized interest, which was presented as part of “Finance costs” in statements of comprehensive income for years 2023 and 2022, amounted to approximately Baht 1.3 million and Baht 0.9 million, respectively.

The Company had lease/hire purchase agreements for its vehicles and equipment and sales and leaseback agreement for its equipment with four local leasing companies for the periods of 29, 36 and 48 months whereby such agreements will end during 2022 to 2026 and interest rates were at 5.1%-8.3% p.a. in 2023 and 4.0%-9.1% p.a. in 2022.

The Company had land lease agreement for warehouse construction with a director of the Company for the period of 20 years whereby such agreement will end in 2043 and interest rate was 6.5% p.a. in 2023.

The Company had building lease agreement for being its warehouse with a local company for the period of 36 months whereby such agreement will end in 2026 and interest rate was at 5.1% p.a. in 2023.

21. SHARE CAPITAL, PREMIUM ON SHARES AND WARRANTS

	Par Value (In Baht)	In Thousand Shares / In Thousand Baht			
		2023		2022	
		No. of Share	At Par Value	No. of Share	At Par Value
Authorized share capital					
As at December 31					
- Common shares	0.25	1,151,385	287,846	1,151,385	287,846
Issued and paid-up shares					
as at January 1					
- Common shares	0.25	959,488	239,872	959,488	239,872
Exercise of warrants	0.25	18	4	-	-
As at December 31					
- Common shares	0.25	959,506	239,876	959,488	239,872

**NOTES TO FINANCIAL STATEMENTS (Continued)****EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

DECEMBER 31, 2023 AND 2022

Section 51 of the Public Limited Companies Act, B.E. 2535 (1992) requires the public company to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account, premium on shares, separated from the reserve account referred to in Section 116 of the Public Limited Companies Act, B.E. 2535 (1992) (Legal reserve). Premium on shares is not available for dividend distribution.

Warrants

On June 2, 2021, the Company issued and offered 191,894,988 units of free warrants (“ECF-W4”) to existing shareholders for purchase of incremental shares on the basis of 5 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	Baht 2 per share
Exercise period	The warrants shall be exercisable with the first exercise date on July 20, 2021 and other 9 times, i.e. the 20th of November 2021, March, July, November 2022, March, July, November 2023, March 2024 and the last exercise date is June 2, 2024.
Term of warrants	3 years from the date on which warrants are issued to shareholders

Later on June 21, 2021, the Stock Exchange of Thailand has granted the Company’s 191,894,988 units of warrants (ECF-W4) as listed securities and has permitted such warrants to be traded on the Market for Alternative Investment since June 22, 2021. As at December 31, 2023, ECF-W4 warrants were exercised 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 the registered increase in issued and paid-up share capital with the Ministry of Commerce
March 20, 2023	18,000	36,000	4,500	31,500	191,876,988	March 31, 2023

22. LEGAL RESERVE

Section 116 of the Public Limited Companies Act B.E. 2535 requires the public company to appropriate not less than 5% of its annual profit, less accumulated losses brought forward (if any), to a reserve account (“Legal reserve”) until this account reaches an amount not less than 10% of the authorized share capital. The legal reserve is not available for dividend distribution.



NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2023 AND 2022

23. EXPENSES BY NATURE

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2023	2022	2023	2022
Assemblies, raw materials, and supplies used	869,614	795,886	823,446	789,876
Employee expenses	271,255	238,911	261,219	229,411
Finance costs	181,721	158,470	183,425	160,562
Freight and transportation charges	64,344	41,834	42,805	32,947
Decrease in finished goods and work-in-process	51,507	27,319	55,136	26,776
Electricity	47,973	40,956	47,964	40,956
Loss on diminution in value of inventories	45,728	6,302	45,433	6,335
Depreciation and amortization	39,956	47,999	39,913	39,766
Loss on fire accident - net	16,268	-	16,268	-
Loss on impairment of financial assets	11,650	4,457	18,589	1,845
Fuels	11,421	7,414	11,421	7,414
Repair and maintenance expenses	11,174	13,097	11,147	12,668
Bank charges	9,668	7,583	8,135	7,199
Customers' claims from abroad	6,503	2,867	6,503	2,867
Lease fees attributable to short-term leases	6,327	5,253	6,155	5,253
Lease fees attributable to low-value assets	1,213	1,232	1,213	1,232

24. INCOME TAX

Corporate income tax recorded as expense (income) for the years ended December 31, 2023 and 2022 consists of:

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2023	2022	2023	2022
Income tax computed from accounting profit (loss)	(36,712)	7,662	(40,762)	2,148
Effects from non-deductible expenses	47,598	8,568	44,895	6,252
Effects from additional deductible expenses or non-taxable income	(8,965)	(11,243)	(4,133)	(6,003)
Effects from reduction in income tax rate under investment promotion	-	(622)	-	(622)
Current tax on taxable profit	1,921	4,365	-	1,775
Adjustment to tax payable pertaining to prior year	(77)	-	(77)	-
Increase in deferred tax assets	(44,603)	(3,924)	(45,107)	(2,375)
Increase in deferred tax liabilities	5,181	684	5,181	684
Income tax presented in statement of comprehensive income	(37,578)	1,125	(40,003)	84
Decrease in deferred tax assets pertaining to other comprehensive income (see Note 18)	(100)	-	(93)	-

As at December 31, 2023, ECF-H had tax loss carryforward of approximately Baht 29.9 million whereby such loss is able to be used as tax credit during 2024 until 2028.

**NOTES TO FINANCIAL STATEMENTS (Continued)****EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

DECEMBER 31, 2023 AND 2022

Deferred tax assets and liabilities presented in the statements of financial position as at December 31, 2023 and 2022 consist of:

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2023	2022	2023	2022
<i>Deferred tax assets</i>				
Effects from temporary non-deductible items:				
- Allowance for diminution in value of slow-moving and obsolete inventories	11,608	2,525	11,608	2,521
- Allowance for impairment of receivables and investment in subsidiaries	8,396	5,159	7,571	3,854
- Allowance for impairment of building and machinery	1,092	1,092	1,092	1,092
- Lease liabilities	5,441	590	5,441	590
- Liability for post-employment benefits	3,420	3,253	3,207	3,012
- Tax loss carryforward	27,165	-	27,165	-
Total deferred tax assets	<u>57,122</u>	<u>12,619</u>	<u>56,084</u>	<u>11,069</u>
<i>Deferred tax liabilities</i>				
Effect from temporary non-recognized item as expense in accounting or taxable income:				
- Right-of-use assets	6,516	-	6,516	-
- Unamortized debenture issuance costs	1,919	3,254	1,919	3,254
Total deferred tax liabilities	<u>8,435</u>	<u>3,254</u>	<u>8,435</u>	<u>3,254</u>

25. EARNINGS (LOSS) PER SHARE**Basic earnings (loss) per share**

	In Thousand Baht / In Thousand Shares			
	Consolidated		Separate Financial Statements	
	2023	2022	2023	2022
Profit (loss) for the year, attributable to owners of the Company	<u>(144,459)</u>	<u>37,459</u>	<u>(163,806)</u>	<u>10,656</u>
Basic weighted average number of outstanding common shares	<u>959,502</u>	<u>959,488</u>	<u>959,502</u>	<u>959,488</u>
Basic earnings (loss) per share (Baht)	<u>(0.1506)</u>	<u>0.0390</u>	<u>(0.1707)</u>	<u>0.0111</u>



NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2023 AND 2022

Diluted earnings (loss) per share

	In Thousand Baht / In Thousand Shares			
	Consolidated		Separate Financial Statements	
	2023	2022	2023	2022
Profit (loss) for the year attributable to owners of the Company	(144,459)	37,459	(163,806)	10,656
Basic weighted average number of outstanding common shares	959,502	959,488	959,502	959,488
Effect from the assumed exercise of warrants	-	-	-	-
Diluted weighted average number of outstanding common shares	959,502	959,488	959,502	959,488
Diluted earnings (loss) per share (Baht)	(0.1506)	0.0390	(0.1707)	0.0111

Diluted earnings (loss) per share for the years ended December 31, 2023 and 2022 were the same amount to basic earnings (loss) per share because the average market price of the Company's common shares in 2023 and 2022 was less than the exercise price specified in the warrants. Accordingly, there was no virtual effect from the right under the assumed exercise of warrants that create dilutive potential common shares.

26. PAYMENT OF DIVIDENDS

At the general shareholders' meeting on April 20, 2023, the shareholders approved the payment of cash dividends for the 2022 operations at Baht 0.011 per share (from the promoted profit of Baht 0.0053 per share and non-promoted profit of Baht 0.0057 per share), totalling approximately Baht 10.55 millions, to shareholders and scheduled the date for dividends payment on May 19, 2023.

At the general shareholders' meeting on April 21, 2022, the shareholders approved the payment of cash dividends for the 2021 operations at Baht 0.0157 per share (from the promoted profit of Baht 0.0043 per share and non-promoted profit of Baht 0.0114 per share), totalling approximately Baht 15.06 millions, to shareholders and scheduled the date for dividends payment on May 20, 2022.

27. PROMOTIONAL PRIVILEGES UNDER INVESTMENT PROMOTION

The Company has been granted promotional privileges pertaining to the promotional certificate on manufacturing and sales of furniture. Such privileges include among others, exemption from import duty on the imported machinery used in the promoted business and exemption from corporate income tax on net profit from the promoted business attributable in the extent not exceeding the specified amount in the promotional certificate for a period of three years from the date income was first derived from the promoted business i.e. September 10, 2022.

As a promoted entity, the Company must comply with certain conditions and regulations as specified in the promotional certificates.

**NOTES TO FINANCIAL STATEMENTS (Continued)****EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

DECEMBER 31, 2023 AND 2022

Operating results classified by promoted and non-promoted businesses for the years ended December 31, 2023 and 2022 are as follows:

2023 - Consolidated (In Thousand Baht)			
	Promoted Business	Non-Promoted Business	Total
Net sales	513,582	860,921	1,374,503
Other income	11,871	31,157	43,028
Share of profit from investment in associate and joint venture - net	-	16,607	16,607
Cost of sales	(427,239)	(699,802)	(1,127,041)
Distribution costs	(26,234)	(70,704)	(96,938)
Administrative expenses and others	(77,015)	(134,979)	(211,994)
Finance costs	(72,260)	(109,461)	(181,721)
Tax income	-	37,578	37,578
Loss for the year	(77,295)	(68,683)	(145,978)

2023 - Separate Financial Statement (In Thousand Baht)			
	Promoted Business	Non-Promoted Business	Total
Net sales	513,582	790,043	1,303,625
Other income	11,871	18,261	30,132
Cost of sales	(427,239)	(657,262)	(1,084,501)
Distribution costs	(26,234)	(40,357)	(66,591)
Administrative expenses and others	(77,015)	(126,034)	(203,049)
Finance costs	(72,260)	(111,165)	(183,425)
Tax income	-	40,003	40,003
Loss for the year	(77,295)	(86,511)	(163,806)

2022 - Consolidated (In Thousand Baht)			
	Promoted Business	Non-Promoted Business	Total
Net sales	708,962	709,964	1,418,926
Other income (including gain on exchange rate)	15,326	29,146	44,472
Share of profit from investment in associate	-	28,200	28,200
Cost of sales	(541,810)	(533,612)	(1,075,422)
Distribution costs	(26,957)	(39,007)	(65,964)
Administrative expenses and others	(66,040)	(87,392)	(153,432)
Finance costs	(81,389)	(77,081)	(158,470)
Income tax expense	-	(1,125)	(1,125)
Profit for the year	8,092	29,093	37,185

2022 - Separate Financial Statement (In Thousand Baht)			
	Promoted Business	Non-Promoted Business	Total
Net sales	708,962	684,545	1,393,507
Other income (including gain on exchange rate)	15,326	14,799	30,125
Cost of sales	(541,810)	(527,059)	(1,068,869)
Distribution costs	(26,957)	(26,224)	(53,181)
Administrative expenses and others	(66,040)	(64,240)	(130,280)
Finance costs	(81,389)	(79,173)	(160,562)
Income tax expense	-	(84)	(84)
Profit for the year	8,092	2,564	10,656



NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2023 AND 2022

28. SIGNIFICANT FINANCIAL INFORMATION DISAGGREGATED 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, dealer on furniture business, mining and sales of cryptocurrency and renewable energy business operated by associate) which in overall has been insignificant portion as compared to entire volumes and size of business activities and, therefore, are insignificant minor segments. For agriculture business of the subsidiary, VVR, it has not yet been operated as at December 31, 2023 while the operating results on renewable energy business, operated by associate, was the share of profit presented in the consolidated statements of comprehensive income. Transfers between segments were accounted for at cost whereby accounting policies applied to operating segments of the Company and its subsidiaries are similar to those accounting policies discussed in Note 3. Further, the Company and its subsidiaries are unable to apportion the segment information for assets and liabilities without incurring undue costs.

Information on Products

	In Thousand Baht	
	Consolidated	
	2023	2022
Net sales		
- Wood furniture and particle boards	1,290,677	1,365,565
- Other products	83,826	53,361
Total	1,374,503	1,418,926
Other income		
- Wood furniture and particle boards	25,361	31,860
- Other products (including share of profit from associate and joint venture - net)	34,274	40,812
Total	59,635	72,672
Cost of sales		
- Wood furniture and particle boards	1,086,818	1,034,336
- Other products	40,223	41,086
Total	1,127,041	1,075,422
Other expenses		
- Wood furniture and particle boards	455,116	353,509
- Other products	35,537	24,357
Total	490,653	377,866
Profit (loss) before income tax expense		
- Wood furniture and particle boards	(225,896)	9,580
- Other products (including share of profit from associate and joint venture - net)	42,340	28,730
Net	(183,556)	38,310

Operating results on mining and sales of cryptocurrency business of ECF-H were included as part of Other Products segment featured loss in 2022 of approximately Baht 5.95 million which comprised of revenues from Bitcoin and Ethereum of approximately Baht 0.41 million and Baht 5.97 million, respectively, and operating expenses of approximately Baht 12.33 million.

**NOTES TO FINANCIAL STATEMENTS (Continued)****EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

DECEMBER 31, 2023 AND 2022

Information on Geographic Areas

	Consolidated - In Thousand Baht	
	2023	2022
Export sales - net		
- Japan	294,590	452,880
- India	186,974	135,724
- United States of America	46,886	76,008
- Bahrain	8,739	16,495
- Philippines	7,169	9,893
- United Arab Emirates	5,339	5,594
- Myanmar	2,330	-
- Korea	1,944	2,183
- China	-	7,683
Total	553,971	706,460
Domestic sales - net	820,532	712,466
Total sales - net	1,374,503	1,418,926

Other income, classified by products, included revenues from contracts with other customers who are not attributable to core businesses. Such revenues had timing of recognition as follows:

	In Thousand Baht			
	Consolidated			
	Wood furniture and particle boards		Other products	
	2023	2022	2023	2022
At a point in time	2,887	14,938	-	-
Over time	-	-	480	480

The Group has no any non-current assets located in the countries other than Thailand.

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	
	2022	2021
Net sales		
- Wood furniture and particle boards	45.69	9.84
- Other products	-	-
- Export	32.76	19.03
- Domestic	49.76	-
- Total	42.91	9.47

**NOTES TO FINANCIAL STATEMENTS (Continued)****EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

DECEMBER 31, 2023 AND 2022

29. DISCLOSURE OF FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT

The Group is exposed to normal business risks relating to liquidity risk, credit risk, foreign currency exchange rate risk, and interest rate risk. The Group has used derivative financial instruments for hedging against the foreign currency exchange rate risk without intention for trading or speculation purposes and there was no significant change in risk management policy relating to financial instruments and finance during 2023 and 2022.

Liquidity Risk

The Group manages its liquidity risk and maintains a level of cash and cash equivalents including necessary borrowings as deemed adequate to finance the Group's normally continuous operations and to mitigate the effects of fluctuations in cash flows.

Credit Risk

Credit risk is the risk that a customer or counterparty is unable or unwilling to meet its financial and contractual commitments. To mitigate this risk, the Group periodically assess the financial position and viability of customers and counterparties. The carrying amounts of receivables and loan receivables presented in the statements of financial position are the maximum exposure to credit risk.

Foreign Currency Exchange Rate Risk

The Group has significant business transactions internationally, including import of products and raw materials as well as export of its products, giving rise to exposure to fluctuations in foreign currency exchange rates. In practical, the Group reduces this risk by matching cash receipt from its customers (receivables) against cash payment to its suppliers (payables). Since 2009, the Company has used forward exchange contracts (buy-sell) to mitigate this risk.

As at December 31, 2023 and 2022, the Company had the outstanding forward exchange contracts (sell) as follows:

	In Thousand			
	Foreign Currency		Fixed Baht	
	2023	2022	2023	2022
Forward exchange contracts - sell				
- U.S. Dollar	-	274	-	9,984

In addition, the fair values of forward exchange contracts (sell) outstanding as at December 31, 2023 and 2022 were as follows:

	In Thousand Baht	
	2023	2022
Forward exchange contract - sell		
- U.S. Dollar	-	9,418

**NOTES TO FINANCIAL STATEMENTS (Continued)****EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

DECEMBER 31, 2023 AND 2022

As at December 31, 2023 and 2022, significant outstanding non-hedged foreign currency assets and liabilities were as follows:

	Consolidated and Separate Financial Statements			
	Foreign Currency Assets		Foreign Currency Liabilities	
	2023	2022	2023	2022
- U.S. Dollar	1,842,295	1,137,387	396,694	228,121

Interest Rate Risk

Interest rate risk arises from the fluctuation of market interest rates in the future, which may have a negative effect to the current and future operations and cash flows of the Group. The Group's management believes that the interest rate risk is not material because the Group's deposits at banks, short-term and long-term loan receivables, bank overdrafts and short-term and long-term loan payables as well as other interest bearing liabilities of the Group bear floating market interest rates or fixed rate interest rates that are not materially different from floating market interest rates.

Fair Value Measurements

The following assumptions were used by the Group in estimating the fair values of financial assets and financial liabilities:

Cash and cash equivalents, restricted deposits at banks, trade and other receivables, short-term and long-term loan receivables, bank overdrafts, short-term and long-term loan payables, trade and other payables and lease liabilities have carrying amounts that did not materially differ from their fair values because these financial assets and liabilities will mature in the short-term period or bear floating market interest rates or fixed rate interest rates that are not materially different from floating market interest rates (Level 2 inputs of the fair value hierarchy).

Fair value of debentures, which are stated at the amortized cost, was disclosed in Note 17.

30. CAPITAL MANAGEMENT

Significant objectives of capital management of the Group are to ensure that they have the appropriate financial structure and fund structure as well as maintaining the financial liquidity and ability to continue their businesses as a going concern. The Group did not have any significant change relating to capital management policy during 2023 and 2022.

As at December 31, Debt-to-Equity ratio for the consolidated and separate financial statements was 2.42 : 1.00 and 2.67 : 1.00, respectively, in 2023 and 1.92 : 1.00 and 2.14 : 1.00, respectively, in 2022.

31. REGISTERED PROVIDENT FUND

The Company has arranged a contributory registered provident fund in accordance with the Provident Fund Act, B.E. 2530 (1987). Membership to the fund is on a voluntary basis. Under the plan, the Company and employees contribute an amount equivalent to 3% of the employees' basic salaries. The fund will pay back the provident fund to employees in accordance with the conditions stated in the policies of provident fund regulations.

The Company's contributions, charged as expense for each of the years 2023 and 2022, amounted to approximately Baht 1.3 million.



NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2023 AND 2022

32. SHORT-TERM LOANS TO OTHER PERSON

This account in 2023 and 2022 represented the unsecured loans of a subsidiary to a non-related person which bear interest at 7.5% p.a. and were due at call.

33. OTHERS

As at December 31, 2023;

- a. The Company had letters of guarantee issued by two local banks to three private companies and a government agency totalling approximately Baht 54.9 million;
- b. The Company had commitments on construction of office building and improvements of infrastructure and factory systems amounting to approximately Baht 72.3 million and Baht 16.5 million, respectively;
- c. The Company has been during the feasibility study on investment project relating to biomass power plant located in Saga prefecture of Japan with a condition that the refundable deposit of Baht 100 million shall be paid to the project owner as part of the process for such feasibility study whereby such deposit will be refunded in case the Company or the Group finally decides not to invest in the project. In 2018 and 2019, the Company partially paid such deposit amounting to Baht 75 million and Baht 25 million, respectively (totalling Baht 100 million).

34. EVENT AFTER THE REPORTING PERIOD

At the Board of Directors' meeting on February 28, 2024, the Company's Board of Directors unanimously approved the issuance and offering of debentures in amount not exceeding Baht 700 million (that was revised from the resolution approved by the Board of Directors' meeting on December 14, 2023 for amount not exceeding Baht 600 million). Such matter aligns with the resolution from the 2020 annual general shareholders' meeting, held on July 8, 2020, which has approved the total amount for issuance and offering of debentures not exceeding Baht 2,000 million.

35. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements have been approved for issuance by the Company's Board of Directors' meeting on February 28, 2024.

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EAST COAST FURNITECH PUBLIC COMPANY LIMITED (ECF)

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Fax Number : +66 3867 8220

Marketing Office

25/28 Moo 12, Bueng Kham Phroi Subdistrict,
Lam Luk ka District, Pathum Thani Province 12150

Telephone Number : +66 2152 7301-4

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Part 4

Attachment

EAST COAST FURNITECH PUBLIC COMPANY LIMITED (ECF)

Annual Report 2023

(Form 56-1 One Report)

Attachment 1

Details of Directors, Executives, Controlling Persons and Company Secretary

Attachment 1

No.	Name List/Position	Ages (years)	Educational Qualification	Family Relationship Between Executives	Proportion of Shareholding in the Company (%)	Work Experience in Retrospective 5 Years Period		
						Period	Position and Name of Work Unit / Company	Type of Business
1.	General Terdsak Marom - Chairman of the Board - Audit Committee Member - Independent Director (Old Name-Surname) - None – The First Appointment Date as Director on 26 October 2012	88	<ul style="list-style-type: none"> - <u>Doctor of Science (Honorary Degree)</u> Innovation for Education Technology Rajamangala University of Technology Phra Nakhon - - <u>Bachelor of Science (B.S.)</u> Chulachomklao Royal Military Academy (CRMA) - <u>Associate Infantry Career Course</u>, Georgia , USA. - <u>Internal Defense and Development</u>, North Carolina, USA. - <u>Command and General Staff College</u> - <u>Royal Thai Army War College</u> - <u>Course of Law for High-Level Commander</u> Ministry of Defense - <u>National Defense College</u> - <u>Certificate</u> Director Accreditation Program (DAP), Batch 10/2004, Thai Institute of Directors (IOD) 	None	- No change in shareholding proportion when compared between the years	Listed Company		
						2012 - Present	- Chairman of the Board / Audit Committee / Independent Director East Coast Furnitech Pcl.	- Manufacturer and Distributor of Furniture
						2004 - Present	- Chairman of the Board / Independent Director T. Krung Thai Industry Pcl.	- Manufacturer and supplier of molds for plastic parts
						2019 - Present	- Chairman of the Board/ Audit Committee Member / Independent Committee UBIS (Asia) Pcl.	- Manufacturer and distributor of sealing compounds, lacquers and coatings used in can production
						Non-Listed Company		
						1986 – Present	- Advisory Chairman and Director E.Tech Co.,Ltd. (Eastern College of Technology)	- College of Vocational Education, Diploma of Vocational Education

No.	Name List/Position	Ages (years)	Educational Qualification	Family Relationship Between Executives	Proportion of Shareholding in the Company (%)	Work Experience in Retrospective 5 Years Period		
						Period	Position and Name of Work Unit / Company	Type of Business
1.	General Terdsak Marom - Chairman of the Board - Audit Committee Member - Independent Director (Old Name-Surname) - None – The First Appointment Date as Director on 26 October 2012 (Cont.)					Agencies and other organizations		
						1977 – Present	- President, the Lions Clubs International District 310 Thailand	- Support public and charitable activities.
						1986 - Present	- Special Military Officer Stationed at 21 st Infantry Regiment	
						1992 – Present	- Chairman, Trai Kaew Foundation Thammawatee School	- Kindergarten - Primary School
						2004 - Present	- President, Vietnam Veterans Association of Thailand under the Royal Patronage	
						2012 – Present	- President, Universal Peace Federation (Thailand)	- Support public and charitable activities
						2016 - Present	- President and Advisor, the Lions Foundation in Thailand	- Support public and charitable activities.

No.	Name List/Position	Ages (years)	Educational Qualification	Family Relationship Between Executives	Proportion of Shareholding in the Company (%)	Work Experience in Retrospective 5 Years Period		
						Period	Position and Name of Work Unit / Company	Type of Business
2.	Assoc. Prof. Dr. Montree Socatiyanurak - Chairman of Audit Committee - Director - Independent Committee - Chairman of Risk Management Committee - Chairman of Remuneration Committee (Old Name-Surname) - None – The First Appointment Date as Director on 26 October 2012	67	- <u>Doctor's Degree</u> PhD. (Economics) University of Minnesota, U.S.A. - <u>Master's Degree</u> MA (Economics) University of Minnesota, U.S.A. - <u>Master's Degree</u> Master of Development Administration (Development Economics) National Institute of Development Administration (NIDA) - <u>Bachelor's Degree</u> Bachelor of Economics (Economics) Thammasat University - <u>Certificate</u> DAP, Batch No. 69/2008, Thai Institute of Directors (IOD)	None	- No change in shareholding proportion when compared between the years	Listed Company		
						2012 - Present	- Chairman of Audit Committee/Director/Independent Committee/ Chairman of Risk Management Committee/ Chairman of Remuneration Committee East Coast Furnitech Pcl.	- Manufacturer and Distributor of Furniture
						2014 - Present	- Chairman of Audit Committee / Chairman of the Board TV Thunder Co., Ltd.	- Producer of Television Program
						2015 – Present	- Chairman of Audit Committee / Independent Director Megachem (Thailand) Pcl.	- Manufacturer and Distributor of Chemicals
						2016 – Present	- Chairman of the Board Thai Plastic Industry (1994) Pcl.	- Manufacturer and Distributor of Plastic Bag
						2020 - Present	- Chairman of Audit Committee / Independent Director Clover Power Plc.	- Power Plant
						2013 - 2021	- Independent Director Union Auction Pcl.	- Service Business as Intermediary in Asset Auction Management

No.	Name List/Position	Ages (years)	Educational Qualification	Family Relationship Between Executives	Proportion of Shareholding in the Company (%)	Work Experience in Retrospective 5 Years Period		
						Period	Position and Name of Work Unit / Company	Type of Business
2.	Assoc. Prof. Dr. Montree Socatiyanurak - Chairman of Audit Committee - Director - Independent Committee - Chairman of Risk Management Committee - Chairman of Remuneration Committee (Old Name-Surname) - None – The First Appointment Date as Director on 26 October 2012					Non-Listed Company		
						2007 - Present	- Deputy Dean of Planning and Development, Faculty of Political Science, National Institute of Development Administration (NIDA)	- Education Academy
						2011 - Present	- Director Learn Tech Co., Ltd.	- Training provider and develop integrated teaching materials (e- Learning Total Solution)
						2017 – 2019	- Chairman of the Board PCN Corp Plc.	- Contractor of construction for public utilities relating to communication and transportation system
						2015 – 2021	- Audit Committee / Independent Director Baan Souy Group (Suratthaini) Plc.	- Real Estate Development

No.	Name List/Position	Ages (years)	Educational Qualification	Family Relationship Between Executives	Proportion of Shareholding in the Company (%)	Work Experience in Retrospective 5 Years Period		
						Period	Position and Name of Work Unit / Company	Type of Business
3.	Assoc. Prof. Songklod Jarusombat - Director - Audit Committee - Independent Director - Chairman of Nomination Committee - Risk Management Committee (Old Name-Surname) - None – The First Appointment Date as Director on 26 October 2012	60	- <u>Master's Degree</u> Master of Science Faculty of Forestry Kasetsart University - <u>Bachelor's Degree</u> Bachelor of Science Faculty of Forestry Kasetsart University - <u>Certificate</u> (DAP), Batch 99/2012, Thai Institute of Directors (IOD)	None	- No change in shareholding proportion when compared between the years	Listed Company		
						2012 - Present	- Director / Audit Committee / Independent Director/ Chairman of Nomination Committee/ Risk Management Committee East Coast Furnitech Pcl.	- Manufacturer and Distributor of Furniture
						Agencies and other organizations		
						1996 - Present	- Director of Center of Excellence for Academics in Hevea - Specialist of Industrial Technology Assistant Program (iTAP), National Science and Technology Development Agency - Advisor of Thai Furniture Industries Association - Advisor of Thai Hevea Wood Association - Accreditation Committee for Thai Economic Wood Thai Economic Wood Certification Office <i>No position holding in other businesses both of listed and non- listed companies</i>	

No.	Name List/Position	Ages (years)	Educational Qualification	Family Relationship Between Executives	Proportion of Shareholding in the Company (%)	Work Experience in Retrospective 5 Years Period		
						Period	Position and Name of Work Unit / Company	Type of Business
4.	Dr. Ekarin Vasanasong - Director (Old Name-Surname) - None – The First Appointment Date as Director on 28 April 2017	51	<ul style="list-style-type: none"> - <u>Doctor's Degree</u> Ph.D. (Electrical Engineering) The University of New South Wales, Australia - <u>Master's Degree</u> M. Eng (Electrical Engineering) Kasetsart University - <u>Bachelor's Degree</u> B. Eng (Power Engineering) Mahanakorn University of Technology - <u>Certificate</u> (DAP), Batch 140/2017, Thai Institute of Directors (IOD) - <u>Certificate</u> Board Nomination and Compensation Program Batch 8/2019 	None	- No change in shareholding proportion when compared between the years	Listed Company		
						2017 – Present	- Director and Independent Director East Coast Furnitech Pcl.	- Manufacturer and Distributor of Furniture
						2018 – Present	- Audit Committee, Independent Committee and Nomination and Remuneration Committee Thai Eastern Group Holdings Pcl	- Rubber and Rubber Products and Palm oil and palm oil Products
						Non-Listed Company		
						2017 – Present	- Director Corporate Governance and Social Affairs Committee The Krungthep Thanakom Co., Ltd.	- Enterprise of Bangkok Metropolitan Administration, implementing infrastructure system
						2017	- Director Risk Management Committee The Krungthep Thanakom Co., Ltd.	
						2017 – 2022	- Executive Vice President The Krungthep Thanakom Co., Ltd.	
						2009 – 2017	- Power Plant Project Manager Navanakorn Electric Co., Ltd.	- Private Electricity Manufacturer
						2023 – Present	- Chief Executive Officer Botlink Co.,Ltd.	- Robot service provider for businesses

No.	Name List/Position	Ages (years)	Educational Qualification	Family Relationship Between Executives	Proportion of Shareholding in the Company (%)	Work Experience in Retrospective 5 Years Period		
						Period	Position and Name of Work Unit / Company	Type of Business
5.	Mr.Paiboon Aroonprasobsuk - Director - Independent Director (Old Name-Surname) - None – - Independent Director The First Appointment Date as Director on 14 July 2020	50	<ul style="list-style-type: none"> - <u>Master's Degree</u> M.B.A Finance University of the Thai Chamber of Commerce - <u>Bachelor's Degree</u> B.B.A. (General Management) Sukhothai Thammathirat Open University - <u>Bachelor's Degree</u> B.B.A (Finance) University of the Thai Chamber of Commerce - <u>Certificate</u> (DAP) Batch 130/2016, Thai Institute of Directors (IOD) 	None	- No change in shareholding proportion when compared between the years	Listed Companies		
						2020 - Present	- Director and Independent Director East Coast Furnitech Pcl.	- Manufacturer and Distributor of Furniture
						2020 – Present	- Director Yong Concrete Pcl.	- Manufacturer and Distributor of concrete products
						2016 – Present	- Director Thai Plastic Industrial (1994) Pcl.	- Manufacturer and distributor of plastic products
						Non-Listed Companies		
						1999 – Present	- Director Asset Pro Management Co.,Ltd.	- Financial Advisor
						2020 - Present	- Director Green Earth Power (Thailand) Co.,Ltd.	- Solar Power Plant, Myanmar

No.	Name List/Position	Ages (years)	Educational Qualification	Family Relationship Between Executives	Proportion of Shareholding in the Company (%)	Work Experience in Retrospective 5 Years Period		
						Period	Position and Name of Work Unit / Company	Type of Business
6.	Mr. Kittiphat Suksawad - Vice Chairman of the Board - Executive Committee - Risk Management Committee - Remuneration Committee - Nomination Committee (Old Name-Surname) Mr. Chalee Suksawad The First Appointment Date as Director on 26 October 2012	56	- <u>Bachelor's Degree</u> Bachelor of Economics University of the Thai Chamber of Commerce - <u>Certificate</u> (DAP) Batch 94/2012, Thai Institute of Directors (IOD)	The son of Mr. Wanlop and the elder brother of Mr. Pacharatanapong	14.5890% 14.5892% (including immature children) No change in shareholding proportion when compared between the years	Listed Companies		
						1999 – Present	- Vice Chairman of the Board / Executive Director / Risk Management Committee / Remuneration Committee / Nomination Committee East Coast Furnitech Pcl.	- Manufacturer and Distributor of Furniture
						Non-Listed Companies		
						2011 - Present	- Director VV Decore Co.,Ltd.	- Manufacturer and distributor of surface paper
						2015 – Present	- Director ECF Holdings Co.,Ltd.	- Holding Company
						2017 – Present	- Director ECF Power Co.,Ltd.	- Investment in Energy Business
						2017 – Present	Director Planet Board Co.,Ltd.	- MDF wood production and distribution plant
						2021 – Present	- Director SOMEWA Plaza Co.,Ltd. V V Rich Co.,Ltd.	- Business of cultivation and distribution of agricultural products
						2023 – Present	- Director ECF Design Co.,Ltd.	- Investing in being a distributor of furniture products abroad

No.	Name List/Position	Ages (years)	Educational Qualification	Family Relationship Between Executives	Proportion of Shareholding in the Company (%)	Work Experience in Retrospective 5 Years Period		
						Period	Position and Name of Work Unit / Company	Type of Business
7.	Mr. Wanlop Suksawad - Director - Chairman of Executive Committee (Old Name-Surname) - None – The First Appointment Date as Director on 26 October 2012	82	- <u>Elementary Education Grade 4</u> Wat Huay Sarn Salika School - <u>Certificate</u> (DAP), Batch No. 96/2012, Thai Institute of Directors (IOD)	The father of Mr. Kittipaht and Mr. Pacharatanapong	2.4532% 3.1080% (including spouse) No change in shareholding proportion when compared between the years	Listed Companies		
						1999 – Present	- Director and Chairman of Executive Directors East Coast Furnitech Pcl.	- Manufacturer and Distributor of Furniture
						Non-Listed Companies		
						2011 - Present	- Director VV Decore Co.,Ltd	- Manufacturer and distributor of surface paper
						2015 – Present	- Director ECF Holdings Company Limited	- Holding Company
						2017 – Present	- Director ECF Power Company Limited	- Investment in Energy Business
						2017 – Present	- Director Planet Board Company Limited	- MDF wood production and distribution plant (There is no commercial income)

No.	Name List/Position	Ages (years)	Educational Qualification	Family Relationship Between Executives	Proportion of Shareholding in the Company (%)	Work Experience in Retrospective 5 Years Period		
						Period	Position and Name of Work Unit / Company	Type of Business
8.	Mr. Pacharatanapong Suksawad - Director - Executive Committee - Managing Director (Old Name-Surname) Mr. Arak Suksawad The First Appointment Date as Director on 26 October 2012	53	- <u>Master's Degree</u> Master of Economics Ramkhamhaeng University - <u>Bachelor's Degree</u> Bachelor of Economics in Monetary Economics Program Ramkhamhaeng University - <u>Certificate</u> <ul style="list-style-type: none"> ● (DAP) Batch No. 95/2012, Thai Institute of Directors (IOD) ● Executive Program Capital Market Academy (CMA), Batch 16 ● Expert and Specialist for Member of Parliament Course, Batch 6, King Prajadhipok's Institute ● Executive Course of Energy Technology, Thailand Energy Academy (TEA) ● Course "Bahumipalung Phandin" for Executives, Batch 4, Chulalongkorn University 	The son of Mr. Wanlop and the younger brother of Mr. Kittiphat	12.6865% 12.8251% (including spouse) No change in shareholding proportion when compared between the years	Listed Companies		
						1999 – Present	- Director / Executive Committee / Managing Director / Risk Management Committee / Remuneration Committee / Nomination Committee East Coast Furnitech Pcl.	- Manufacturer and Distributor of Furniture
						Non-Listed Companies		
						2011 - Present	- Director VV Decore Co.,Ltd	- Manufacturer and distributor of surface paper
						2015 – Present	- Director ECF Holdings Co.,Ltd.	- Holding Company
						2017 – Present	- Director ECF Power Co.,Ltd	- Investment in Energy Business
						2017 – Present	- Director Green Earth Power (Thailand) Co., Ltd.	- Solar Power Plant, Myanmar
						2017 - Present	- Director Planet Board Co.,Ltd.	- PDF wood production and distribution plant (There is no commercial income)

No.	Name List/Position	Ages (years)	Educational Qualification	Family Relationship Between Executives	Proportion of Shareholding in the Company (%)	Work Experience in Retrospective 5 Years Period		
						Period	Position and Name of Work Unit / Company	Type of Business
			<ul style="list-style-type: none"> ● Master of Investment Courses (Ultra Wealth Group, Batch 3) ● Management science courses for senior management (Batch 1) Course, Faculty of Public Administration, National Institute of Development Administration (NIDA) ● CHIEF TRANSFORMER OFFICER (CTO Course) organized by Mai Listed Company Association ● Digital Transformation for CEO organized by Nation Broadcasting Corporation Plc. 			Non-Listed Companies (Count.)		
						2021 – Present	- Director SOMEWA Plaza Co.,Ltd.	- Online Platform
							- Director VV Rich Co.,Ltd.	- Business of cultivation and distribution of agricultural products
						2023 – Present	- Director Botlink Co.,Ltd.	- Robot service provider for businesses
						2023 – Present	- Director ECF Design Co.,Ltd	- Investing in becoming a distributor of furniture products abroad
						Agencies and other organizations		
						2007 – Present	- Director Council of Asia Furniture Associations (CAFA)	-
						2012 – 2016	- President of Thai Furniture Industries Association	

No.	Name List/Position	Ages (years)	Educational Qualification	Family Relationship Between Executives	Proportion of Shareholding in the Company (%)	Work Experience in Retrospective 5 Years Period		
						Period	Position and Name of Work Unit / Company	Type of Business
9.	Mrs. Suphak Toaponganan Assistant Managing Director (Branch 1) (Old Name-Surname) Miss Nittaya Toaponganan	51	- Bachelor's Degree Bachelor of Economics Dhurakij Pundit University	None	0.0000% 0.0002% (including immature children) No change in shareholding proportion when compared between the years	2003 – Present	<u>Listed Company</u> - Assistant Managing Director (Branch 1) East Coast Furnitech Pcl.	- Manufacturer and Distributor of Furniture

No.	Name List/Position	Ages (years)	Educational Qualification	Family Relationship Between Executives	Proportion of Shareholding in the Company (%)	Work Experience in Retrospective 5 Years Period		
						Period	Position and Name of Work Unit / Company	Type of Business
10.	Mr. Poramedcharapol Chinnuvat Assistant Managing Director (Branch 2) (Old Name-Surname) Mr. Sitthichoke Chinnurat	51	- <u>Bachelor's Degree</u> Bachelor of Laws Ramkhamhaeng University	The spouse of Miss Paphatsa The daughter of Mr. Wanlop and younger sister of Mr. Kittiphat and Mr.Pacharatanapong	0.0001% 15.3789% No change in shareholding proportion when compared between the years (including spouse and immature children)	1999 – Present	<u>Listed Company</u> - Assistant Managing Director (Branch 2) East Coast Furnitech Pcl.	- Manufacturer and Distributor of Furniture
11.	Mr. Attaphol Tanapol Assistant Managing Director (Head Office) (Old Name-Surname) - None	53	- <u>Associate Degree</u> Hotel and tourism management International School of Hotel Management (ITIM)	None	None No change in shareholding proportion when compared between the years	1996 - 2023 2023 - Present	<u>Listed Company</u> - Director of Head Office East Coast Furnitech Pcl. - Assistant Managing Director (Head Office) East Coast Furnitech Pcl.	- Manufacturer and Distributor of Furniture

No.	Name List/Position	Ages (years)	Educational Qualification	Family Relationship Between Executives	Proportion of Shareholding in the Company (%)	Work Experience in Retrospective 5 Years Period		
						Period	Position and Name of Work Unit / Company	Type of Business
12.	Miss Pachanan Singphu - Assistant Managing Director and Act of Director of Finance and Accounting (The Ultimate responsible person of finance and accounting, and accounting controller) (Old Name-Surname) Miss Namthip Singphu	47	- <u>Bachelor's Degree</u> Bachelor of Accountancy Rambhai Barni Rajabhat University	None	0.0001% No change in shareholding proportion when compared between the years	1999 – 2018 2018 - Present	<u>Listed Company</u> - Director of Finance and Accounting Department East Coast Furnitech Pcl. - Assistant Managing Director East Coast Furnitech Pcl.	- Manufacturer and Distributor of Furniture
13.	Miss Sarisa Thongkittikul Company Secretary and Investor Relations (Old Name-Surname) Miss. Thanaya Thongkittikul	44	- <u>Master's Degree</u> M.B.A. (Entrepreneur) Rangsit University - <u>Bachelor's Degree</u> Bachelor of Economics (Second class Honor) Thammasat University - <u>Certificate</u> - Financial Advisor Program by Association of Thai Securities Companies. - Company Secretary Program (CSP) by Thai Institute of Directors	None	0.3486% No change in shareholding proportion when compared between the years	2020– Present 2014 - 2020	<u>Listed Company</u> - Company Secretary and Investor Relations East Coast Furnitech Pcl. - Assistant Company Secretary and Investor Relations East Coast Furnitech Pcl.	- Manufacturer and Distributor of Furniture

Report of changes in shareholding in the company of directors and executives for the year 2023

Information as of December 31, 2023

No.	Name / Position	Shareholding data as of December 31, 2022	Shareholding data as of December 31, 2023	The number of shares changed increased / (decreased) in the year 2023	Shareholding Proportion (Percentage)
1	General Terdsak Marom - Chairman of the Board - Audit Committee Member Independent Director	-None-	-None-	-None-	0.00
	Spouse and Underage children	-None-	-None-	-None-	0.00
2	Assoc. Prof. Dr. Montree Socratyanurak - Chairman of Audit Committee - Director - Independent Committee	-None-	-None-	-None-	0.00
	Spouse and Underage children	-None-	-None-	-None-	0.00
3	Assoc. Prof. Songkhlod Jarusombat - Director - Audit Committee - Independent Committee	-None-	-None-	-None-	0.00
	Spouse and Underage children	-None-	-None-	-None-	0.00
4	Dr. Ekarin Vasanasong - Director - Independent Committee	-None-	-None-	-None-	0.00
	Spouse and Underage children	-None-	-None-	-None-	0.00
5	Mr.Paiboon Aroonprasobsuk - Director - Independent Committee	-None-	-None-	-None-	0.00
	Spouse and Underage children	-None-	-None-	-None-	0.00
6	Mr. Kittiphat Suksawad - Vice Chairman of the Board - Executive Director	149,982,750	139,982,750	(10,000,000)	14.5890
	Spouse and Underage children	1,200	1,200	-None-	0.0001
7	Mr. Wanlop Suksawad - Director - Chairman of Executive Directors	23,538,800	23,538,800	-None-	2.4532
	Spouse and Underage children	6,283,100	6,283,100	-None-	0.6548
8	Mr. Pacharatanapong Suksawad - Director - Executive Director - Managing Director	151,637,750	121,727,750	(29,910,000)	12.6865
	Spouse and Underage children	1,200,000	1,330,000	130,000	0.1386

No.	Name / Position	Shareholding data as of December 31, 2022	Shareholding data as of December 31, 2023	The number of shares changed increased / (decreased) in the year 2023	Shareholding Proportion (Percentage)
9	Miss. Suphak Toaphonganan - Assistant Managing Director (Branch 1)	400	400	-None-	0.0000
	Spouse and Underage children	1,200	1,200	-None-	0.0001
10	Mr. Poramedcharapol Chinnuvat - Assistant Managing Director (Branch 2)	600	600	-None-	0.0001
	Spouse and Underage children	149,560,550	147,560,550	(2,000,000)	15.3788
11	Mr. Attaphol Tanapol - Assistant Managing Director (Headquarter Part)	-None-	-None-	-None-	0.00
	Spouse and Underage children	-None-	-None-	-None-	0.00
12	Miss Pachanan Singphu - Assistant Managing Director	600	600	-None-	0.0001
	Spouse and Underage children	-None-	-None-	-None-	0.00

Attachment 2

Attachment 2

Details of Directors in Subsidiaries and Joint Ventures

Name– Surname	ECF	VV-Decor	ECFH	ECF-P	PNB	SOMEWA	VV RICH	ECFD	GEP
1. General Terdsak Marom	1								
2. Assoc. Prof. Dr. Montree Socratyanurak	2								
3. Assoc. Prof. Songkhlod Jarusombuti	2								
4. Dr. Ekarin Vasanasong	2								
5. Mr. Paiboon Aroonprasopsuk	2								
6. Mr. Wanlop Suksawad	2, 3	2	2	2	2		2		
7. Mr. Kittiphat Suksawad (Original Name : Mr. Chalee Suksawad)	2, 4	2, 4	2, 4	2, 4	2, 4	2	2	2	
8. Mr. Pacharatanapong Suksawad (Original Name : Mr. Arak Suksawad)	2, 4	2, 4	2, 4	2, 4	2, 4	2	2	2	2

Note	1	Chairman of the Board	2	Director
	3	Chairman of the Executive Directors	4	Executive Director

Company Name:

- ECF East Coast Furnitech Public Co., Ltd. (the Company)
- VV-Decor VV Décor Co., Ltd. is the subsidiary which the Company holds 99.95% of company shares
- ECFH ECF Holdings Co., Ltd. is the subsidiary which the Company holds 75.00% of company shares
- ECF-P ECF Power Co., Ltd. is the subsidiary which the Company holds 99.99% of company shares
- PNB Planet Board Company Limited is the subsidiary which the Company holds 57.00% of company shares
- SOMEWA SOMEWA Plaza Company Limited is the subsidiary which the Company holds 75.00% company shares
- V V RICH V V RICH Company Limited is the subsidiary which the Company holds 99.97% company shares
- ECFD ECF Design Company Limited is the subsidiary which the Company holds 50.9970% company shares
- GEP Green Earth Power (Thailand) Co., Ltd. is the joint venture which ECF-P holds 20% of company shares

Attachment 3

Attachment 3

Details of Chief of Internal Audit and Chief of Compliance of the Company

East Coast Furnitech Public Company Limited (“Company”) has appointed ACCPLUS Consultants Co., Ltd. to perform the work as the Chief of Internal Audit by Miss Wanna Maluangnon, and take main responsibility in duty performance of the Company’s internal auditor, and Miss Pimrumpai Boonchana as the Chief of Compliance of the Company’s internal audit system. The detail of the **Chief of Internal Audit** is as follows.

Name-Surname / Position	Age (Years)	Educational Qualification/Training History	Proportion of Sharehold ing in the Company (%)	Family Relationship between the Director and Executive	Work Experiences in Retrospective 5 Years Period		
					Period	Position	Company
Miss Wanna Maluangnon Chief of Internal Audit The Audit Committee’s Meeting resolved to appoint ACCPLUS Consultants Co., Ltd. (“ACCPLUS”) as the outsourcing organization, to perform the duty of internal auditor of the Company, whereas ACCPLUS has assigned Miss Wanna Maluangnon, the Managing Director position of ACCPLUS to be mainly responsible for duty performance as Chief of Internal Audit of the Company.	54	<ul style="list-style-type: none"> - Master of Business Administration, Chulalongkorn University, 1994 - Certificate of Audit, Thammasat University, 1991 - Bachelor of Accountancy, Chulalongkorn University, 1990 - Rajini School, 1986 Training History : <ul style="list-style-type: none"> - Managing the Internal Audit Function organized by Institute of Internal Auditors of Thailand 	-None-	-None-	1994 – Present	Managing Director in Audit and Assessment of Internal Control System, Accounting Audit, and Accounting and Consulting Services, Due Diligence of the Entity	ACC-PLUS Consultants Co., Ltd.

Name-Surname / Position	Age (Years)	Educational Qualification/Training History	Proportion of Sharehold ing in the Company (%)	Family Relationship between the Director and Executive	Work Experiences in Retrospective 5 Years Period		
					Period	Position	Company
		<ul style="list-style-type: none"> - Fraud Risk & Control organized by the Institute of Internal Auditors of Thailand - Certificate of Risk Management Program for Corporate Leader (RCL5/2016) by Thai Institute of Directors (IOD) - Internal Audit Training on Fraud Audit organized by Federation of Accounting Professions - Workshop Training on COSO2013 Internal Control System Guideline Framework, Batch No. 3/56, organized by Federation of Accounting Professions - Workshop Training on Risk Assessment Method for Internal Audit Planning, Batch No. 3/55, organized by Federation of Accounting Professions - Workshop Training on the 			2018 – Present	Director	Siam Biomass Supply Co., Ltd.
					2021 - Present	Independent Director / Chairman of the Audit Committee	SKY TOWER PUBLIC COMPANY LIMITED
					2022 - Present	Independent Director and Chairman of the Board	Lamae Palm Oil Public Company Limited
					Oct 2023 – Present	Director	Connect Techno Solutions Company Limited

Name-Surname / Position	Age (Years)	Educational Qualification/Training History	Proportion of Shareholdi ng in the Company (%)	Family Relationship between the Director and Executive	Work Experiences in Retrospective 5 Years Period		
					Period	Position	Company
		<p>Assessment of COSO-ERM Internal Control System of each System (December 2011)</p> <ul style="list-style-type: none"> - Certificate of Audit Committee Program – ACP, Batch No. 42/2013 by Thai Institute of Directors (IOD) - Certificate of Director Accreditation Program – DAP, Batch No. 99/2012, by Thai Institute of Directors (IOD) - Certified Public Accountant Registration No. 4170 					

Chief of Compliance of the Company

Name-Surname / Position	Age (Years)	Educational Qualification/Training History	Proportion of Shareholdi ng in the Company (%)	Family Relationship between the Director and Executive	Work Experiences in Retrospective 5 Years Period		
					Period	Position	Company
Miss Pimrumpai Boonchana Secretary of the Audit Committee and Secretary of Assistant Managing Director, who acts for the Company's internal auditor	41	- Master of Business Administration, Ramkhamhaeng University, 2018 - Bachelor of Accountancy, Ramkhamhaeng University, 1990	-None-	-None-	2021-Present	Secretary of Assistant Managing Director and the Audit Committee, and acting for internal audit supervision	East Coast Furnitech PCL.
					2018-2020	Secretary of Director of Accounting and Finance, and the Audit Committee	East Coast Furnitech PCL.
					2012-2017	Accounting and Finance Department Manager, and Secretary of the Audit Committee	East Coast Furnitech PCL.

Attachment 4

Assets Used in Business Operation

Attachment 4

1. Fixed assets with the Company and subsidiaries used in business operation.

Type of Asset	Nature of Asset	Nature of Ownership	Obligation	Net Asset Value	Asset Utilization
				As of December 31, 2023	
				(Million Baht)	
1. Land	- Land of Title Deed No. 22357, 29832, 47836, 55949, 61964, and 55306 located at Thang Kwian Sub-district, Klaeng District, Rayong Province, in total area of 43-0-37 rai	Owner	Collateral of credit facility with the creditors which are financial institutions 2 locations, total mortgage limit of 482.96 million baht.	217.54	- Location of head office, building and warehouse buildings
	- Land of Title Deed No. 78, 542, and 743, located at Wang Chan Sub-district, Wang Chan District, Rayong Province, in total area of 54-2-11 rai				- Location of factory and warehouse buildings
	- Land of Title Deed No. 138570 and 138571, located at Bueng Kham Phroi Sub-district, Lam Luk Ka District, Pathum Thani Province, in total area of 1-0-3 rai				- Location of showroom and warehouse of the Company
2. Improvement of Land		Owner	- None -	41.36	Location of head office, factory and warehouse buildings
3. Building	- Head office, factory, and warehouse buildings, located at No. 37/9 Village No. 3, Ban Bueng-Klaeng Road, Thang Kwian Sub-district, Klaeng District, Rayong Province	Owner	Collateral of credit facility with the creditors which are financial institutions 2 locations, total mortgage limit of 450 million baht.	171.29	Use for office, factory, showroom and warehouse buildings
	- Office, factory and warehouse buildings, located at No. 29/1 Village No. 3, Chong Ko-Choomnoom Nai Alley, Wang Chan Sub-district, Wang Chan District, Rayong Province				
	- Office, showroom and warehouse buildings, located at No. 25/28 Village No. 12, Bueng Kham Phroi Sub-district, Lam Luk Ka District, Pathum Thani Province				

Type of Asset	Nature of Asset	Nature of Ownership	Obligation	Net Asset Value	Asset Utilization
				As of December 31, 2023	
				(Million Baht)	
4. Improvement of Building		Owner	- None -	93.76	For factory / office use
5. Machines and Equipment of the Factory		Owner	Some parts of machines are collateral of credit facility with the creditors which are financial institutions, total mortgage limit of 166.63 million baht.	44.46	For factory use
6. Electrical System		Owner	- None -	16.30	For factory / office use
7. Furniture and Fixtures and Office Equipment		Owner	- None -	7.84	For factory / office use
8. Vehicle		Asset under hire-purchase agreement	- None -	0.50	For contact and transportation use
9. Work in Construction and Machines under Installation		Owner	- None -	226.28	On the process of construction and installation, all of which are machines for the manufacture of furniture.
Total				819.33	

2. Assets under the category of ordinary shares of subsidiaries

Type of Assets	Nature of Assets	Nature of Ownership	Obligation	Net Asset Value As of 31 December 2023 (Million Baht)	Asset Utilization
Ordinary shares of ECF Power Company Limited (ECF-Power)	A total of 90,928,250 ordinary shares with a par value of THB 10 per share.	The Company holds 99.99% of total shares in ECF-Power.	As of December 31, 2023, the Company used 26,922,711 ordinary shares of ECF-Power out of a total of 90,928,250 ordinary shares as a collateral for the issuance and offering of debentures.	The appraisal report dated November 10, 2023, values 962.02 million baht from the total shares of ECF-Power at 10.58 baht per share, as determined by an independent financial advisor.	Used as a collateral for the issuance and offering of debentures for the Company

Intangible Assets Used for Business Operation

As of 31 December 2023, ECF's intangible assets is THB 2.72 million, consisting of computer programs, and ECF's right-of-use assets is THB 37.83 million consisting of machines rented by the Company

Investment Policy in Subsidiaries and Associates

As of December 31, 2023, seven subsidiaries of the Company are as follows.

1. VV – Decor Company Limited
2. ECF Holdings Company Limited
3. ECF Power Company Limited
4. Planet Board Company Limited
5. Somewa Plaza Company Limited
6. VV Rich Company Limited
7. ECF Design Company Limited

In addition, two associates entered to be invested by ECF Power Company Limited for investment transaction in total of 1 by divided into one of associates and one of joint ventures are as follows. Green Earth Power (Thailand) Company Limited

In considering investment in subsidiary or associates, and each investment project, the Company gives precedence to consideration on investment in the business that mainly supports and promotes business operation of the Company by prudently taking into account return on investment, risks, and financial liquidity of the Company. Such investment must be considered by the Board of Directors, and the Shareholders' Meeting under the determined scope of approval authority, and must be executed in accordance with the requirements and notifications of the Capital Market Supervisory Board, and the Stock Exchange of Thailand, including other related laws. The Company will control through delivery of director and/or executive of the Company to be the director for control of the management direction and policy in consistency with the business operation of the Company.

Property Appraisal

In the year 2023, the Company does not have any asset appraisal items that result in business restructuring or causing the acquisition or disposition of assets or revaluation of the property during the accounting period in any way.

Attachment 5

Attachment 5

Corporate Governance Policy

The meeting of the Board of Directors No. 1/2012 (first time after changed of its status to be the public limited company) was held on 26 October 2012 and had the Initiative policy, participated in expressing comments on the policy and made a resolution to approve the corporate governance policy in writing, including the amendment of such policy after the meetings. The guidelines have been established in accordance with the principle of corporate governance based on relevant rules or practices proposed by the regulatory agencies, to strengthen the business transparency in operation at all levels in order to have a transparent operation in every level; from operational level, executives, and the Board of Directors. This is to increase the competency and competitiveness for sustainable growth, to place the importance on communities, society and environment, leading to long-term benefits for all stakeholders in entire business chain. This policy has been exercised after the approval of corporate governance policy in the meeting, including the amendments on importance details and good governance practice made after that in order to face challenges in the future. Later, the meeting of the Board of Directors Meeting No. 11/2018 was held on 31 October, 2018 considered and approved the new Corporate Governance Code Policy to substitute the cancelled original version, in order to comply with the principles of 2017 Corporate Governance Code for listed companies prescribed by the Securities and Exchange Commission, effective from 2017 onwards unless there is any changes made in the future. This Corporate Governance Policy has set the principles for the Board of Directors who are the leader or the highest responsible person of the organization to use in supervision as a guideline for the business to build the credibility of all shareholders and stakeholders for the benefit of creating the Company's sustainable values that meet the expectations of the business sector, investors, including the capital market and society as a whole, this will ultimately lead to a good performance in the long run.

The corporate governance policy will be considered, reviewed and revised as appropriate to be in accordance with the principles or practices that will be amended further in the future.

where "Corporate Governance" means a system created to be used in governance and control of decision-making on the operations of people in the organization to be in accordance with the objectives, in order to achieve fairness and transparency including

- (1) Determine the main objectives and targets that cover key targets and core concepts of the organization, and short-term targets, the core concept of the organization in the form of vision, principles and business models that create the values for the business.
- (2) Establish strategies, policies as well as consider and approve of plans and budgets.
- (3) Monitor, evaluate and supervise the business performance reports.

"Good Corporate Governance" based on this Practical Guideline means the creation of corporate governance principles that reflect the structure of relationships among management, the Board of Directors,

shareholders and stakeholders, to be used as a structural framework in setting the Company's business goal and determining methods to achieve that business goal, and methods to control and monitor the Company's performance evaluation as well.

The Board of Directors has the goal on corporate governance to lead to important goals as follows:

1. Be competitive and have good performance, taking into account of the long-term impact.
2. Operate the business with ethics, respect on human rights, create the equality and fairness, and be responsible to shareholders and all stakeholders.
3. Create benefite to society and develop or reduce the environmental impacts.
4. The Company can continuously adapt itself under changing factors and develop innovations beneficial and adding values to the business.

There are 8 mains principles of Corporate Governance Code: (CG Code) for the Board of Directors as follows:

- | | |
|-------------------------------------|--|
| <u>Practical Principle 1</u> | Recognize the role and responsibility of the Board of Directors as the leader who creates sustainable values for the business. |
| <u>Practical Principle 2</u> | Define objectives, main targets of the business for sustainability. |
| <u>Practical Principle 3</u> | Strengthen the Board of Directors. |
| <u>Practical Principle 4</u> | Nominate and develop top executives and human resources management. |
| <u>Practical Principle 5</u> | Promote innovations and operate the business with responsibilities. |
| <u>Practical Principle 6</u> | Supervise for appropriate risk management and internal control systems. |
| <u>Practical Principle 7</u> | Maintain financial credibility and information disclosure. |
| <u>Practical Principle 8</u> | Support shareholder's participation and communication. |

The Board of Directors has considered and reviewed the implementation of the CG Code in accordance with the Company's business context on a regular basis.

Establishment of Vision, Objective , Operation Strategy, Corporate Value, and Long-term Target

Vision

“Committed to maintain the stability and strength in the furniture business, to create business growth opportunities and to continuously seek opportunities to expand into other businesses for sustainability.”

Objective

“Leading the organization to sustainably develop and grow with responsibilities on society, environment and good corporate governance.”

Strategy

Sustainability = The organization is developed to grow with sustainability such as the cost and expense reduction of major raw materials for the Company’s furniture business, the expansion of business into the renewable energy business as an important tendency and a part of creation of energy stabilization, which would help to continuously generate revenue and profit for the business in overall, including the acquisition of new businesses, both related to the main business and new business opportunities that can generate income for stable growth, etc., additionally, the business must be operated with responsibility to all stakeholders in the entire value chain, society, environment, and with good corporate governance.

Diversification = Risk diversification in business, such as incomes from selling products both domestically and internationally, a variety of customer groups from exporting, modern retail stores, wholesale stores, retail stores for furniture throughout the country, development of e-commerce selling model through an online platform, and the business expansion to other types of businesses such as energy business, cryptocurrency mining and agricultural business in order to diversify risks and not solely rely on furniture business.

Adaptation = Ready for strategies of changes and continuously adapt itself for creating opportunities in business operations with stability and sustainability, such as starting from furniture business to become a para rubber furniture business, particle board furniture and foil paper business, in order to reduce the production cost of furniture, etc.

Corporate Value

Work with mind to achieve the targets (Be Passionate and Determined)

Reduce the work procedure with more efficiency (Do More with Less)

Continuously seek for growth and learning (Pursue Growth and Learning)

Communicate with open-mind, fair and honest to others (Build Open, Integrity, Honest Relationships with Communication)

Target

The Company has established its goals or key performance indicators, both monetary and non-monetary forms, by maintaining the growth of sales volume and profit from the operation of business group for continuous growth at least 10 - 15% per year, aims to be the organization that develops the investment to reduce costs in the integrated furniture manufacturing business for strengthening its competitiveness and operating business with ethics, respect on the rights and responsibility to shareholders and stakeholders, being beneficial to society and reducing the impact on the environment by maintaining the gross profit margin of the furniture business for not less than 25 % per year. In addition, the Company shall make the customers satisfied its products for at least 90%, based on the result of annual customer satisfaction survey.

For long-term goal, the Company has determined the return from the renewable energy business at the proportion of not less than 30% of the total net profit of the Company and all subsidiaries within 3 years, including the diversification of business risks to other types of businesses with potentials and opportunities for continued growth, aims to be the leader in the business of manufacturing and distributing furniture for export and the leader in the furniture distribution business for wholesale stores, retail stores countrywide and in the ASEAN region.

Practical Principle 1: Recognize the role and responsibility of the Board of Directors as the leader who creates sustainable values for the business.

Practical Principle 1.1

The Board of Directors should understand their roles and aware of their responsibilities as the leader who must govern the organization to have good management, with the determination of objectives, targets, strategies, operating policies as well as allocating important resources to achieve the objectives and targets, monitor, evaluate and supervise performance reports.

Practical Guideline 1.1

The Board of Directors are aware of their roles, duties and responsibilities in governing the organization to have good management and be a good model as the leader in corporate governance.

Each year, the Board of Directors will jointly consider and determine the objectives and targets of the Company and its subsidiaries for operating business to suit the time period. In addition, the Board of Directors also determine the strategies and operating policies, and allocate human resources such as executives and teams, to be responsible for each division to work as planned and achieve the given targets. The top executives will be directly responsible, closely govern and control the operations of operational team in order to know the level of the targets to be achieved and barriers in working, as well as monitor and supervise the implementation of the Company's strategies. This is done in order to catch up with the changes of strategies to support occurred problems and obstacles and to actually achieve the given targets and objectives.

In addition, the Company's vision and mission will be reviewed to be in line with the Company's objectives and targets that have been improved and changed according to the situation of the business and actual annual investment, mainly taking into account ethics, the impact on society and environment, which is apart from financial performance.

The Board of Directors will consider and approve the Charter of the Board of Directors and the Charter of all sub-committees as proposed and screened as well as approved by the sub-committees. The Charters will require the Company's directors and sub-committees to manage the Company's operations in accordance with the laws, regulations, resolutions of the shareholders' meeting as well as the given guidelines. The approval process of important operations will be proceeded as prescribed by law, including the authority to approve the operations of the Board of Directors with the authority to approve various matters of the Company and its subsidiaries will be determined.

In each meeting, or in any meetings with the agenda to monitor the performance as assigned by the Board of Directors, the Company's performance will be monitored, evaluated and supervised to provide a report for each quarter.

The Board of Directors has established and documented policies for directors, executives and employees to express the principles and guidelines of operations, containing Corporate Governance Policy, Business Ethics and supervised to communicate such policies to directors, executives and employees, as well as to monitor their performance and regularly review policies and practices.

The Company has organized a structure of the Board of Directors and determined the scope of authorities, duties and responsibilities of the Board of Directors and sub-committees which play important roles on the Company's objectives, targets, operational policies and supervised to monitor, evaluate, and report the performance. The Board of Directors consists of qualified persons with a variety of knowledge, capabilities and experiences that can be applied to develop and set guidelines, policies, vision, mission, to annually determine the development guidelines for benefit of the Company's business operations.

However, the Board of Directors has determined to monitor, evaluate and supervise the performance reports in quarter and annual manners. The performance reports will be considered of operational progress and strategies that are applied to be consistent with the stated objectives. The performance results will be reported and presented by Managing Director and the Executive Committee to the Board of Directors' meeting.

Practical Principle 1.2

To create the sustainable value for the business, the Board of Directors should supervise to lead to at least the result of competitiveness and good performance, taking into account the long-term impact, conduct business with ethics, respect rights and have responsibility to shareholders and stakeholders, beneficial to society and develop or reduce environmental impacts as well as be able to adjust itself under the factor of changes.

Practical Guideline 1.2

1. The Company has taken into account the competitiveness and long-term good performance by laying the foundation of strategy for sustainable development through the development of management systems to continually increase efficiency and monitoring all factors that make the business changed for adapting itself to the changes. The company has the Risk Management Committee to monitor, audit and provide risk management policies in various areas so that the management can use the policy as a guideline to increase efficiency, reduce the impact of damage that may occur from the changing business factors. In addition, the Board of Directors has a policy to create the competitiveness, in particular, the approach to reduce the cost and expenses of furniture production, to continuously create knowledge of production to continuously reduce the use of resources in production, as a guideline that could create the sustainability of the business, including the competitiveness to build the Company's good performance in a long run.
2. The Company takes into account the business operation with ethics, respecting rights and having responsibility to shareholders and stakeholders by setting and documenting the business ethics policy and sustainable business development policy. The Company believes that if the business is conducted with ethics, respecting rights of others and equally and fairly treating stakeholders, this will be an important foundation for business operation guideline that will create sustainability.
3. The Company takes into account the business operation that is beneficial to society and develop or reduce environmental impacts through guidelines for environmental friendliness. The Company's production process is determined to have a way to manage the leftover material from the production process and the management method to reduce the impact from the Company's production process, such as wood chips, sawdust, dust, paint spray, paint scrap, material scrap, glue used in the production process, etc.
4. The Company takes into account the ability to adjust itself under the factor of changes because the information era has been constantly and continuously changed. Therefore, the trackings on movements caused by the factors that directly affect the business including factors that may indirectly affect are the important information that the Board of Directors and the management must catch up on the actual changes for setting working policies to be ready for coping and reduce the impacts on potential damages. The major incident in the year of 2020 from the impact of COVID-19 outbreak has significantly challenged the Company, resulting in our preparedness to cope and seek for management policy to handle the problems for survival under unpredictable and uncontrollable situation in such period, etc.

Practical Principle 1.3

The Board of Directors is responsible for ensuring that all directors and executives perform their duties with responsibilities, prudence and honesty to the organization and supervise the operation to be in accordance with laws, regulations and resolutions of the shareholders' meeting.

Practical Guideline 1.3

All directors understand their duties as the Company's director who will be responsible, careful and honest to the organization, ensure that the operation is in accordance with the laws, such as the Public Limited Company Act, the Securities and Exchange Act, BE 2535 (1992) as amended, the Company's regulations, shareholders' meeting's resolutions including the rules of the relevant regulatory authorities, i.e. providing an approval process for important actions in transactions related to the investment, transactions that have a significant impact on the business, particulars with gain and loss, the acquisition or disposal of assets of the Company, the connected transactions or dividend payment to be in line with the laws.

All directors of the Company are ready to independently express their opinions, and constantly update themselves, as well as understand rules and regulations of relevant regulators that are changed according to era, taking into account the best interests of the Company and fairness to all shareholders. In addition, all directors have devoted their time to fully and adequately perform their duties, attending the Board of Directors every time, except in the case of necessary reasons.

In the case of new directors, the Company will provide an orientation and provide knowledge about the Company's business operations, business structure, income proportion data, past performance, the Board of Directors' structure Rules and regulations of the Company and relevant regulators, preparation of the stake holding report, corporate governance policy, policy against the use of insider information etc., deemed as the Company's important information to be necessarily acknowledged by new directors for their knowledge and understanding in the Company's business and operations and readiness to perform their duty as director.

Practical Principle 1.4

The Board of Directors should understand the scope of duties and responsibilities of the Board of Directors; and clearly define the scope of assignment of duties and responsibilities to Managing Director and the Management as well as monitor Managing Director and the Management to perform the duties as assigned.

Practical Guideline 1.4

The Company has established a Charter for the Board of Directors and all Sub-committees including the corporate governance policy that specifies the duties and responsibilities of the Board of Directors for reference in performing duties of all directors and the charter will be annually reviewed of its details. In addition, roles and responsibilities between the Board of Directors and the management are clearly separated, the Board of Directors is responsible for determining the Company's policies and supervising the operations of the management, whereas the management is responsible for managing various aspects in

accordance with the policies set by the Board of Directors, the Chairman of the Board and Managing Director are different persons in order to clearly separate their roles and duties in policy formulation and the operational section according to the policy. The details about the scope of duties and responsibilities for the Chairman of the Board, Board of Directors, all sub-committees and Managing Director have been already prepared.

Practical Principle 2: Define objectives, main targets of the business for sustainability.

Practical Principle 2.1

The Board of Directors should determine or supervise the objectives and main targets of the Company to be conducted for sustainability growth. The objectives and targets must be consistent with the creation of values for business, customers, stakeholders and society as a whole.

Practical Guideline 2.1

The Company's objective is to "Develop the organization to have sustainable profit growth with responsibilities on society and environment, and good corporate governance", and the 3-year goal is "to maintain the growth rate of sales and profits from operations in the furniture business group to continuously grow for at least 10-15% per year and aim to become the organization that develops further investments to reduce costs in the integrated furniture manufacturing business for strengthening the competitiveness as well as operating the business with ethics, respect on the rights and responsibility to shareholders and stakeholders, being beneficial to society and reducing the impact on the environment. The Company shall be able to maintain its gross profit margin of the furniture business for not less than 25% per year, and make the customers satisfied its products for at least 90%, based on the result of annual customer satisfaction survey".

It can be seen that the objective and main target of the business are for sustainability, focusing on creating value for the business which will create the mutual benefits both for customers who will have the opportunity to use products with developed styles, have guidelines to reduce costs in order to sell products at a reasonable price, stakeholders have the opportunity to benefit from the approach of expanding the Company's business to upstream businesses for production cost reduction, such as suppliers, suppliers of raw materials, financial institutions supporting finance to the Company as well as the renewable energy business that will benefit and be a part of creating energy security in society and communities where the Company has the opportunity to invest in such areas.

The Company encourages personnel at all levels to participate in the presentation and decides to set working guidelines that help promote the Company's objective and main target to create a corporate culture that everyone must be aware of using creativity in work.

Practical Principle 2.2

The Board of Directors should supervise to ensure that the objective and target as well as strategies in a medium term and / or annual basis of the business corresponds to the achievement of the Company's objective and main target by appropriately and safely applying innovation and technologies.

Practical Guideline 2.2

The Board of Directors will oversee the preparation of strategies and annual plans in line with the Company's objective and main target by taking into account the environment of the business at that time, including forecasting factors that may be changing and the future potential risks. In every meeting of the Board of Directors, the operational progress will be inquired by Managing Director and related executives to review the objective, target and strategies to ensure that the strategies and working plans take into account the impact on the time that may occur and can be predicted. In addition, it also includes overseeing the analysis of the environment, factors and risks that may affect relevant stakeholders throughout the lines which the stakeholders are herein covered, employees, investors, shareholders, customers, partners, communities, society, environment, government agencies regulatory agencies, etc. Moreover, the Board of Directors is also aware of the risk of setting target that may lead to illegal conduct or lack of ethics, it is the main issue that will be discussed about the risk of the target when considering along with various environmental factors that may facilitate such risks.

The Board of Directors will supervise the transfer of objective and target through strategies and plans across the organization to enable all relevant departments to be informed and able to plan the operational methods that conform to and meet the needs of the organization.

The creation of channels for participation or communication channels between stakeholders and business, the Company has prepared information to promote the contact of the investor relations department or the Contact Us channel via website. www.eastcoast.co.th, the Company's main website so that the Company can access and receive information on issues or needs of each group of stakeholders. In the past, the Investor Relations Department will be contacted via the direct telephone line at the most, partly acknowledging certain issues and expectations from stakeholders, some issues that have been acknowledged can be presented to the executive level for analysis and further enhancing the value creation with stakeholders to achieve results. including sending inquiries or complaints through the website which will be directly sent to the email address of assigned person for acknowledgement of inquiries and complaints, the Company has a policy to oversee for opening more communication channels between stakeholders and the business. The company has a policy to supervise more opportunities for communication channels between stakeholders and the Company.

The Board of Directors recognizes the proper and safe use of innovations and technologies to promote the achievement of the Company's objective and main target by dividing based on business type, both main business and under investment business. The furniture business which is the Company's main business has been continuously sought for ways to increase efficiency and reduce production costs by

applying modern machinery technology in the production process with the objective to continuously decrease the number of workers in production lines, continuously reduce costs, to prevent labor shortage for future risk prevention, and to supervise the production in accordance with the styles of furniture that will be changed in accordance with the market demand. For renewable energy business that the Company has invested in solar power plants, the Company has paid attention to the selection of appropriate and modern technology, and could generate good return on investment in the power plant business in a long run in line with the term of the power purchase agreement to be obtained in each project.

Practical Principle 3: Strengthen the Board of Directors.

Practical Principle 3.1

The Board of Directors should be responsible for determining and reviewing the Board's structure, in terms of size, composition, proportion of independent directors to be appropriate and necessary to lead the organization to achieve the specified objective and target.

Practical Guideline 3.1

The Company has set the policy, composition and structure of the Board to be composed of directors with various qualifications in terms of skills, experience, specific competencies that are beneficial to the Company, gender, age and at least one non-executive director who has experience in the main business or industry that the Company is operating. The current Board of Directors has the appropriate size and consists of knowledgeable persons with sufficient ability and experience to effectively perform duties with not less than 5 persons and not over 12 people. In addition, the Board of Directors also consists of independent directors who are able to freely give opinions on the work of the management the regulation prescribed by the SEC requires at least one-third of total directors are independent directors, but not less than 3 independent directors.

The Company has disclosed the policy in determining the Board of Directors' composition and structure with a variety of members, directors' data such as age, gender, educational background, experience, shareholding proportion, number of years as a director and holding directorship in other listed companies and gain & loss, conflict of interest in the Form 56-1 One Report, meeting invitation letter for supporting the consideration and decision of the Company's shareholders and website.

Practical Principle 3.2

The Board of Directors should select the appropriate person as the Chairman of the Board and ensure that the composition and operation of the Board facilitate the use of discretion in freely making decisions.

Practical Guideline 3.2

The Company has established the guideline that the Chairman of the Board of Directors must be qualified in accordance with the definition of an independent director, qualified to the position of the Chairman of the Board, and not the same person as the Managing Director who is responsible for the implementation of policies to ensure that the compositions and performance of the Board of Directors facilitate the independent decision-making. In addition, the scope of authority, duties and responsibilities of the Chairman of the Board has been clearly determined that the Chairman of the Board plays the leader role of the Board of Directors.

In addition, the majority of the members in the Board of Directors should be non-executive directors who could independently express their opinions on the work of the management or the structure of the Board of Directors consists of more independent directors than executive directors in accordance with the Principle of Corporate Governance.

The Board of Directors has established the policy for the Audit Committee, independent directors to hold their office for not more than 9 years from the date of being appointed for the first time according to the structure of the Company's Board of Directors. However, the appointment may be continued in accordance with the agenda approved by the Board of Directors, but this will not be automatically renewed the office, that is, the Board of Directors will significantly consider the performance of the Audit Committee/ independent directors, benefits to the Company, skills, knowledge, competencies, experience, including the protection of the interests of the Company.

Prior to considering important matters, the Board of Directors may consider to appoint the Sub-committees to consider and screen information on specific issues and propose guidelines for consideration before proposing to the Board of Directors for further approval, such as the important policy to set guidelines for managing specific risks will be considered and screened by the Risk Management Committee, etc.

The Board of Directors oversees the disclosure of roles and duties of the Board of Directors and Sub-committees, the number of meetings and the number of meeting attendances by each director in previous year; and reports the performance of all Sub-committees in the fom 56-1 One Report.

In addition, in approving, endorsing or giving opinions on the meeting agenda, the Board of Directors has set a policy regarding the minimum number of quorum when the Board of Directors will vote at the Board's meeting that at least two-third of total directors must attend.

Practical Principle 3.3

The Board of Directors should supervise the recruitment and selection of directors to have a transparent and clear process in order to have the Board of Directors consisting of members with qualifications consistent with the specified elements.

Practical Guideline 3.3

Each year, the Nomination Committee will be responsible for selecting directors by following the criteria for selecting new directors. Prior to proposing name list to the meeting of Board of Directors, the

Nomination Committee will give opinions, the proposed candidates must be fully qualified according to the Public Limited Companies Act, B.E 2535 (1992), the Notifications of the Securities and Exchange Commission, Capital Market Supervisory Board and relevant Notifications of the Stock Exchange of Thailand, and using the Director Pool database from the Thai Institute of Directors (IOD) as a supporting information for the selection of new directors, the proposed name list must have good knowledge, ability, dedication and experience in the management of the core business and other businesses invested by the Company. In addition, in recruiting directors, the process must be proceeded in accordance with the Company's business strategy as well, for example, the Company has increased its investment in energy business, the Nomination Committee therefore considered to select new directors with qualifications and experience, knowledge and expertise in energy to enhance overall potential of the Board of Directors. Additionally, based on the necessity of funding sources to be used for further investment in the energy business, and other businesses that may occur in the future

Nomination and Appointment of Directors and Top executives

(1) Independent Directors/the Audit Committee

The Company's Independent Directors / Members of the Audit Committee must be the Company's directors who are appointed by the Board of Directors and approved by the Company's shareholders and have qualifications as required by the Securities and Exchange Act, the Notifications, regulations and / or regulations of the Stock Exchange of Thailand, requiring at least 3 members. At least 1 member of the Audit Committee must be knowledgeable in accounting and finance and be an independent director according to the definition of the Company's independent directors.

The independent directors according to the above qualifications may be assigned by the Board of Directors to decide on the operation of the Company, the parent company, subsidiaries, joint ventures, subsidiaries in the same level, major shareholders or regulator, the decision is made in the form of a Collective Decision.

Qualifications of the members of the Audit Committee

- Appointed by the Company's Board of Directors or the shareholders' meeting to be a member of the Audit Committee
- Qualified as an independent director in accordance with the rules prescribed by the SEC Office and appropriate rules of the Company.
- Not being a director assigned by the Board of Directors to decide on the operations of the Company, the parent company, subsidiaries, joint ventures, subsidiaries in the same level, major shareholders or regulator
- Not being a director of the listed parent company, listed subsidiaries, listed joint ventures, listed subsidiaries in the same level.

- Considering the term of office of independent directors. If the former independent director will be re-elected for another term, the total period for the term of office from the date of first appointment as an independent director shall not more than 9 years, considering reasonableness and necessity, if that independent director will be appointed to continuously hold the position.
- Have sufficient knowledge and experience to be able to act as a Member of the Audit Committee, at least one member of the Audit Committee must have sufficient knowledge and experience to be able to review the reliability of the financial statements.
- Have duties in the same manner as specified in the Notification of the Stock Exchange of Thailand regarding the qualifications and scope of work of the Audit Committee.

(2) **Directors and top executives**

Directors

In considering and selecting directors, the Nomination Committee will consider and nominate as following criteria:

1. Consider and nominate in accordance with the qualification as stipulated in Section 68 of the Public Company Limited Act, B.E. 2535 (1992) and relevant notifications issued by SEC and SET.

2. In case of a former director to be reelected to hold the position of director, his/her performance during his/her office shall be evaluated and the number of listed companies in which he/she holds a position of director shall be considered, there should not be more than 5 listed companies so as to prevent problem of work efficiency.

3. After completing the selection, a name list of selected persons shall be submitted in the meeting of the Board of Directors for consideration and proposal in the shareholders' meeting for approval and appointment.

4. At every Annual General Meeting of Shareholders, one-third of the directors shall retire by rotation. If the number of directors is indivisible by three, the one nearest to one-third shall apply. Directors due to retire by rotation in the first and second anniversary of Company registration shall be determined by drawing lots. For subsequent years, those directors being in office the longest shall vacate his office. However, the directors who retire by rotation may be re-elected to resume their directorship.

5. In the shareholders' meeting, the vote for appointing a director shall follow the criteria and method below:

5.1 Shareholders have voting power equivalent to their shares.

5.2 Shareholders shall use their voting power as mentioned in 5.1 to elect only one or several candidates, but have no right to unequally allocate their voting power to selected candidates.

5.3 The candidates having highest votes shall be appointed respectively according to

number of directors required. In the case where the candidates have equal votes and the equal ranks exceed the number of directors required, the Chairman of the meeting shall cast a final vote.

6. If the position of director becomes vacant due to the reason other than the termination of regular terms, the Board of Director with the resolution agreed by at least three-fourth shareholders' votes shall nominate an individual whose qualification is in accordance with the law with be as a director in the next meeting. If the remaining term is less than two months, the directors who take the vacant position shall be in the position only within the remaining term.

7. The shareholders' meeting may have a resolution to terminate any director prior to the end of directors' tenure. The resolution must be agreed by at least three-fourth voters and the number of shares must be higher than half of all shares of the company.

Top Management

The Board of Directors has assigned the Nomination Committee to be responsible for considering the criteria and methods of nominating the qualified persons to hold the position of Managing Director. The qualification of the Managing Director to be nominated will be determined from the knowledge, skills and experience related to the Company's core business, experience in management, dedication to work, qualification, image and vision in management necessary to drive the organization towards its goals, good relationship with people or organizations, good morals and ethics, and must be qualified in accordance with the rules of regulatory agencies and relevant laws as an important part for considering the nomination criteria and methods.

However, s i n c e 2015, the role of nomination of director and chief executive is the duty of the Nomination Committee which has already been appointed from the resolution of the Board of Directors' Meeting No. 2/2015 on last 27 February 2015. The duty of the Nomination Committee is to execute the following areas.

1. Consider the structure and element of the Board
2. Consider the qualification of independent directors
3. Determine criteria for nomination of director
4. Prepare director development plan
5. Prepare the Succession Plan

The Company has established the policy for determination of element of the Board using Board Competency Matrix to be applied in considering the analysis of skills necessary for the nomination of directors. which is classified into three main topics being used as consideration support, consisting of knowledge relating to industry, and experiences relating to business operation of the Company, skills and experiences and knowledge in various fields, such as accounting, finance, law, etc., including behavioral competency, such as teamwork, coordination, boldness, etc. If considering from such Matrix, when the

element of each director is taken into consideration on the perspective of the Board, all topics are covered. The Nomination Committee then will consider that the element of the Board is proper, and covers adequate knowledge, experiences, competencies and skills which are useful and efficient for operation in part of the Board of Directors.

The Company shall disclose the information of directors, such as age, gender, educational background, experience, percentage of shareholding, number of years holding directorship and holding directorship in other listed companies in the Annual Report Form (56-1 One Report) and on the Company's website.

However, prior to the consideration and selection by the Nomination Committee, in each year, the Company will announce on the Company's website to invite shareholders to propose any person they wish to nominate a person deemed appropriate to be considered and selected as the Company's director. In the process of appointing new directors, the Nomination Committee shall propose the name list and give opinions to the Board of Directors before proposing to the shareholders' meeting to appoint the directors. The Company has disclosed sufficient information about the persons to be proposed for decision making in accordance with the established criteria, and the good corporate governance policy.

The compositions of the Nomination Committee as stated in the Charter of Nomination Committee shall comprise at least three (3) directors, and at least one (1) member must be an independent director, and the Chairman of the Nomination Committee must be an independent director. The Nomination Committee will review the criteria and procedures for nominating directors to make recommendations to the Board of Directors prior to the nomination of director to replace the retired one. In case of nominating the same director, the dedication to the Company's benefits over his/her office period and the results of his/her performance on duties shall be considered. Therefore, the Company believes that the process of director nomination and selection is adequately transparent and clear.

Practical Principle 3.4

In proposing the remuneration for directors to shareholders for approval, the Board of Directors should consider the remuneration structure and rates that are appropriate to the responsibilities and motivate the Board to lead the organization to achieve both short-term and long-term targets.

Practical Guideline 3.4

The Company has established the Remuneration Committee for consider the remuneration criteria and procedures, the Remuneration Committee will propose the remuneration based on the Company's annual business performance in previous year, the performance and responsibility of directors, consideration of the number of subsidiaries, joint ventures that increase according to the business structure, benefits that the Company receives from performing the duties by directors. The initial remuneration data will be compared to the survey data of directors and executives, referred to business size or the industry with revenue and net profit similar to those of the Company, including the classification by business sector - Market for Alternative

Investment, according to the report on the remuneration of directors and executives of listed companies prepared by the Research and Policy Department, Thai Institute of Directors, to ensure that the structure and rates of remuneration are appropriate to the increased duties and responsibilities, and to motivate the Board to lead the organization to achieve the goals set for both short-term and long-term, and can be compared to the level practicing in the industry.

The composition of the Remuneration Committee as specified in the Charter of the Remuneration Committee must consist of at least 3 directors and at least 1 of them is an independent director; the Chairman of the Remuneration Committee should be an independent director.

The Remuneration Committee will propose details of the remuneration structure and rates for directors, in the form of monetary and non-monetary, to the Board of Directors, prior to propose the shareholders' meeting for the consideration and approval of the annual remuneration for directors. The form of monetary remuneration will be divided into monthly compensation, meeting allowance per time, and special compensation or bonus. At present, there is no payment form of non-monetary remuneration to the Board of Directors.

The Company has disclosed the policy and criteria for determining remuneration for directors, both form and amount of remuneration, both received from the Company and its subsidiaries (if any) in the form 56-1 One Report

Practical Principle 3.5

The Board of Directors should supervise all directors to be responsible in their duties and sufficiently allocate their time.

Practical Guideline 3.5

The Board of Directors recognizes the importance of creating mechanisms to encourage directors to understand their roles and duties. The new directors who have been in the Company for the first time will be provided of orientation by presenting the Company's information such as knowledge the current Board's structure, shareholder's structure, organizational structure, nature of business, information on past business performance, targets and objectives of the business operations specified in the plan rules, the Company's regulations, including relevant regulators, preparation of stake holding report, corporate governance policy, policy against the use of insider information, etc., to new directors for knowing the important details of the Company. Additionally directors will attend the Director Accreditation Program (DAP) organized by the Thai Institute of Directors Association as required by the SEC that the directors of listed companies are required to be trained of this program.

In performing duties as the Company's director, the Company has set the criteria for holding positions in other companies for the Company's directors to ensure that directors can devote sufficient time to perform duties for the Company. However, the Company's directors should hold directorship in 5 listed companies or less as maximum. However, the Company will consider the benefits from the duties, providing

advices that is beneficial to the business operations in accordance with the Company's Corporate Governance Code as main factor.

The Company has disclosed information regarding the appointment of directors in other companies, the number of meeting attendance of the Board of Directors that has been held all the year in the form 56-1 One Report which requires that each director should attend at least 75% of the total number of meetings. At present, the Company has not found cases that the Company's director or executive holds directorship or executive position or is a direct or indirect stakeholder in any other business that has a conflict with the Company.

Practical Principle 3.6

The Board of Directors should significantly supervise to have a framework and mechanism for overseeing the policies and operations of subsidiaries and other businesses invested by the Company at the appropriate level for each business including subsidiaries and other businesses invested by the company with same and correct understanding.

Practical Guideline 3.6

The Board of Directors has set up a policy to supervise the operations of subsidiaries and joint ventures, which is divided into three main parts as follows:

1. Policy on management

- In terms of nominating persons to be directors in subsidiaries and joint ventures, the Company will send the person approved by the Board of Directors to be directors and executives in the subsidiaries and associate companies with minimum proportion according to the Company's shareholding in that subsidiaries and associated company. The director and executive to be nominated are required to have qualifications, roles, duties and responsibilities according to relevant laws and regulations.
- The directors and executives appointed according to the approval of the Board of Directors's meeting hold positions in the subsidiaries and associates have scope of main duties and responsibilities as determined by the Board of Directors and / or the shareholders' meeting of the subsidiaries or associated company. However, the appointed directors and executives must have a duty to oversee and maintain the Company's benefits and supervise to be consistent with the policy of the parent company.
- The Company's directors must ensure that the subsidiaries and joint ventures have adequate and appropriate internal control systems to prevent any fraud that may occur to the subsidiaries, joint ventures, as well as to control the subsidiaries, joint

ventures to have a clear system to show that the system is adequate to continuously and reliably disclose important transaction information in accordance with the prescribed criteria. The Company's directors and executives are provided of channel to receive information for using in monitoring, supervising the performance and financial status, transactions between subsidiaries, joint ventures and directors including the management of subsidiaries, joint ventures and significant transactions with efficiency. In addition, the internal system audit team will be appointed or an external audit will be hired to audit the internal control system and the internal control system audit will be advised to report the result to the Board of Directors of subsidiaries and associated companies.

- Directors and executives of the subsidiaries that operate the core business must disclose and submit the information of their own interests and related persons to the Board of Directors to know the relationship and transactions with the Company in a manner that may cause conflicts of interest and must avoid the transactions that may cause conflicts of interest with the Company or subsidiaries. The Board of Directors of the subsidiaries has a duty to notify such matters to the Company's Board of Directors within the time specified by the Company in order to provide information for consideration or approval of any matter. The consideration will mainly take into account the common benefits of the Company and subsidiaries, including the compliance with laws, rules and regulations as stipulated by relevant regulators. However, the directors of the subsidiaries must not participate in approving any agenda in which they have gain and loss, or may have direct and indirect conflict of interest as well.
- The transactions between subsidiaries and directors, management or persons who may have conflicts of interest, must be considered and applied of rules for making connected transactions as required by the regulators.
- Directors, executives or persons who may have conflicts of interest will make the transactions with subsidiaries only when such loss transactions have been approved by the Company's Board of Directors without the attendance of directors who have gain and loss or the Company's shareholders' meeting based on the size of transactions to be calculated. (as the case may be). The calculation of the transactions will be applied of criteria specified in the Notification of the Capital Market Supervisory Board and the Notification of the Board of the Stock Exchange of Thailand under the Notification of Connected Transaction Rules and / or any additional amendments currently enforced, unless it is a transaction of trade

agreement in the same manner that a reasonable person should do with a general contract party in the same situation, with the bargaining power of trade that has no influence of being a director, executives or persons who may be related, as the case may be, and is a trade agreement approved by the Board of Directors or according to the principles approved by the Company's Board of Directors.

- The directors, executives, employees, employees or assignees of subsidiaries and joint ventures including their spouse or those who are living together as husband, wife, and underage children of such persons are prohibited to use the inside information of the Company and subsidiaries or associated company, either derived from the act of their duties or in any other way, that have or may have a significant impact on the Company, subsidiaries or associated company or the price of the Company's securities, for their own interest and other interests, whether directly or indirectly and whether or not they receive a return.
- The Board of Directors of subsidiaries, joint ventures must supervise the disclosure of other important information, such as capital increase, capital reduction, dissolution of the subsidiaries, etc. in order to inform the Board of Directors' meeting.

2. Policy to control the finance of subsidiaries and joint ventures

- The subsidiaries and joint ventures have a duty to deliver monthly, quarterly and annually operating results, financial statements (reviewed version and audited version) as well as information used in the preparation of such financial statements of subsidiaries and joint ventures to the Company, and the Company is allowed to use such information for the purpose of preparing consolidated financial statements or recognizing in accordance with the equity method, as the case may be.
- The subsidiaries and joint ventures are responsible for preparing budgets, spending, investments and operating results and a comparative summary between the expected numbers of budgets, spending, investments and operating results with the actual numbers and presenting the Board of Directors' meeting of the Company, subsidiaries and joint ventures to acknowledge and monitor the performance to be in accordance with the plan in order to report to the Company.
- The subsidiaries and joint ventures have a duty to report significant financial issues to the Company when they are detected or requested by the Company to conduct audits and reports.

3. The policy on contracting between shareholders (Shareholders' Agreement) or other forms of contracts that are substantially similar, the Board of Directors will ensure that such agreements are executed. In case of significant investment in other businesses with a shareholding proportion of 20 % of voting rights but not over 50 % to specify a clear agreement on management power and participation in important decisions, performance monitoring to be used as information in preparing the Company's financial statements in accordance with the standards and timely manner

Practical Principle 3.7

The Board of Directors should arrange an annual performance evaluation of the Board of Directors, Sub-committees and individual directors, the assessment results should also be used for further development of their duties.

Practical Guideline 3.7

The Board of Directors has set guidelines for evaluating the annual performance. The Board of Directors and Sub-committees will evaluate the performance at least once a year to allow the Board of directors to consider the performance and problems for improvement and correction. The evaluation of performance will be conducted for team and individual by disclosing the rules, steps and results of the overall assessment in the Annual Report. The main topics used in the assessment include: the evaluation of the Board's structure and qualifications, the meetings of the Board, roles, duties and responsibilities of the Board of Directors including other assessments such as the relationships between the Board and management, self development of directors and executive development, etc.

Practical Principle 3.8

The Board of Directors should supervise the Board of Directors and each director to have knowledge and understanding about their roles, duties, nature of business and laws related to business operations as well as encourage all directors to regularly enhance their skills and knowledge for performing their duties.

Practical Guideline 3.8

The Board of Directors has a policy to encourage directors to continuously improve their knowledge. Each year, at least one director will be continuously encouraged to attend the training program or participate in seminar that increases knowledge in operation and it will be disclosed in the form 56-1 One Report.

The Company encourages directors to participate in training programs related to the duties of directors, organized by the Thai Institute of Directors Association (IOD) and the Company will support the new directors to participate in the training program and receive the certificate as soon as possible from the date of appointment.

The Company will assign Managing Director and / or the Company Secretary to conduct the orientation for new directors by providing information about the current business overview, shareholder's

structure, the Board's and Sub-committees' structure, organizational structure, financial status and operating results, vision, policies and current business goals, rules and regulations of the Company and relevant regulators, the preparation of stake holding report, corporate governance policy, policy against the use of insider information, etc. as the information for new directors.

Practical Principle 3.9

The Board of Directors should ensure that the operation of the Board is completed, can access the necessary information and has a Company Secretary who has the knowledge and experience required and proper to support the Board's operations.

Practical Guideline 3.9

The Board of Directors has arranged the annual meeting schedule in advance as well as notified in advance of the Board's meeting agenda so that the directors can arrange their time to attend the meeting and prepare the information for consideration or questions in each agenda in advance

The number of meetings must not be less than 4 times a year, and the number of meetings will be in accordance with the duties and responsibilities of the Board of Directors in accordance with the goals and policies of the business growth. In each meeting, the Chairman of the Board will allow the directors, including the management at the meeting, to have the opportunity to propose or give opinions on issues that are beneficial to the Company at the meeting. In addition, Managing Director is also encouraged to consider and select high-level executives to attend the Board of Directors' meetings for presenting information and details of operations and for providing opportunities to high-level executives to continuously develop themselves as the future successors.

The Board of Directors has a policy to arrange a meeting for non-executive directors to have the opportunity to meet among themselves as necessary to discuss issues without the presence of management in the meeting as well as suggest and inform Managing Director to know the meeting results.

The Board of Directors has appointed the Company Secretary who is qualified to perform the duties in supporting the Board of Director, such as supporting the Board to perform duties as compliance roles, monitoring and supervising, supporting the Board in generating earnings (Performance Roles), policy making, and approving and working with and through the MD/CEO, where the Company will disclose the qualifications and experience of the Company Secretary in the form 56-1 One Report and on the Company's website. The Board of Directors shall provide continuous supports by providing the trainings and developing knowledge that will benefit the performance of duties for the Company Secretary, such as the Company Secretary Program organized by the Thai Institute of Directors Association (IOD), etc.

The Board of Directors has established a policy for sending meeting documents in advance to the Company's directors in accordance with the law; in calling a Board's meeting, the Chairman of the Board or any assigned person shall send a meeting invitation letter to directors at least seven days before the meeting

date, unless in urgent case to protect the rights or benefits of the Company, the meeting may be invited by other means and set date earlier.

Practical Principle 4: Nominate and develop top executives and human resources management.

Practical Principle 4.1

The Board of Directors should ensure that the nomination and development of Managing Director and top executives to have knowledge, skills and experience and the characteristics required to drive the organization towards the target.

Practical Guideline 4.1

The Board of Directors has assigned the Nomination Committee to be responsible for considering criteria and procedures for nominating qualified persons to hold the position of Managing Director based on knowledge, skills, experience related to the core business of the Company, management experience, working dedication, characteristics, image and management vision necessary to drive the organization towards the target, good relationships with individuals or organizations, good morals and ethics, in addition, he/she must be qualified in accordance with the regulations of the regulatory authorities and relevant laws as an important part for consideration criteria and method.

The Board of Directors will monitor and supervise Managing Director to have appropriate top executives; at least, the Board of Directors or the Nomination Committee will work with Managing Director to consider the criteria and procedures for recruiting and appointing persons to support the approval of that person proposed by the Managing Director as top executives. the nomination criteria and methods will be based on the same nomination criteria and method used to select Managing Director by the Board or Directors, or the Nominating Committee will consider in accordance with the same nomination criteria and method as applied to Managing Director by selectand use some appropriate items.

The Board of Directors has a policy to encourage and support Managing Director and top executives to be trained and developed to increase knowledge and experiences that are beneficial to the Company's operations, especially, the program to build business relationships with individuals or organizations, including programs that will enhance knowledge, skills that can be adapted in the professional field according to the positions directly responsible.

The Board of Directors saw that in order to provide the utmost benefits for the Company, Managing Director will effectively devote his/her time for performing duties as Managing Director, therefore the Board has set a policy to prohibit Managing Director from being Managing Director in other listed companies, except Managing Director in its subsidiaries or joint ventures in temporary period at the beginning of the business establishment within a period of not over 3 years only. If he/she is necessary to hold such position longer than prescribed period, he/she must notify the Board of Directors' meeting for further approval.

The Company's directors can hold directorship in 5 listed companies as maximum, the Company's top executives is prohibited to hold the position of executive in other listed companies because top executives

is required to implement the policy of the Board of Directors, therefore needs to fully devote their time to work for the Company.

In order to keep the business running, the Board of Directors has established a succession plan to prepare for the succession of Managing Director and top management with following details:

1. Identify required and necessary qualifications (Requirement) of Managing Director and top management.
2. Identify appropriate potentials and abilities of the persons who will be successors.
3. Consider the training plan to develop the necessary and appropriate knowledge, skills and competencies for the persons who will become the successors.
4. Determine the guidelines for selecting and nominating the persons who will become the successors with the knowledge, ability, skills, competencies and experience that are most suitable to create value (Value added) for the Company.

The Nomination Committee Will require Managing Director to report the performance according to the succession plan to the Board of Directors at least once a year.

Practical Principle 4.2

The Board of Directors should supervise the appropriate remuneration structure and evaluation.

Practical Guideline 4.2

In order to determine the remuneration structure that can motivate Managing Director, top executives and other personnel at all levels to work in accordance with the objectives and main targets of the organization and in line with the interests of the Company in the long term, the Board of Directors, therefore, set the criteria and scope of authorities and responsibilities of the Remuneration Committee as follows:

1. Consider the appropriateness of remuneration ratio like salary, short-term performance, such as bonus; and consider the guidelines for long-term remuneration such as giving the Company's shares or warrants, etc.
2. Consider and compare the remunerations determined by the Company to the level of remuneration in the same size of business, same business, or similar performance, etc.
3. Establish the policy regarding evaluation criteria and disclosure of information.

very year, the Board of Directors, excluding directors who have gain and loss and Managing Director, will evaluate the performance of Managing Director, the Chairman of the Remuneration Committee will disclose the evaluation results and development issues to Managing Director. The criteria for evaluation are as follows:

1. Consider the targets and status of each target's achievement.
2. Evaluate performance based on
 - 2.1 Leadership

-
- 2.2 Strategy formulation
 - 2.3 Compliance with strategies
 - 2.4 Financial planning and performance
 - 2.5 Relationships with the Board of Directors
 - 2.6 Relationships with external parties
 - 2.7 Management and relationships with employees
 - 2.8 Succession
 - 2.9 Knowledge of products and services
 - 2.10 Personal characteristics
3. Development of Managing Director

The results of performance evaluation of the Managing Director will be one of factors used to consider and approve the annual remuneration of Managing Director as well.

The Board of Directors will supervise and provide the appropriate remuneration for each member of the Board of Directors according to authorities, responsibilities and compare to the level of remuneration in the same business group. In the Board of Directors' Meeting No. 2/2015 held on 27 February 2015, the Board of Directors approved the appointment of the Remuneration Committee for the first time with an office term of not more than 3 years each. The remuneration criteria considered by the Nomination Committee will be based on the Company's business performance in previous year, performance and responsibility of directors, benefits provided to the Company by director's performance. The preliminary compensation data will be compared to the size of business or industry with income, net profit that are close to those of the Company. The information remuneration for directors is classified by business category - by the Market for Alternative Investment (mai), based on the information of remuneration for directors and executives of listed companies, prepared by the Research Department, Thai Institution of Directors each year.

For policies and forms of remuneration for senior management, the Remuneration Committee will consider the remuneration of executives by having a policy to determine the remuneration based on the Company's operating result, both short term and long term, individual performance by considering performance indicators, including financial indicator, business growth rate, revenue, net profit from operations, workflow development indicator, risk management, personnel development, and in accordance with the scope of job responsibilities as well as the Company's competitiveness.

In addition, only independent directors in the Board of Directors also prepare an evaluation form for the performance of Managing Director every year in order to submit such assessment data, collect, analyze and present to the Remuneration Committee for consideration of adjusting the appropriate remuneration for Managing Director every year if the performance evaluation of Managing Director can achieve the target and comply with the policy of the Board of Directors,

The Board of Directors has determined the policy of remuneration for Managing Director to be appropriate under clear and transparent criteria. The Remuneration Committee will consider and review the remuneration for Managing Director and propose to the Board of Directors for consideration and approval. The consideration will be based on his/her performance that is consistent with the Company's targets both in short term and long term, business strategies, the Company's performance and the consistency with Managing Director's duties and responsibilities. The remuneration is intended to create motivation as follows:

Short-term remuneration: it is paid in the form of salary and bonus based on performance.

Long term remuneration: it is considered to provide in the form of ordinary shares, if the Company will establish a subsidiary in the future, the Company will register additional listed company on the Stock Exchange of Thailand (Spin-off), at that time, the Board of Directors and / or the Remuneration Committee of the subsidiary and the Company will jointly consider to finalize a clear conclusion of such remuneration.

In addition, the Board of Directors has a policy to allow Managing Director to evaluate the performance of top executives by prescribing criteria and factors for performance evaluation and to prepare the criteria and factors for performance evaluation for the whole organization as well will be further applied to the determination of both short-term and long-term appropriate remuneration structure

Practical Principle 4.3

Directors should understand the structure and relationship of shareholders that may affect the management and operations of the business.

Practical Guideline 4.3

The Board of Directors understands the structure and relationships of shareholders which reflects the power to control the Company's management. In the past, the Company did not have any problems with the shareholding structure that may cause conflicts in the management of the business and there are no issues causing obstacles to the performance of the Board of Directors. In the event that the Company, subsidiaries, joint ventures have made an agreement between shareholders, the Board of Directors has a policy to disclose information according to various agreements that have significant impact on business control in the form 56-1 One Report.

Practical Principle 4.4

The Board of Directors should monitor, supervise the personnel management and development to have the appropriate amount of proper knowledge, skills and experience and motivation.

Practical Principle 4.4

The Board of Directors has a policy to ensure that the human resources management is in line with the Company's direction and strategies and encourage employees at all levels to have appropriate knowledge, abilities, motivation and being fairly treated in order to maintain competent human resources. The Company has

assigned a policy to the operational level to determine the number of training hours of each unit and select training courses related to knowledge and skills in direct operations as well as encourage the training programs to increase skills related to their living, leadership and knowledge on financial management and personal investment by the speakers from the Bank of Thailand.

The Company emphasizes the personnel development in enhancing their capabilities and efficiency of working by establishing clear and consistent personnel development plans as the annual plan for training with both in-house training and the training programs organized by the government agencies and private sectors related to work, with the objective to increase work skills. In addition, the Company has provided welfare for personnel to create morale in the workplace and constantly reviews and improves employees' various benefits.

The Company has a fundamental development target that is:

- Employees have opportunities to engage in determining the direction of works in their own department, express their opinions, views on working in order to improve works from the existing styles to be more efficient and effective.
- Create a working atmosphere for everyone to participate in the organization's success and the Company will consider to give remuneration to employees based on the Company's overall success and their intention and dedication in working, especially individual performance.
- Encourage employees to create knowledge from working, prepare operational manuals that are updated to be consistent with the actual work that is changing all the time.
- Encourage employees to travel to attend trade shows both domestically and internationally to keep up with the production situation, product development, marketing as well as to learn about the consumer behaviors that are constantly changing, with the objective to apply in the Company's work process to be up-to-date and adapt to all situations in the changing furniture industry.
- Encourage the development to create value added in the products manufactured and distributed by the Company for sustainable growth and consumers' continuous awareness and demands.
- Promote the development and motivation for personnel within the organization to have a working attitude on continuously creating the developing their working progress, such as the production process must be continuously improved, marketing must continuously increase revenue from selling products, the department controlling the Company's costs will manage to continuously reduce the costs and expenses proportion with maximum efficiency and have operating cash flow that reflects the liquidity of the Company's good financial management.

In addition, the Board of Directors also supervises the establishment of Provident Fund to ensure that employees will have sufficient savings to support their retirement and encourages employees to have knowledge and understanding in financial management, selection of investment policies that are consistent with the age range, risk level, etc.

Practical Principle 5: Promote innovations and operate the business with responsibilities.

Practical Principle 5.1

The Board of Directors should focus and support the creation of innovations that add values to the business while create benefits for customers or those involved with responsibility to society and the environment.

Practical Guideline 5.1

The Board of Directors has a policy to support new business concepts and encourage business to keep pace with changes in technologies according to global trends, which must be carried out in order to create mutual benefits for the business, customers, partners, society and the environment, and must be an innovation that does not support inappropriate behavior or illegal or unethical activities. The Company will disclose the information of innovation development in the Company's Annual Report Form (56-1 One Report).

Practical Principle 5.2

The Board of Directors should monitor and supervise the management to operate business with social and environmental responsibility which is reflected in the operational plan to ensure that every department will operate their works to comply with the Company's objectives, goals, targets and strategies.

Practical Guideline 5.2

To ensure that the Company operates its business with ethics, social and environmental responsibility, avoid to violate the rights of stakeholders, as a guideline for everyone in the organization to achieve the main objective and target for sustainability. Therefore, the details of responsibilities to stakeholders are defined as follows:

Shareholders

The Company defined the policies and guidelines as follows:

- 1) Recognize and pay attention to the fundamental rights of shareholders, such as the right to purchase or transfer shares, the right to receive profit sharing of the business, the right to fully, sufficiently and timely receive and access the Company's information, the right to attend meetings to exercise voting rights at the shareholders' meetings to appoint or remove directors, appoint Auditor and matters that may affect the Company, such as the increase or decrease of capital,

dividend allocation, amendment of the Company's regulations, objectives or memorandum of association, etc.

- 2) Promote and facilitate the rights of shareholders, analysts, and institutional investors who are interested, as follows:
 - Deliver the invitation letter to the shareholders' meeting at least 14 days in advance of the meeting date by specifying the date, time, venue and meeting agenda, rules and regulations used in the meeting, voting procedure and full information that must be used to make a decision. The invitation letter to the shareholders' meeting will be published on the Company's website at least 21-30 days in advance to allow shareholders to have sufficient time to study the information in advance.
 - Report important information that has or might affect the rights of shareholders, both the information reported in the accounting period and the information reported according to events, as mentioned by laws and related notifications without any action that limit the rights of shareholders to access the Company's information.
 - Allow minor shareholders to propose matters to be included in the agenda and / or nominate a person to be elected as a director at the Annual General Meeting of Shareholders.
 - Allow shareholders to submit questions related to the meeting in advance before the shareholders' meeting.
 - Allow shareholders who are unable to attend the meeting in person can appoint a proxy to attend and vote on their behalf.
- 3) Set guidelines for the Annual General Meeting of Shareholders in order to comply with the Corporate Governance Code and allow shareholders to ask questions on various issues as detailed in each agenda.
- 4) After completing the shareholders' meeting, the Company will publish the voting results of each agenda in the ordinary and extraordinary shareholders' meetings on the next business day; and prepare the minutes of meeting by showing complete and accurate information via the Company's website within 14 days from the date of the meeting so that shareholders can verify.
- 5) The Company apply the technology in the shareholders' meeting for shareholder registration, vote counting in each agenda and the announcement of voting results so that the meeting can be held with speed, correctness and accuracy.
- 6) The Company has organized and participated in many activities such as Company Visit, Analyst Meeting and Opportunity Day event that the listed companies will meet investors, in order to increase communication channels for shareholders, analysts and investors to follow and receive the Company's information.

- 7) The Company has appropriately and regularly paid dividends to its shareholders, and the dividend payment rate is in accordance with the dividend payment policy set forth by the Company.

Customers

The Company defined the policies and guidelines as follows:

- 1) Conduct business in production, selling safe products concerning the health of users and providing after-sales services that create maximum satisfaction for customers.
- 2) Commit to develop products that add values to the use of consumers.
- 3) Conduct business by adhering to honesty, responsibility and fairness and avoid to act anything that violates the rights of customers, keep customers' trade secrets without wrongfully using for the benefit of oneself or those involved. If the Company detects such an offense, any employee or worker of the Company who acts such offense will be prosecuted under the law.
- 4) Not directly and indirectly call, receive or agree to accept any property or any other benefits that are dishonest.
- 5) Adhere to the principles of compliance with trade agreements. In the event that it cannot be performed, there will be a process for reporting information to customers in advance and jointly find ways to improve, solve to prevent damages.
- 6) Provide communication channels so that customers can complain to the Company and complaints from customers will be paid attention and potential problems will be solved for customers with fairness, via communication channels including telephone at 0-2152-7301-4, Fax 0-2152-7305 or www.eastcoast.co.th which in previous year, the Company could successfully respond to handle complaints completed and it is in the process of finding ways to create customer satisfaction at a higher level.
- 7) Build good relationships and understanding, knowledge exchange, joint development and continuously adding values to products. For this point, the Company's marketing team will visit and meet the customers both in domestic and overseas according to the planned annual schedule to listen to customer satisfaction, problems and obstacles in working together, find ways to improve and develop for better products. In addition, every year, the Company will arrange activities for customers of wholesale and retail stores (Dealer) to visit the Company and see the new product models and organize sales promotion, with the objectives to meet and exchange product development guidelines and listen to suggestions and discuss ways to solve trading problems.
- 8) The Company will conduct public relations, advertising and sales promotion of the Company's products with responsibilities, without causing misunderstanding or taking advantages from the customers' misunderstandings.

Business Partners and Account Payables

The Company defined the policies and guidelines as follows:

- 1) Treat partners with equality, fairness and responsibility, and mainly take into account mutual interests.
- 2) The Company has adhered the criteria in selecting business partners who have legal business operations, follow production standards, safety standards and environment conservation, supervise partners to respect human rights and treat workers with fairness and responsibilities to society and environment, the employee's welfare to be on standard.
- 3) Maintain confidentiality or trade information of partners without wrongfully using for the benefit of oneself or those involved.
- 4) Build good relationships and understanding, exchange knowledge, jointly develop and add value to raw materials and products that the Company has continuously ordered. On this point, the Company's procurement team will visit and attend meetings with partners in domestic and overseas according to the planned schedule to suggest problems, barriers of co-working to find ways for better improvement and development.
- 5) Purchase goods and services from partners in accordance with commercial conditions by strictly complying with the contract in order to build a relationship that will create long-term benefits for both parties.
- 6) Adhere to the principles of compliance with trade agreements. In the event that it cannot be performed, there will be a process to inform the partners in advance and together find ways to improve and solve for preventing damages.
- 7) Not requesting, receiving or consenting to accept any property or other benefits beyond trade agreements. By those involved in procurement activities, must not receive benefits regardless of direct or indirectly from partners and must be neutral, have no close relationship that may affect the decision not call, receive or agree to accept any property or any other benefits apart from the trade agreements, those involved procurement activities will not accept any direct or indirect benefits from partners and perform themselves neutral without so close relationship that affects the decision making.

Trade Competitors

The Company defined the policies and guidelines as follows:

- 1) Treat competitors with fairness and responsibility by complying with the trade and competition rules with fairness, operate business with transparency and avoid the dishonest methods to destroy competitors.
- 2) Not destroy the reputation of the competitors by defaming.

- 3) Not violate the intellectual property / copyright.
- 4) Not seek for the confidential information of competitors with a dishonest or inappropriate way.
- 5) When contacting the competitors, the Company's personnel must not disclose the Company's secrets or neglect it to fall into the hands of competitors.

Creditors

The Company defined the policies and guidelines as follows:

- 1) Strictly comply with the conditions of the financial institution creditors in accordance with the loan agreement such as the objective of money spending, payment for loans and interest.
- 2) Treat all creditors with equality, fairness and responsibility.
- 3) In the case of loan, the Company will not use the money from loans to use in different objectives of the loan agreement/conditions.
- 4) The Company will comply with the conditions of the guarantees given to creditors and will maintain the quality of assets that are guaranteed to creditors and will takes care of assets provided as collateral for creditors so that they can be fully and continuously utilized.
- 5) The Company will manage the business / funds in the business to ensure creditors are confident in the Company's financial position and performance which show the ability to pay the debt on time and strictly maintain the financial ratios in accordance with the conditions specified in the loan agreement with creditors.
- 6) Disclose correct and timely information of performance and financial status.
- 7) In the event that there is a possibility of default or unable to comply with conditions agreed by creditors and debtors, the debtor will immediately notify the creditor in advance in order to jointly find solutions and prevent damages.
- 8) Annually hold the meeting to meet financial institution creditors and organize the Company visit to acknowledge the business policy and operation plan in the following year as well as make the creditors confident in the Company's business operations.

Employees

The Company defined the policies and guidelines as follows:

- 1) Give importance to employees at all levels by treating employees with equality and fairness.
- 2) Provide appropriate remuneration for each employee's competency along with the focus on continuous development of potential and knowledge, to create opportunities for career growth based on the individual's potential. The practical guideline is that Human Resources Department or that employee considers any training course or the review of any knowledge that is appropriate and interesting, that employee can propose to Human Resources Department and Human

Resources Department will consider the suitability of the course by considering knowledge, skills that are consistent with the duties obtained after completing the training.

- 3) Prepare the Succession Management with the target to maintain good personnel and develop those personnel to have abilities in adapting themselves to changes and further succession
- 4) Pay attention to the maintenance of the working environment with regard to working safety, hygiene and quality of life of employees as important factors under the objective to reduce the number of accidents, especially during the period when employees are performing their duties in production process. The Company has guidelines for safety which is all employees must wear gloves, mask, ear plugs and sneakers at all times when performing duties, by considering from the work process that each employee is responsible for that particular job, such as if working in a noisy area, employees must wear the ear plugs, etc., The Company will disclose the statistic of accidents including the safety policy while working to be known in the form 56-1 One Report.
- 5) Respect human rights, dignity and basic rights in working, as well as not disclose or pass on information or confidentiality of employees to outsiders or those who are not involved.
- 6) Treat employees under the framework of laws, regulations, and standards related to the operation.
- 7) Promote the employment with equality, without discrimination against gender, skin color, race, religion, age, disability or any other status that is not directly related to the operations.
- 8) Encourage employees to engage in determining the Company's operational directions and developments.
- 9) Providing appropriate welfare and benefits for employees, such as medical treatment, annual health check, health and life insurance, and provident funds, etc. In terms of health check for employees, the Company will schedule from work starting time and during regular work each year. In case of foreign workers, the Company has asked the Social Security Office, Rayong Province to provide information and knowledge of social security to foreign workers.
- 10) Provide opportunities for employees to have communication channels for suggestions and complaints about work, their proposals will be considered and determined of solutions for the benefits of all parties and building a good working relationship.
- 11) Promote the participation of employees at all levels in the implementation of social responsibility activities

Community, Society and Environment

The Company defined the policies and guidelines as follows:

- 1) Give importance and responsibility to nearby communities and society and support public benefit activities for the community as well as improve the environment of the community and society for a better life. In addition, the Company also regularly returns the community and society with donation.

- 2) No operate any business that affects society and causes damages; and not violate the rights of other people and residents of the community and society. in the vicinity of the Company's business area
- 3) Establish measures to prevent and resolve the impacts that will occur to communities and society due to the Company's operation.
- 4) Promote the conservation of local culture and traditions.
- 5) Cooperate with various agencies to develop nearby communities and society to have a livelihood or have a better quality of life.
- 6) Conduct business in accordance with laws, regulations and environmental policies, taking into account the impact on natural resources and the environment
- 7) Sustainably Promote the environmental management systems from the economical use of resources, measures to treat and restore, substitute, surveillance and prevention of impacts on natural resources and the environment.
- 8) Cultivate awareness and promote knowledge and training for employees at all levels regarding the environmental protection
- 9) Promote the use of technology, machinery and raw materials used in environmentally friendly production processes.
- 10) For the guidelines for environmental friendliness, the Company manage the waste materials generated by rubber woods, MDF and particle boards used in the production process, to reduce the impact from the Company's production process.

Please consider the details of the Company's operating results disclosed in the Annual Report Form (56-1 One Report) in accordance with this practical guideline.

Policy for the Respoect on Human Rights with Consideration of Equality and Diversity

It is our policy not to discriminate based on gender, color, race, religion, or social status, through the respect on human rights taking into account the equality and diversity, this not only reduces the compliance risk or the likelihood of human rights disputes, but can also develop employee engagement with the organization and will help attract talents to work with the organization. This will lead to reducing the risk of personnel shortage and reducing the costs of training and developing new employees to replace those who have resigned, including the development of efficiency and effectiveness in work. This is directly related to the competitiveness and sustainable business growth, it also prioritizes the respect on human rights for the Company's partners and customers.

Therefore, the practical guidelines are established as follows:

1. Respect on human rights without discrimination of nationality, race, sex, age, color, religion, status, ancestry, education or any other status that is not related to and affects the work performance by respecting each other and equally treating each other.

2. Employees at all levels shall be protected for the right of personal safety in their work, having a clean, safe and hygienic workplace.
3. Liberty for political rights but must not claim to be the Company's employee or not use any assets, equipment or tools of the Company for the benefit of any political-related operation, the Company has a policy of being politically neutral, will not support or act in favor of any political party.
4. The Company will resolve any conflicts that may arise in accordance with the Rule of Law.
5. The Company has no policy of using child labor and shall not consider the acceptance of persons under 18 years of age for working.
6. The payment of labor pays and wages will be fair and the Company will hold an annual meeting to meet all employees and inform them about the business policies that will occur in each year, including ideas, working principles, principles of life, from the Company's executives, additionally, many activities shall be organized to enhance the love and unity within the organization.
7. The human rights shall be overseen, not be ignored or neglected. Any action that constitutes human rights violations related to the Company's operations to be observed must be reported to the supervisor or responsible person for acknowledgment and the informant must give cooperation in the investigation of facts. If there is any doubt or inquiry, consult with the supervisor or the responsible person through various channels as specified.
8. Anyone violating human rights will be deemed as violating the Company's ethics and must be considered for disciplinary action in accordance with the regulations set by the Company, as well as may face the legal penalties if that act is illegal.

Additionally, in case of negative consequences due to human rights violations, the Company recognizes the importance and will dedicate the appropriate remedy for such impact.

Fair Competition

The Company has established a systematic operating procedure, such as the distribution system through various channels, which more than 50% is the export of products to sell abroad, the Company's main customers are customers in Japan, followed by customers in Hypermarket, which each customer has an order system, product quality inspection and delivery according to the system and given principles. The Company is confident in the process of offering products to customers that are fair and not monopolistic to sell products to any single customer.

For the procurement system and procedure to purchase raw materials as products used in the production process, the purchasing unit will compare prices, quality, trade conditions in accordance with principles every time, so that the partners can have the opportunity to present the product to the Company for

consideration and comparison. The Company always benefits from adhering to the system that screens, consider and compare the quality and price from partners.

Anti-Corruption

The company has defined the definition of anti-corruption in accordance with anti-corruption policy. Fraud and corruption mean actions or refraining from actions in line with positions or duties including bribery of any forms by offering, promising, giving, demanding, or accepting money, property, or any other improper benefits which causes the wrong use of power with government officers, government agencies private agencies, or those who have duties whether directly or indirectly in order that such persons will act or refrain from performing duties which is to acquire or maintain business or recommending any business to the Company particularly or in order to obtain or maintain any other benefits that are not appropriate for the Company's business, one's own or related persons.

The company has a policy against corruption. Also we have prepared a document to set as a guideline according to the anti-corruption policy separated into each topic in order to make it clear, create understanding and can be implemented correctly. It consists of guidelines in the following areas:

- 1) Giving or receiving gifts, Hospitality
- 2) Sponsorship
- 3) Donation
- 4) Political Contribution
- 5) Conflict of Interest
- 6) Facilitation payment
- 7) Employment of government employees

Anti-Corruption Policy including guidelines in various fields have already been approved by the Board of Directors. And in the event that there is a violation of the said policy, the company will take disciplinary action against the directors, executives and employees who violate the compliance with this policy including direct supervisors who ignore the offense or acknowledge that an offense has been committed but does not take corrective action, which has disciplinary penalties up to the termination of employment and/or retirement. The nonawareness of this policy and/or applicable laws, cannot be used as an excuse for non-compliance with this policy. In the event that it appears that the representative, business intermediary, distributor of products/services or any of the Company's contractors acting inconsistent with the guidelines under this policy, the Company may terminate the transaction with such persons at its sole discretion.

The Company has participated in the declaration of Collective Action Coalition of Thai private sector to fight against the corruption, the Company is the company has already announced the anti-corruption policy through the website. www.eastcoast.co.th, and create a system to prevent corruption in the organization in addition, it is in the process of communicating, publicizing the concept of anti-corruption to all stakeholders of the Company for acknowledgement, such as sending a letter to the Company's partners and customers that

the Company refrains from receiving / accepting all rewards, whether it be money, items or gifts and all employees are prohibited to accept/pay any bribes for the Company's business benefits. The Company will also inform the process that gives opportunities for partners and customers who are not fairly treated to complain and be corrected, as well as organize the meetings and continuously communicate all employees to be aware of this policy and guidelines for anti-corruption.

For more details can be studied in the Anti-Corruption Policy Document including the guidelines for the Company's anti-corruption policy.

Practical Principle 5.3

The Board of Directors should monitor and supervise the management to efficiently and effectively allocate and manage resources by taking into account the impact and development of resources throughout the value chain in order to sustainably achieve objectives and targets.

Practical Guideline 5.3

The Board of Directors recognizes the need for resources to be used in business operations, consisting of

1. Financial Resources
2. Production
3. Intellect
4. Personnel
5. Society
6. Environment

For the business operations in the Company, subsidiaries and joint ventures, the Board of Directors understands the impact on different resources, the Company will select the business models by taking into account the impact and value to the resources based on ethics, responsibility and value creation for sustainable business, concerning changes in both internal and external factors that regularly occur.

Practical Principle 5.4

The Board of Directors should provide a framework for governance and management of enterprise-level information technology that is consistent with the needs of the business and supervise the use of information technology to increase the business opportunities and improve operations, risk management, to enable the Company to achieve its main objectives and target.

Practical Guideline 5.4

The Board of Directors should provide a framework for governance and management of enterprise information technology as the policy and measure of information system security, with following important areas:

- Rules for using the Company's File Server system and all computers for every department.
- Rule of using Internet Rule System.
- Rule of using copy machines.
- Punishment of violation

In addition, the Company also gives importance to the allocation and management of information technology to be adequate for the business operations and provides guidelines to support in the event that the resources cannot be sufficiently allocated as specified. In addition, the Risk Management Committee will regularly raise the risk management on information technology for consideration in the meeting.

Practical Principle 6 : Supervise for appropriate risk management and internal control systems.

Practical Principle 6.1

The Board of Directors should supervise to ensure that the Company has a risk management system and internal control that will effectively achieve objectives and comply with relevant laws and standards.

Practical Guideline 6.1

The Company has established the Risk Management Committee to supervise and formulate risk management policies and plans according to the scope of authorities, duties and responsibilities of the Risk Management Committee specified in 1.1.

The Chairman of the Risk Management Committee, as the Chairman of the Audit Committee, will report the result of the meeting held by the Risk Management Committee to the Board of Directors' meeting so that the Board of Directors will be able to consider and formulate risk management policies that are in line with the Company's objectives, targets, principles, strategies and acceptable risks as the framework of risk management process for everyone in the same direction, the main risks emphasized by the Board of Directors. Since the Company has invested in many subsidiaries and joint ventures, the Risk Management Committee has a policy to consider and manage risks by covering risks that may be arisen from business operations or investments in those subsidiaries and joint ventures as well.

Further details can be found in the Annual Report Form (56-1 One Report), Section 1, Topic 2: Risk Management.

Practical Principle 6.2

The Board of Directors must establish the Audit Committee that can efficiently and independently perform duties.

Practical Guideline 6.2

The Board of Directors has appointed the Audit Committee consisting of at least 3 independent directors with qualifications and duties in accordance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand, the definition of independent directors, who will perform their duties in accordance with the scope of duties and responsibilities of the Board of Directors as specified.

The Board of Directors has a policy for the Company to provide a mechanism or tool that will allow the Audit Committee to access to the information necessary to perform the assigned duties, allowing the Audit Committee to summon relevant persons to provide information, discuss with the auditor or seek for opinions that are independent from any other professional advisors, for the consideration of the Audit Committee.

In addition, the Board of Directors will provide an independent person or internal audit unit to develop and review the efficiency of the risk management and internal control systems, report to the Audit Committee and disclose the review report in the form 56-1 One Report, as well as provide opinions on the adequacy of the risk management and internal control systems and disclose in the form 56-1 One Report.

Practical Principle 6.3

The Board of Directors should monitor, supervise and manage conflicts of interest that may occur between the Company and the management, the Board of Directors or shareholders, and prevent the undue use of the Company's property, information and opportunities, and transactions with those who are connected to the company in an inappropriate manner.

Practical Guideline 6.3

The Board of Directors supervises to have a policy to prevent and supervise the use of internal information for directors, executives, employees related to secret transactions and worker of the Company and subsidiaries in keeping confidential information and / or internal information of the Company, non-trading or accepting the transfer of the Company's securities, by taking advantage of confidentiality or insider information that has not been disclosed, prohibition of buying or selling the Company's securities within the specified period such as within 30 days, prior to disclosure and after the disclosure of such information through the system of the Stock Exchange of Thailand for 24 hours, etc. The Company has prepared a circular document within the company and let the Company's employees to sign for acknowledging the said policy.

The Company has determined that directors, executives, including their spouses and underage children are responsible in reporting their securities holdings and changes in the holding of securities of the Company to the SEC and must submit a copy of the said report to the Company Secretary for reporting to the next meeting of the Board of Directors for acknowledging the trading of securities that occur by reporting to the Board of Directors' meetings for acknowledgment on a quarterly basis.

In addition, the Company has a policy that directors and executives must report their own interests and related persons to the Company's directors and management according to the rules and form along with definitions as directed by the regulatory agencies. The Company Secretary will have a duty to keep records

and collect reports of interest on a regular basis at least once a year and if there is a significant change of information from any director or management, this must be reported to the Board of Directors for acknowledgment.

The Company will take care of the third parties, including legal advisors, financial advisors, Auditors or third parties who acknowledge the Company's internal information to comply with the policy on prevention and supervision of the use of such insider information.

The Board of Directors has established the policy that prevents the directors, executives and employees from taking the opportunity of being the Company's directors, executives or employees to seek personal benefits. The policies and guidelines are set out in the Company's Business Ethics, including details of monitoring to ensure the compliance with the said business ethics

For the transactions that may cause conflicts of interest by related transactions that may occur in the future. Directors must comply with various regulations that have been established and directors must not approve any transactions that they or persons who may have conflicts of interest in any other manner with the Company, and disclose such transactions, the Company must comply with the Securities and Exchange Act and the regulations, notifications, orders or requirements of the Stock Exchange of Thailand, and strictly comply with regulations relating to the disclosure of information on connected transactions and the acquisition or disposal of assets of the Company or subsidiaries and according to the accounting standards. In addition, the Company will not make related transactions with related companies that are not normal business operations of the Company and requires the directors to report their interests at least before considering the agenda of the Board's meeting, which will be recorded in the minutes of the Board's meeting. In the case that such director is unable to provide independent opinions, that director will be asked to refrain from participating in the meeting for considering that agenda.

Practical Principle 6.4

The Board of Directors should supervise to establish the clear policies and practices on anti-corruption and communicate at all levels of the organization and to outsiders for actual implementation.

Practical Guideline 6.4

The Board of Director assigns a policy to announce the intention and and applying for certification for the Thai Private Sector Collective Action Coalition Against Corruption (CAC), which is a way to solve corruption problems in cooperation with private companies that wish to create pressure to make changes in the public sector, collaborating to refuse payment of all forms of bribery and against the use of corruption as a barrier to competition and to prevent free business practices. Every company that announces its intention to participate in the CAC program must prepare or review its own internal control system in accordance with the guidelines specified in the self-assessment form (71 questions) and allow the third parties. (the Chairman of the Audit Committee or the certified public accountant) to verify the accuracy of information before submitting an application to the CAC Council for consideration and approval through the self-assessment (71 questions).

At present, the Company has already prepared the policy and guidelines for anti-corruption.

Practical Principle 6.5

The Board of Directors should supervise the business to have a mechanism for receiving complaints and actions in case of whistleblowing.

Practical Guideline 6.5

The Company has established guidelines for receiving complaints and whistleblowing of offense or actions that are in the way of misconduct and corruption of the Company's employees to those involved and the Company in causing damages to the Company.

The Company has set up the Whistle Blowing Policy and Procedures ("Policy"). It is a tool to help the Company to receive complaints from both internal employees and third parties regarding corruption, violation of rights or non-compliance with applicable law, rules, and regulations, Article of Associate of the Company, and the Company's business ethics which may lead to a deterioration in the assets, image and reputation of the Company. The Policy will have details to protect, and fairly treat stakeholders and employees who report information or whistleblow about corruption, violation of rights or failure to comply with laws, rules, regulations, the Company's regulations and code of conduct (Whistleblowing Policy). If you found any act that is likely to be a violation of intellectual property, please send the complaint or a letter to

➤ Mail to :

- Assoc. Prof. Dr. Montree Socratyanurak
Chairman of the Audit Committee/Independent Director or
- Mr. Arak Suksawad,
Managing Director or
- Company Secretary Office
East Coast Furnitech (Public) Co., Ltd.

28/25Moo 12, Bueng Kham Phroi Subdistrict, Lam Luk Ka District, Pathum Thani
Province 12150

➤ E-mail to Company Secretary Office : cg@eastcoast.co.th or Human Resources
Department : hrrayong@eastcoast.co.th

➤ Sending to complaint channel Via website www.eastcoast.co.th

The Company's directors, executives, employees at all levels must not ignore or neglect when seeing any corruption that is related to the Company, they must notify the supervisor or the person in charge, and give cooperation in examination, investigating on facts. In addition, the Company has provided channels for receiving complaints from the external parties as well.

The Company will provide fairness and protect employees who refuse the corruption or inform about the corruption, the Company will not degrade his/her position, punish or give negative effect to that employee

who refuses corruption, the Company will keep the confidentiality of those involved in the examination and investigation on corruption acts.

Practical Principle 7 : Maintain financial credibility and information disclosure

Practical Principle 7.1

The Board of Directors is responsible for ensuring that the financial reporting system and the disclosure of important information are accurate, adequate, timely, in accordance with the rules, standards and related practices.

Practical Guideline 7.1

The Company has a policy to encourage personnel involved in the preparation and disclosure of financial reporting and disclosure of important information of the Company to have sufficient knowledge, skills and experience appropriate to their responsibilities. Personnel related to this work includes Chief Financial Officer, accountant, internal auditor, Company Secretary and investor relations. Each year, Personnel related to this work will attend the training courses prepared by the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, the Federation of Accounting Professions, the Association of Internal Auditors of Thailand, the Association of Thai Securities Companies, the Thai Institute of Directors (IOD) on a regular basis. Annually, the in-charge supervisor must direct and screen the appropriate training courses for staff in the unit to attend the appropriate training course for enhancing the standard of work in related fields and to allow those personnel to have better knowledge, skills and standards of work.

The Board of Directors will approve the information disclosure by concerning on related factors, in case of financial reports, following factors will be considered:

- Opinions of the Company's auditor in the financial report and observations of the Company's auditor on the internal control system.
- The assessment result on the adequacy of the internal control system
- Opinions of the Audit Committee
- The compliance with the Company's main objectives, targets, strategies and policies
- Consideration on comparison between the actual performance and the given target
- Consideration on potential risk factors

The Board of Directors oversees the disclosure of information including financial statements, the Form 56-1 One Report, which can sufficiently reflect the financial status and performance. At present, the Company has prepared the Management Discussion and Analysis (MD&A) as reference for the disclosure of quarterly financial statements with the objective is to allow investors to obtain better information and understanding on the changes that occur with the Company's financial status and performance in each quarter in addition to solely presenting numerical data in financial statements. In addition, every time the Company submits both quarter and annual financial statements through the system of the Stock Exchange of

Thailand, the Company has provided a news release to clarify the details of the Company's performance for dissemination through mass media for totally 4 times per year.

In the event that the disclosure of any particulars relates to any particular director, that director must have a duty to disclose his/her information in a complete and correct manner, such as shareholding information, stake holding, potential conflicts of interest, as well as the disclosure of other information related to the consideration of that agenda.

Practical Principle 7.2

The Board of Directors should monitor and supervise the adequacy of financial liquidity and solvency.

Practical Guideline 7.2

In the meeting of the Board of Directors to consider and approve quarter and annual financial statements, the Board of Directors emphasizes to monitor and supervise the adequacy of financial liquidity and solvency, every time that the Finance & Accounting Unit will present the liquidity ratio, quick ratio, debt to equity ratio, solvency ratio and present the important ratios to be in line with the conditions of the financial institutions (Covenants) who provide loans to the Company, to the Board of Directors' meeting for acknowledgement and monitoring every time when the meeting has an agenda of considering and approving the Company's financial statements, then the Board of Directors will be able to find solutions together with the management in a timely manner if there is a sign indicating the potential problem of financial liquidity and solvency that may occur.

In approving any transactions proposing opinions to the shareholders' meeting for consideration and approval, the Board of Directors will carefully consider the details of the agenda to ensure that such transactions will not affect the continuity of business operations, liquidity or solvency.

Practical Principle 7.3

In the situation that the business is experiencing financial problems or is likely to experience problems, the Board of Directors is confident that the Company has a plan to solve the problem or has other mechanisms that can solve financial problems under the consideration of the rights of stakeholders.

Practical Guideline 7.3

The Board of Directors has set up signs indicating the tendency to experience financial problems with following details:

1. The problem of continuous loss performance.
2. Operating cash flow is likely to continuously decline, the liabilities that is significantly increased over the assets or beyond the conditions of the financial institution or the terms and conditions regarding the rights and obligations of the debenture issuer and bondholders.
3. The problem of continuous and long-term inventory draining and debt collection

4. Continuously encounter the problem of inventory flowing and debt collection for a long time
5. Acknowledge the indications from the Company's auditor, such as incompleteness of financial or of booking accounting information.

In the event that the Board of Directors encounters the above indications, the Board will monitor and supervise the management to conduct business with carefulness and comply with the requirements for disclosure of information in accordance with the rules and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. In addition, the Board will supervise the business to establish a financial solution plan by concerning on the fairness to stakeholders such as financial institution creditors, debenture creditors, shareholders, as well as monitor problems by allowing management to regularly report situations that occur. The Board must ensure that the problem solutions are considered and judged with reasons cautiousness and prudence.

Practical Principle 7.4

The Board of Directors should consider the preparation of information to report on the sustainable management guideline as appropriate.

Practical Guideline 7.4

The Board of Directors has a policy to prepare information to report on the sustainable management guideline / Corporate Social Responsibility Report to disseminate to relevant parties for acknowledging important matters and this can reflect the business practices that will sustainably create value for the business, which will be prepared along with the Form 56-1 One Report and published via the Company's website.

The information to report on the the sustainable management guideline / Corporate Social Responsibility Report will disclose the information on compliance with laws and ethics, anti-corruption policy, treatment to employees and stakeholders with fairness, respect and not violating human rights including social and environmental responsibility, the reports are concerned by the national acceptance and will be upgraded it to be on international level, these are all planned. At present, the Company has disclosed the Sustainability Report in the Form 56-1 One Report or may consider to prepare the Sustainability Report separately from the Company's Annual Report Form 56-1 One Report, which shall be considered as appropriate.

Practical Principle 7.5

The Board of Directors should supervise the management to have the unit or the person responsible for the investor relations who serves to properly, equally and timely communicate with shareholders and other stakeholders, such as investors, analysts.

Practical Guideline 7.5

The Company pays attention to the information disclosure, the Board of Directors will ensure that the Company discloses important information related to the Company, both financial and non-financial information, with accurate, complete, timely, consistent and transparent manners, by disclosing through various channels that are easily accessed with equality and reliability and all these channels are prescribed by the law and the channels that the company considers appropriate. The important information disclosed by the Company includes: financial reports and non-financial information that may affect the price of the Company's securities in accordance with the requirements of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand as well as the policy to protect confidential information and information that affects the price of securities with the Insider Trading policy, that is communicated to the whole organization for correct understanding and compliance with such policies. Such policy is announced to everyone who will sign for acknowledgement and agreeing to follow such document policy.

The Board of Directors has also set up a unit or responsible person to act as an investor relations to communicate with outsiders on equal and fair basis, including shareholders and other stakeholders, for example, investors, analysts Journalist, to communicate the information that beneficial to shareholders and stakeholders through various channels as follows:

- Disclosure and dissemination of important information to investors
- Organizing activities to announce the company's performance
- Clarify the rumors or news
- The proceeding when the Company's security is traded in a different manner from the normal market conditions.
- Meeting with securities analysts on domestic and international funds
- Organizing Company Visit Activity for investors and analysts

Channels to contact the investor relations department include: inquiries on telephone 02-152-7301-4 ext. 212 (Investor Relations), email: ir@eastcoast.co.th and through the Company's website at www.eastcoast.co.th , Page Investor Relations

Those responsible for providing information to external parties are suitable for performing duties, understand the Company's business including objectives, targets, core values and can communicate with the capital market very well, consisting of Managing Director, Chief Financial Officer and Investor Relations.

In addition, the Company will disclose the following information in order to demonstrate the transparency in business operations:

1. Disclose information on the performance of the Board of Directors and the Audit Committee, such as the number of meetings and the number of meeting attendances of each director in the previous year.
2. Disclose the remuneration policy for directors and top executives as well as the forms and characteristics of remuneration.

3. Many policies include: Corporate Governance Policy, Inside Information Governance Policy, Information Technology Supervision and Management Policy, Risk Management Policy and many risk management methods.
4. The Charter of the Board of Directors and all Sub-committees
5. Ethics of Investor Relations
6. Policy on society and environment
7. Business Ethics (Code of conduct)
8. Shareholding structure with details of direct and indirect shareholders who are hold 5% of the total paid-up shares or more and have voting rights.
9. Structure of the Board of Directors, name list of directors and executives
10. The Company's Vision and Values
11. Nature of the Company's Business
12. The Structure of the Company, Subsidiaries and Joint ventures
13. Annual Registration Statement/ Annual Report (Form 56-1 One Report)
14. Financial Statements and Report on the Financial Status and Performance in the past 3 years
15. Invitation to Annual general and Extraordinary meetings of shareholders general.
16. Criteria to provide the rights to minor shareholding to propose additional meeting agenda in advance prior to the shareholders' meeting, criteria to propose the person to hold directorship and criteria to send inquiries in advance prior to the meeting date.
17. The Company's Regulations and Memorandum of Association
18. New Releases published to the Stock Exchange of Thailand
19. Information to contact organization or complain or person responsible for Investor Relations

Such above information are published via the channels prescribed by the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand and via the Company's website, the Company will regularly evaluate the effectiveness of the information disclosure process in order to achieve the updating and be able to thoroughly and timely forward news, information to those involved.

The Board of Directors has a policy for the management to determine the direction and support the works of investor relations by preparing an annual investor relations plan and clearly defining the duties and responsibilities of investor relations so that communication and information disclosure are effectively conducted.

Practical Principle 7.6

The Board of Directors should encourage the use of information technology to disseminate information.

Practical Guideline 7.6

In addition to disseminate information according to the criteria and through the channels of the Stock Exchange of Thailand, the Board of Directors will supervise the disclosure of information in both Thai and English versions through the Company's website and regularly update information.

Practical Principle 8: Support shareholder's participation and communicationPractical Principle 8.1

The Board of Directors should ensure that shareholders are engaged in making decisions on important matters of the Company.

Practical Guideline 8.1

The Board of Directors gives importance on the issues prescribed by laws and issues that may affect the direction of the business that has been considered and approved by the shareholders' meeting.

The Company gives importance to the rights of every shareholder with equality, the rights of shareholders include: basic rights such as trading or transferring of securities they are holding, profit sharing, sufficiently receiving of news and information of the business, attending the meeting to vote in the shareholders' meeting for appointment or withdrawal of directorship, appointment of auditor and matters affecting the Company, for example, dividend allocation, formulation or amendment of regulations and memorandum of association, the decrease or increase of capital, Investing in various businesses etc. In addition to the aforementioned basic rights, the Company has set up various actions to promote and facilitate the exercise of rights and support the participation of shareholders as follows:

- 1) The Company will disseminate information about the meeting agenda in advance on the Company's website before sending documents at least 30 days before the meeting date. The Company will send the invitation letter to the shareholders' meeting and supporting documents at least 21 days prior to the meeting date for the Annual General Meeting of Shareholders. The Extraordinary General Meeting of Shareholders will be in line with the rules and regulations of the relevant regulatory agencies and prescribed by laws by specifying the date, time, venue, meeting agenda, objectives and reasons and the opinion of the Board of Directors in each agenda to be proposed, Proxy forms as specified by the Ministry of Commerce as well as other supporting information for the meetings in an accurate, complete and sufficient manner for the rights of shareholders, the rules and regulations used in the meeting and the rights of shareholders to attend the meeting and vote are also notified. The Company has prepared the invitation letter for the shareholders' meeting in both Thai and English versions to disseminate and facilitates foreign shareholders.

- 2) In the event that shareholders cannot attend the meeting by themselves, the Company will allow the shareholders to appoint an independent director or any person to attend the meeting on their behalf by using a proxy form sent along with the invitation letter to the meeting.
- 3) The Company will not deprive the rights of shareholders to study the Company's information disclosed in accordance with requirements as a listed company, and study the information for using in the shareholders' meetings. In addition, the Company will not add agenda or change important information without prior notice to shareholders, as well, the additional important information will not be immediately distributed at the shareholders' meeting, etc.
- 4) Shareholders are invited to send comments, suggestions and inquiries in advance before the meeting date and during the meeting, the Company will appropriately allocate time to allow shareholders to ask questions and freely express opinions and suggestions and the Company will sufficiently provide details of such matters to shareholders.
- 5) The Company provides opportunities for minor shareholders to propose matters to be included in the meeting agenda in advance according to the guidelines of the Stock Exchange of Thailand. In addition, they also have an opportunity to nominate qualified persons to be appointed as directors according to the guidelines set by the Company. The Company will disclose the criteria for minor shareholders to propose the meeting agenda and nominate qualified persons to be directors in advance by notifying from October every year as usual, before the general meeting of shareholders to be held during March or April of each year. In the event that the Board of Directors refuses to include the matters proposed by the shareholders in the meeting agenda, the Board of Directors will inform the reasons to the shareholders' meeting for acknowledgement.
- 6) Chairman of a board and directors will attend the meeting, except in the case of necessity so that the shareholders can inquire on related matters.
- 7) After completing the meeting, the Company will prepare the minutes of meeting to show full and correct information so that the shareholders can verify, the details of the voting procedure, name list of directors, Sub-committees and executives attending the meeting, voting results for each agenda, along with questions and answers will be clarified in the meeting and publicly available on the Company's website within 14 days from the date of Shareholders' Meeting.

The Company has guidelines for treating all shareholders who are and are not the Company's executives, who are major and minor shareholders with fairness and equality to make the shareholders confident that the Company's Board of Directors and the management will take care the shareholders' money to be appropriately spent. The meeting will be held in accordance with the Company's regulations and ordered by existing meeting agenda. In addition, the Company will not show a bias to any group of shareholders by providing information that has not been disclosed to specific groups, in case where a

director or executive has gain and loss in any matter, that director or executive will not have the right to attend the meeting to consider and resolve that transaction.

The Company has a clear and transparent process for determining remuneration for directors by proposing to the shareholders' meeting for consideration and approval, the remuneration for directors will be considered with the appropriateness to the scope of duties and responsibilities of each director and at the level that can motivate and retain knowledgeable directors to perform duties with the Company, the rate of remuneration will also be able to compare with the remuneration of directors in the same or similar industry.

Practical Principle 8.2

The Board of Directors should ensure that the operation on the date of the shareholders' meeting is complete, transparent, efficient and facilitates shareholders to exercise their rights.

Practical Guideline 8.2

The Board of Directors has set the guideline for operation on the day of the shareholders' meeting, which has been adhered every year. The details are as follows:

1. The Board of Directors will determine the date, time and venue of the meeting by taking into account the convenience of shareholders to attend the meeting such as the appropriate meeting time which is sufficient to ask questions, the location of meeting venue is convenient for traveling, the Company chose the location to hold a meeting in Bangkok although the Company's headquarter is located in Klaeng District, Rayong Province, this is a policy to facilitate and encourage shareholders, analysts and institutional investors who are interested can easily attend the shareholders' meeting.
2. The Board of Directors will take care not to have any actions that limit the opportunity to attend meetings or create burdens on shareholders, the Company will not require shareholders or proxies to bring documents or evidence of identification more than those specified in the guidelines of the relevant regulatory authorities.
3. The Board of Directors has promoted the use of technology for shareholders' meetings, for example, shareholder registration, vote counting and vote result display, so that the meeting can be quickly, accurately and precisely conducted.
4. The Chairman of the Board of Directors is the Chairman of the shareholders' meeting who is responsible for ensuring that the meeting appropriately follows the relevant laws, rules the Company's regulations and good corporate governance principles, time is sufficiently allocated for each agenda as specified in the meeting invitation letter and shareholders are allowed to express their opinions and ask questions at the meeting in relation to the Company or in that agenda which is under consideration.
5. Directors as the attendees and shareholders will not support the addition of agenda that is not notified in advance without necessity, especially the important agenda that shareholders have

to take time to study the information before making a decision in order to give rights to all shareholders to participate in making decision on important matters.

6. All directors and related executives will attend the meeting so that shareholders can ask questions on related issues.
7. Before starting the meeting, shareholder will be notified of the number and proportion of shareholders attending the meeting in person and by proxies, meeting method, voting and vote counting.
8. The Company has arranged to consider the appointment of directors on an individual basis in the agenda related to the appointment of directors by using ballots separately for each person.
9. The Company has arranged for the use of ballots in important agenda and arranged an independent person to count or check the votes in the meeting as well as disclose the voting results classified into agree, disagree and abstain, in each agenda to the meeting for acknowledgement and recording in the minutes.

Practical Principle 8.3

The Board of Directors should ensure that the resolutions of the meeting and the preparation of the minutes of the shareholders meeting are accurate and complete.

Practical Guideline 8.3

The Company has disclosed the resolutions of the shareholders' meeting together with voting results within the evening of shareholders' meeting date, or not later than the next business day, at latest, through the news system of the Stock Exchange of Thailand and on the Company's website. In addition, a copy of the minutes of the shareholders' meeting will be submitted to the Stock Exchange of Thailand within 14 days from the date of the shareholders' meeting and to comply with the requirements of relevant laws. The minutes of the meeting records following details:

1. Name list of directors and executives attending the meeting and the proportion of directors attending the meeting and absent.
2. Voting and vote counting methods, resolutions of the meeting, and voting results (agree, disagree, abstain and voided cards) of each agenda.
3. Questions and answers in the meeting, including the name-surname of the questioners and the respondents.

Attachment 5

Business Ethics

The Company has recognized that in conducting the business with ethics and managing the organization with corporate governance, the organization must have directors, executives and employees at all levels who have a sense of responsibility for their works, including to their supervisors, colleagues, customers, partners, competitors and other relevant parties with such consciousness. The organization must create a corporate culture to deeply root in the hearts of all employees. The business ethics is considered as the best tool to start building a corporate culture with corporate governance. The business ethics shall be provided by the Board of Directors and announced to employees at all levels in the organization to follow as a personal manual, and the Company must have a performance monitoring and measurement system on a regular basis and it is considered to be a part of the evaluation of personnel performance within the Company. The Company shall review and update the Code of Conduct to be consistent with the organization's business at all times, which will be proposed to the Board of Directors' meetings for consideration on a regular basis.

Business Ethics: Responsibilities to Stakeholders

The Company established the details of responsibilities to stakeholders as follows:

Shareholders:

The Company established the policies and guidelines as follows:

- 1) Recognize and pay attention to the fundamental rights of shareholders, such as the right to purchase or transfer shares, the right to receive profit sharing of the business, the right to fully, sufficiently and timely receive and access the Company's information, the right to attend meetings to exercise voting rights at the shareholders' meetings to appoint or remove directors, appoint Auditor and matters that may affect the Company, such as the increase or decrease of capital, dividend allocation, amendment of the Company's Articles of Association, objectives or memorandum of association, etc.
- 2) Promote and facilitate the rights of shareholders, analysts and interested institutional investor, including:
 - Deliver the invitation letter to the shareholders' meeting at least 14 days in advance of the meeting date by specifying the date, time, venue and meeting agenda, rules and regulations used in the meeting, voting procedure and full information that must be used to make a decision. The invitation letter to the shareholders' meeting will be published on the Company's website at least 21-30 days in advance to allow shareholders to have sufficient time to study the meeting information in advance.

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- Report important information that has or might affect the rights of shareholders, both the information reported in the accounting period and the information reported according to events, as mentioned by laws and related notifications without any action that limit the rights of shareholders to access the Company's information.
 - Provide minor shareholders with opportunities to propose matters to be included in the agenda and/or nominate a person to be elected as a Director at the Annual General Meeting of Shareholders.
 - Provide shareholders with opportunities to submit questions related to the meeting in advance before the shareholders' meeting.
 - Provide shareholders who are unable to attend the meeting in person with opportunities to appoint a proxy to attend and vote on their behalf.
- 3) Establish guidelines for the Annual General Meeting of Shareholders in order to comply with the Corporate Governance principles and allow shareholders to ask questions on various issues as detailed in each agenda.
 - 4) After completing the shareholders' meeting, the Company will publish the voting results of each agenda in the ordinary and extraordinary shareholders' meetings on the next business day; and prepare the minutes of meeting by showing complete and accurate information via the Company's website within 14 days from the date of the meeting so that the shareholders can verify.
 - 5) The Company has applied the technology in the shareholders' meeting for shareholder registration with barcode, vote counting in each agenda and the announcement of voting results so that the meeting can be held with speed, correctness and accuracy.
 - 6) The Company has organized and participated in many activities such as Company Visit, Analyst Meeting and Opportunity Day events that the listed companies will meet investors, in order to increase communication channels for shareholders, analysts and investors to follow and obtain the Company's information.
 - 7) The Company has appropriately and regularly paid dividends to its shareholders, and the dividend payment rate is in accordance with the dividend payment policy set forth by the Company.

Customers:

The Company established the policies and guidelines as follows:

- 1) Conduct business in production, selling safe products concerning the health of users and providing after-sales services that create maximum satisfaction for customers.
- 2) Commit to develop products that add values to the use of consumers.
- 3) Conduct business by adhering to honesty, integrity, responsibility and fairness and avoid to act anything that violates the rights of customers, keep customers' trade secrets without wrongfully

- using for the benefit of oneself or those involved. If the Company detects such an offense, any employee or worker of the Company who acts such offense will be prosecuted under the law.
- 4) Not directly and indirectly call, receive or agree to accept any property or any other benefits that are dishonest.
 - 5) Adhere to the principles of compliance with trade agreements. In the event that it cannot be performed, there will be a process for reporting information to customers in advance and jointly find ways to improve, solve to prevent damages.
 - 6) Provide customers with communication channels to complain the Company and complaints from customers will be paid attention and potential problems will be solved for customers with fairness, via communication channels including telephone at 0-2152-7301-4, Fax 0-2152-7305, or www.eastcoast.co.th which in previous year, the Company could successfully respond to handle complaints completed and it is in the process of finding ways to create customer satisfaction at a higher level.
 - 7) Build good relationships and understanding, knowledge exchange, joint development and continuously adding values to products. For this point, the Company's marketing team will visit and meet the customers both in domestic and overseas according to the planned annual schedule to listen to customer satisfaction, problems and obstacles in working together, find ways to improve and develop for better products. In addition, every year, the Company will arrange activities for customers of wholesale and retail stores (Dealer) to visit the Company and see the new product models and organize sales promotion, with the objectives to meet and exchange product development guidelines and listen to suggestions and discuss ways to solve trading problems
 - 8) The Company will conduct public relations, advertising and sales promotion of the Company's products with responsibilities, without causing misunderstanding or taking advantages from the customers' misunderstandings

Business Partners and Account Payables

The Company established the policies and guidelines as follows:

- 1) Treat partners with equality, fairness and responsibility, and mainly take into account mutual interests.
- 2) The Company has adhered the criteria in selecting business partners who have legal business operations, follow production standards, safety standards and environment conservation, supervise partners to respect human rights and treat workers with fairness and responsibilities to society and environment.
- 3) Maintain confidentiality or trade information of partners without wrongfully using for the benefit of oneself or those involved

- 4) Build good relationships and understanding, exchange knowledge, jointly develop and add value to raw materials and products that the Company has continuously ordered. On this point, the Company's procurement team will visit and attend meetings with partners in domestic and overseas according to the planned schedule to suggest problems, barriers of co-working to find ways for better improvement and development.
- 5) Purchase goods and services from partners in accordance with commercial conditions by strictly complying with the contract in order to build a relationship that will create long-term benefits for both parties.
- 6) Adhere to the principles of compliance with trade agreements. In the event that it cannot be performed, there will be a process to inform the partners in advance and together find ways to improve and solve for preventing damages.
- 7) Not call, receive or agree to accept any property or any other benefits apart from the trade agreements, those involved procurement activities will not accept any direct or indirect benefits from partners and perform themselves neutral without so close relationship that affects the decision making.

Trade Competitors

The Company established the policies and guidelines as follows:

- 1) Treat competitors with fairness and responsibility by complying with the trade and competition rules with fairness, operate business with transparency and avoid any dishonest methods to destroy competitors.
- 2) Not destroy the reputation of the competitors by defaming.
- 3) Not violate the intellectual property / copyright.
- 4) Not seek for the confidential information of competitors with a dishonest or inappropriate way.
- 5) In contacting the competitors, the Company's personnel must not disclose or neglect Company's secrets in the hands of competitors.

Creditors

The Company established the policies and guidelines as follows:

- 1) Strictly comply with the conditions of the financial institution creditors in accordance with the loan agreement.
- 2) Treat all creditors with equality, fairness and responsibility.
- 3) In case of loan, the Company will not use the money from loans to use in different objectives of the loan agreement/conditions.
- 4) The Company will comply with the conditions of the guarantees given to creditors
- 5) The Company will manage the business / funds in the business to ensure creditors are confident in the Company's financial position and performance which show the ability to pay the debt on

time and strictly maintain the financial ratios in accordance with the conditions specified in the loan agreement with creditors.

- 6) Disclose correct and timely information of performance and financial status.
- 7) In the event that there is a possibility of default or unable to comply with conditions agreed by creditors and debtors, the debtor will immediately notify the creditor in advance in order to jointly find solutions and prevent damages.
- 8) Annually hold the meeting to meet financial institution creditors and organize the Company visit to acknowledge the business policy and operation plan in the following year as well as make the creditors confident in the Company's business operations.

Employees

The Company established the policies and guidelines as follows:

- 1) Give importance to employees at all levels by treating employees with equality and fairness.
- 2) Provide appropriate remuneration for each employee's competency along with the focus on continuous development of potential and knowledge, to create opportunities for career growth based on the individual's potential. The practical guideline is that Human Resources Department or that employee considers any training course or the review of any knowledge that is appropriate and interesting, that employee can propose to Human Resources Department and Human Resources Department will consider the suitability of the course by considering knowledge, skills that are consistent with the duties obtained after completing the training.
- 3) Prepare the Succession Management with the target to maintain good personnel and develop those personnel to have abilities in adapting themselves to changes and further succession
- 4) Pay attention to the maintenance of the working environment with regard to working safety, hygiene and quality of life of employees as important factors under the objective to reduce the number of accidents, especially during the period when employees are performing their duties in production process. The Company has guidelines for safety which is all employees must wear gloves, mask, ear plugs and sneakers at all times when performing duties, by considering from the work process that each employee is responsible for that particular job, such as if working in a noisy area, employees must wear the ear plugs, etc., The Company will disclose the statistic of accidents including the safety policy while working to be known in the Company's Annual Report (56-1 One Report)
- 5) Respect human rights, dignity and basic rights in working, as well as not disclose or pass on information or confidentiality of employees to outsiders or those who are not involved.
- 6) Treat employees under the framework of laws, rules, regulations, and standards related to the operation.
- 7) Promote the employment with equality, without discrimination against gender, skin color, race, religion, age, disability or any other status that is not directly related to the operations.

- 8) Encourage employees to engage in determining the Company's operational directions and developments.
- 9) Provide employees with appropriate welfare and benefits, such as medical treatment, annual health check, health and life insurance, and provident funds, etc. In terms of health check for employees, the Company will schedule from work starting time and during regular work each year. In case of foreign workers, the Company has asked the Social Security Office, Rayong Province, to provide foreign workers with information and knowledge of social security.
- 10) Provide employees with opportunities to have communication channels for suggestions and complaints about work, their proposals will be considered and determined of solutions for the benefits of all parties and building a good working relationship.
- 11) Promote the participation of employees at all levels in the implementation of social responsibility activities.

Community, Society and Environment

The Company established the policies and guidelines as follows:

- 1) Give importance and responsibility to nearby communities and society and support public benefit activities for the communities as well as improve the environment of the communities and society for a better life. In addition, the Company also regularly returns the community and society with donation.
- 2) Not operate any business that affects society and causes damages; and not violate the rights of other people and residents of the communities and society.
- 3) Establish the measures to prevent and resolve the impacts that will occur to communities and society due to the Company's operation.
- 4) Promote the conservation of local culture and traditions.
- 5) Cooperate with various agencies to develop nearby communities and society to have a livelihood or have a better quality of life.
- 6) Conduct business in accordance with laws, regulations and environmental policies, taking into account the impact on natural resources and the environment.
- 7) Sustainably Promote the environmental management systems from the economical use of resources, measures to treat and restore, substitute, surveillance and prevention of impacts on natural resources and the environment.
- 8) Cultivate awareness and promote knowledge and training for employees at all levels regarding the environmental protection.
- 9) Promote the use of technology, machinery and raw materials used in environmentally friendly production processes.

- 10) For the guidelines for environmental friendliness, the Company manages the waste materials generated by rubber woods, MDF and particle boards used in the production process, to reduce the impact from the Company's production process.

For the friendly-environmental guidelines in the Company's production process, we use the main raw materials such as rubber wood, MDF wood, and particleboard. Therefore, scraps will happen from the production process so the Company has to make guidelines and management methods to reduce the impact on the environment resulting from the Company's production process.

Business Ethics: Fair Trade

Since the Company was established in 1999, our important policy is the business operations with fairness, focusing on the operations that pay attention to all stakeholders, performing the business in accordance laws, regulations, rules and instructions determined by related regulatory authorities. Besides, we have also cultivated this principle to employees at all levels to perform their duties with fairness and responsibility to colleagues, customers, consumers, competitors, partners, communities and society, and kept confidential information and properly used internal information, respected the human rights, including avoided any act likely to lead to a conflict of interest, intellectual property violation, and corruption. Our practical guidelines are as follows:

1. Fair Competition

The Company has established a systematic operating procedure, such as the distribution system through various channels, which more than 50% is the export of products to sell abroad, the Company's main customers are customers in Japan, followed by domestic customers in Hypermarket, which each customer has an order system, product quality inspection and delivery according to the system and given principles. The Company is confident in the process of offering products to customers that are fair and not monopolistic to sell products to any single customer.

For the procurement system and procedure to purchase raw materials and products used in the production process, the purchasing function shall always compare prices, quality, trade conditions in accordance with principles, so that the partners can have the opportunity to present the products to the Company for consideration and comparison. The Company always benefits from adhering to the system that screens, consider and compare the quality and prices from partners.

2. Conflict of Interest Prevention Policy

The Company establishes a policy on prohibition of Directors, executives and employees to take the opportunity from their status in the Company for exploitation, and formulates to be the following policies and guidelines:

1. Prudently, honestly, fairly and reasonably take action with conflict of interest or connected transactions under transparent process in approval on entry into any transaction by taking the Company's interest into account. The Company's Directors have no right to vote for approval on

- the matter of which they have both direct and indirect interest or conflict of interest, and shall properly and completely disclose information in accordance with the rule of the Office of the Securities and Exchange Commission (the SEC Office) and the Stock Exchange of Thailand.
2. In the event of necessity to perform any transaction for the Company's benefit, the said transaction shall be performed as if the transaction performed with the third party that commercial agreement is made in the similar manner as the reasonable man should perform with the general contractual party, with commercial bargaining power which is free from influence of the director and executive status, or the related party, and must not be involved in considering the approval. In addition, the criteria of information disclosure as prescribed by the related agencies as practice shall be complied.
 3. Any acts which are in conflict with business interest of the Company are prohibited. The said acts include cause of the Company's loss of interest or lesser benefit than it should be, or sharing of the Company's benefit.
 4. Any acts which are competitive with the Company's business or operates the business in the similar nature of business as the Company, are prohibited.
 5. The Company's Directors, executives, staffs, and employees, and their spouse and child(ren) of the said persons, are prohibited from exploitation of the personal business with the Company, for instance, any act for sale of goods and services to the Company. If the said act is performed, clarification document shall be prepared and information shall be disclosed for the Company's acknowledgement in every case.
 6. The Company's directors and executives must report their interests and those who may have conflicts of interest in accordance with the rules and forms provided by the Company set annually and if there is a change, they must notify any updates to the Company in order to keep updating all the time. This criterion also applies to employees at all levels involved in the nature of work that may have the risk of conflicts of interest.
 7. The Board of Directors shall monitor and supervise the Company and its subsidiaries to comply with the Securities and Exchange Act, regulations, notifications, orders or rules of the Stock Exchange of Thailand, the SEC Office, and the Capital Market Supervisory Board. In addition, the Company shall disclose the information which is entered into connected transaction under the rules prescribed by the Stock Exchange of Thailand, and of related agencies.
 8. Employees should avoid any act that is against the Company's benefits, whether arising from contacting with the Company's trade related parties including business partners, customers, competitors, or from the use of opportunities or information obtained from being a director or employee for personal gain and in doing business that competes with the Company's business or doing work other than the Company's work, which affect the work of their duties.

9. Employees should refrain from holding shares in business competitors of the Company if it causes their act or omission from the act that should be performed in accordance with their duties or has an impact on the work of their duties. In the event that any employee has acquired such shares before being an employee of the Company or before the company enters the business, or acquired by inheritance, that employee must report to the supervisor in the hierarchy for acknowledgement.
10. Directors, executives, employees of the Company, and all subsidiaries have a duty to report clues when seeing a colleague's wrongdoing or supervisor or executives or directors if any person sees any wrongdoing but neglects, ignores, and does not report clues, it shall be considered that such person has a disciplinary offense as stipulated in the Company's rules, and regulations.

3. Respect on Human Rights

The Human Rights means the basic rights that all humans are supported or protected from being discriminated, just because of the differences in terms of physical, mental, race, nationality, religion, sex, language, age, skin color, education, social status or any others as prescribed by each country's law. The Company becomes aware of human rights principles, therefore, set up the following guidelines:

1. Respect the human rights without the classification of hometown, race, sex, age, skin color, religion, status, family, education or any other status that is not relevant and affecting the operations by honoring each other and treating each other with equality.
2. All employees shall be protected in terms of personal safety, and provided with clean, safe and hygienic workplace.
3. Employees are granted of the political liberty and rights but they shall not use their employee position or the Company's properties, equipment or tools for political purpose, the Company has the policy of political neutrality, and shall neither sponsor, nor act to support specific political parties.
4. The Company shall solve any potential conflict based on rule of law.
5. The Company has a policy to not use child labor and all employees shall be at least 18 years of age.
6. The payment of labor wages and compensation is based on fairness. Every year, the Company shall organize an annual meeting in which the employees shall hear the annual policy, including ideas, working principles, living principles from the Company's executives, and many activities will be conducted to strengthen and promote the love and harmony in the workplace.
7. The respect on human rights is always monitored and any act that is in the scope of human rights violation related to the Company's operations will not be disregarded or ignored. When

any employee noticed such act, he/she has to report to his/her superior or the person in charge to acknowledge and also gives his/her cooperation to investigate facts. If having any questions or inquiries, employees should consult with their superior or the person in charge through designated channels.

8. Any person violating the human rights is considered to violate the Company's Code of Ethics and must be considered of disciplinary punishment according to the Company's regulations. In addition, that person may be punished by law if such action is illegal.

4. Non-Infringement of Intellectual Property or Copyright of Other Persons

The Board of Directors clearly establishes a policy on no performing any acts of infringement of intellectual property and determines the following practical guidelines:

1. The Company establishes the policy for the use of information technology system of the Company and its subsidiaries under the audit on the use of software program systems in the employee's working in order to prevent the use of software that infringes copyright or is not related to working, etc.
2. As the Company must design and develop products every year to be offered to customers, the Company provides the Research and Development Department with the principle that unlicensed intellectual property of other person shall not be infringed, imitated or used.
3. The work or information as the right of the third party that is acquired or will be used inside the Company shall be verified to ensure the non-infringement of other persons' intellectual properties.
4. Self-conduct shall be in accordance with laws relating to intellectual property and copyright, such as trademark-related law, patent-related law, copyright-related law, or other related laws, and promote training for knowledge provision to the employees in intellectual property-related law. The application of works or information belonged to third parties which have been provided or will be used inside the Company is required to verify to ensure the non-violation of others' intellectual properties. In addition, any types of intellectual properties of the Company are not allowed to be used for personal gain or for other persons without permission.

The Company gives the opportunity to notify complaint in the event of detection on infringement of intellectual property by:

- Sending letter to:
- Assoc. Prof. Dr. Montree Socratyanurak**
The Chairman of Audit Committee/Independent Director; or
- Mr. Arak Suksawad**
Managing Director; or
- Company Secretary Office**

East Coast Furnitech Public Company Limited

25/28 Village No. 12 Bueng Kham Phroi Sub-district, Lam Luk Ka District, Pathum Thani
Province 12150

- Sending email to: Company Secretary Office: cg@eastcoast.co.th or Human Resource
Department: hrrayong@eastcoast.co.th
- Company's website: www.eastcoast.co.th Menu: "Complaint Channel"

5. Anti-Corruption

The company has anti-corruption policy. It has already been approved from the Board of Directors of the Company. Fraud and corruption mean actions or refraining from actions in line with positions or duties including bribery of any forms by offering, promising, giving, demanding, or accepting money, property, or any other improper benefits which causes the wrong use of power with government officers, government agencies private agencies, or those who have duties whether directly or indirectly in order that such persons will act or refrain from performing duties which is to acquire or maintain business or recommending any business to the Company particularly or in order to obtain or maintain any other benefits that are not appropriate for the Company's business, one's own or related persons.

Moreover, the company has prepared practical guidelines in writing to be in line with the anti-corruption policy. The practical guidelines are separated into each topic in order to make it clear, create understanding and can be implemented correctly. It consists of guidelines in the following areas:

- 1) Giving or receiving gifts, Hospitality
- 2) Sponsorship
- 3) Donation
- 4) Political Contribution
- 5) Conflict of Interest
- 6) Facilitation payment
- 7) Employment of government employees

The Company has a policy on anti-corruption entity relating to corruption, which was approved by the Board of Directors, and in the event of a violation of the said policy the Company shall take disciplinary action against any director, executive and employee who violate the policy including direct supervisor who ignores the offense or acknowledges that an offense has been committed but does not take corrective action, such disciplinary penalties shall be maximized to the termination of employment and / or being removed from the position; however, the lack of acknowledgement of relevant policies and/or laws cannot be used as an excuse for non-compliance with the policy. In the event that the fact is appeared that any business agent, distributor

of products/services or contractor of the Company fails to comply with the policy guideline, the Company may terminate the transactions with such person as deemed appropriate.

In addition, the Company has participated the Thai Private Sector Collective Action Against Corruption (CAC) project by already joining in the Declaration of Intent to be the Collective Action Coalition of Thai private sector. Now the Company is on the process of preparing documents to further enter into the process of requesting certification. The company has published anti-corruption policy via website www.eastcoast.co.th.

Monitor to Ensure the Compliance

The Company requires the monitoring to ensure the compliance with the Business Ethics as follows:

1. Determine the documented Business Ethics to be one of important documents that directors, executives and all employees must sign before starting their work as the Company's personnel.
2. Require all directors, executives and employees to acknowledge, understand and strictly comply with the Business Ethics as a part of their duties and responsibilities.
3. Set guidelines for commendation and punishment, including rewarding for those who do good, the disciplinary punishment shall be placed to those who violate the Code, in order to be seriously practiced.
4. Provide a way to ask questions and report suspected violations of the Code, or the complaints may be obtained through several channels, including hierarchical supervisors, member of the Audit Committee, e-mail or the Company's intranet.
5. Set up reporting and monitoring to ensure the compliance.
6. Determine to review the Business Ethics every 2 years in order to make it appropriate to the business situation or environment that maybe changed.

Whistle Blowing

The company formulates a policy to protect and provide fairness to stakeholders and employees who report information or give clues about corruption violation of rights or non-compliance with the law, rules and regulations of the Company and business ethics. The Company has set up the Whistle Blowing Policy and Procedures ("Policy"). It is a tool to help the Company to receive complaints from both internal employees and third parties regarding corruption, violation of rights or non-compliance with applicable law, rules, and regulations, Article of Associate of the Company, and the Company's business ethics which may lead to a deterioration in the assets, image, and reputation of the Company.

Attachment 6

Attachment 6

Audit Committee Report 2023

Dear All Shareholders of East Coast Furnitech Public Company Limited

The Audit Committee of East Coast Furnitech Public Company Limited (ECF) comprises three independent committees who have knowledge, capability, specific experience, and complete qualifications in accordance with requirements from the Stock Exchange of Thailand and are independent to perform duties according to the Charter of the Audit Committee which consists of:

- | | |
|---|---------------------------------|
| 1. Assoc. Prof. Dr. Montree Socratyanurak | Chairman of the Audit Committee |
| 2. General Terdsak Marom | Audit Committee Member |
| 3. Assoc. Prof. Songklod Jarusombat | Audit Committee Member |

In 2023, the Audit Committee held 4 meetings and in each meeting all audit committees have attended in the meetings, participants completely participated with the Audit Committee such as the certified accounting auditor and the internal auditors and who clarified the facts and the results of audits including identifying evidence and supporting documents for presentation in each quarter. However, in some agendas, the Audit Committee invited the executives attended the meeting in order to clarify the related enquiries of the Audit Committee.

In the meetings, the Audit Committee have complied with Charter of the Audit Committee which the Audit Committees have strictly approved and the results from each meeting has shown the operation in summary and recommendations which are beneficial for the Management for the acknowledgement of Board of Directors. Important issues can be summarized as follows:

- Quarterly review the quarterly financial statements and annual financial statement for the year 2023 before proposing to the Board of Directors to ensure that the financial reports, accounting entries of the Company and its subsidiaries have been accurately and appropriately prepared according to the accounting standards and legal requirements, the information is adequately disclosed in the notes to the financial statements, as well as to consider quarterly analysis of financial statements on significant issues to ensure that the process of preparing financial statements and disclosing important information is accurate, reliable and in accordance with accounting standards based on generally accepted accounting principles. The Audit Committee is of the opinion that the Company's financial reports have been prepared in accordance with generally accepted accounting principles, are accurate as it should be reliable, and the use of accounting policy is reasonable..

- Review the adequacy of internal control system and internal audit system, the Audit Committee is of the opinion that both systems are effective and appropriate without significant faults, and the internal audit unit is independent, and simultaneously consider and approve the internal audit plan for the year 2023, which will be an audit and follow up on the amendments as previously suggested. For some additional improvements on some non-significant issues, the Audit Committee has set a time frame for the Company to complete the correction as soon as possible. The key issue for the year 2023 that the Audit Committee pays utmost attention to under the epidemic situation of the Coronavirus Disease 2019 (COVID-19) still remains the issue of payment receipt and accounts receivable management to find a way to reduce the debt collection period to be less than before including anti-corruption issue.
- In the past year 2023, the Board of Directors approved the addition of scope, powers, duties, and responsibilities in corporate governance in the Audit Committee Charter. This section will cover the responsibilities of corporate governance policy, anti-corruption policy, sustainability policy, and related practices including business ethics and guidelines for good corporate governance.
- Review of compliance of Securities and Exchange Act, requirements of the Stock Exchange of Thailand and laws relevant to business of the Company. The Audit Committee opined that the Company has correctly complied with laws.
- Review the connected transactions or transactions that may have conflicts of interest, the Audit Committee is of the opinion that the connected transactions are reasonable, fair and at arm's length, and comply with the rules and regulations of the SEC Office, the Stock Exchange of Thailand, and such transactions have been fully disclosed in the notes to the financial statements.
- Review the risk management, audit reports and assessment of the risk control system, as well as exchange opinions with senior management. The Company will hold at least 2 meetings per year to consider the risks that may occur in business operations. In 2023, the Risk Management Committee held 2 meetings. In order to control and prevent potential risk factors, impacts, and recommend the measures to prevent or mitigate the significant risks, in 2023, the Company focused on 8 areas of risk management as follows:
 1. The Risk from Operation
 2. The Risk from Financial and Exchange Rate
 3. The Risk from Production
 4. The Risk from New Customers and the Reliance on Existing Customers
 5. The Risk from Fire inside the Factory and the Insurance Arrangement
 6. The Risk from Compliance with Rules and Regulations
 7. The Risk from the Investment and Business Operations of Subsidiaries and Joint Ventures

8. The Risk from Anti-Corruption
9. The Risk from Information Technology

In previous year, the Audit Committee considered that the Company's risk management system is adequate and no risk in any aspect that has a significant impact on the Company's performance was appeared.

- The selection of accounting auditor has considered the performance of the auditors in previous year, taking into account independence, reputation, credibility, ability of review, audit and certification for financial statements, in which the auditor could consistently achieve in a timely manner. The Audit Committee agreed to propose to the Board of Directors for approval to propose in the shareholders' meeting. Mr. Akadet Pliensakul Certified Public Accountant Registration No. 5389 from M.R. & Associates Company Limited has been appointed as an independent auditor and approved by the Office of the Securities and Exchange Commission for the accounting year 2023, with the total remuneration not exceeding the amount requested for approval, in this year, the auditor will have a period of working as the Company's Auditor for 7 years in total.
- In 2023, all member of the Audit Committee had an opinion that the Audit Committee has sufficiently and completely performed its duties in accordance with the Audit Committee Charter.

On behalf of the Audit Committee

East Coast Furnitech Public Company Limited



(Assoc. Prof. Dr. Montree Socratyanurak)

Chairman of the Audit Committee