

STEP TO THE FUTURE

ONE REPORT 2021



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

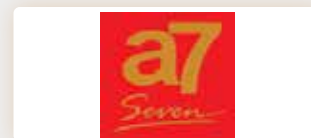


CONTENTS

	004	Message from the Chairman
	006	Message from Managing Director
	008	Financial Highlight
	010	Board of Directors and Sub – Committees
	014	Executive Committee and Management Team
<hr/>		
Part 1	017	Structure of Operations of Company Group
Business Operations and Performance	069	Risk Management
	078	Driving Business for Sustainability
	117	Management Discussion and Analysis: MD&A
	144	General Information and Other Information
<hr/>		
Part 2	147	Corporate Governance Policy
Corporate Governance	153	Structure of Corporate Governance and Significant Information Relating to the Board of Directors, Sub-Committees, Executive, Employee and Others
	170	Report of Key Performance on Corporate Governance
	195	Internal Control and Connected Transactions
<hr/>		
Part 3		
Financial Statements	202	Report of Certificate Public Accountant
	206	Financial Statements
	215	Notes to Financial Statements
<hr/>		
Attachment 1	Details of Directors, Executives, Controlling Persons and Company Secretary	
Attachment 2	Details of Directors in Subsidiaries and Joint Ventures	
Attachment 3	Details of Chief of Internal Audit and Chief of Compliance of the Company	
Attachment 4	Assets Used in Business Operation	
Attachment 5	Business Ethics and Corporate Governance Policy	
Attachment 6	Audit Committee Report	

BUSINESS PROFILE

FURNITURE RELATED BUSINESS



■ RUBBER WOOD FURNITURE

■ PARTICLE BOARD MDF FURNITURE



■ FOIL PAPER



■ DRIED RUBBER WOOD

RENEWABLE ENERGY



■ SOLAR POWER PLANT



■ MESSAGE FROM CHAIRMAN



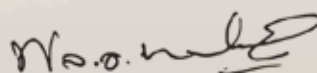
The year 2021 is another year that every country around the world including Thailand have suffered from the epidemic of COVID-19, which is considered as the main factor affecting the growth of the world economy including domestic economy. The outbreak of COVID-19 has affected and changed people's behaviors and their lifestyle, resulting in the adoption of many policies by the governments in each country such as WFH (Work from home) to reduce the spread of this virus. Such policy made people more spending in furniture products, as seen from the figures showing the growth of Thai furniture exports with the values of 2019, 2020 and 2021 at THB 39,441.30 million, THB 44,576.40 million and THB 52,670.49 million, respectively. Based on such data, the export values of furniture have been increased every year, and East Coast Furnitech Public Company Limited has continued to effectively develop its furniture business to be competitive in both domestic and international markets. The increasing figures of the Company's total revenue in 2021 shows its possibility of further growth, the Company also has a way to increase its selling channels and continuously create opportunities in expanding to new businesses. In 2021, the Company has expanded to businesses related to cryptocurrency mining and agricultural crop. The said expansion is expected to provide economic growth along with the principles of good corporate governance, ultimately, it will lead to sustainable growth for all stakeholders of the Company.

Regarding the corporate governance in 2021, the Company is very appreciated in being ranked as the listed companies with an excellent or 5-star rating for the 3rd consecutive year based on the survey of the Corporate Governance Report of Thailand Listed Companies 2021 organized by the Thai Institute of Directors, reflecting that the Company's past performance has been committed in conducting businesses with transparency and verifiability, and prioritizing the sustainable development of business by focusing on the development of economy, society and environment, so that the interests will be equally balanced among all groups of stakeholders.

On behalf of the Board of Directors, I would like to express appreciations to the management team and all staff to dedicate in working with determination, devotion, diligence, patience, initiative and discipline for further development of the Company, and to all shareholders, customers, business partners and those who have always supported the Company's operations. We considered that everyone as mentioned above is important in driving the Company's business, and are sincerely looking forward to receiving good cooperation from everyone forever.

On this occasion, I wish everyone and family a blessing of happiness, prosperity, progress and wealth, including success in what is desired.

**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 2021, everyone in the world has encountered many challenges and adapted themselves to many changes amidst the outbreak of COVID-19, all businesses must continue to be driven by the adoption of a business continuity management system, this is considered an important principle to help alleviate the severity, making the business operations smoothly going on with safety, and coping with changes based on different situations. We are highly appreciated by the cooperation from the management and employees, the understanding from partners and trustfulness from customers, including the good support from stakeholders, the Company, therefore, could pass through this crisis for another year.

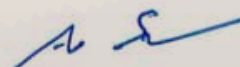
For 2021, although the overall economy has been affected by the COVID-19 epidemic situation, even throughout the affected period, the Company has continuously adapted itself to cope with such impact. Considering the overview of 2021, the Company could continue to generate total revenue and grow its businesses, representing 13.08% compared to the same period of previous year. The increase was mainly due to the furniture orders from overseas customers, while the overall domestic sales have started to be recovered as well.

The renewable energy business invested through the Company's subsidiary, ECF Power Company Limited, with the investment proportion of 20% through Green Earth Power (Thailand) Company Limited (GEP) as an investor in the solar power plant project in Minbu City, Myanmar, has presently generated its revenue from the commercial electricity sales of Phase 1 with a capacity of 50 megawatts from a total of 220 megawatts. Although in 2021, the COVID-19 has been continuously spread, presently, the construction plan of the project can be resumed as planned, and the construction of remaining phases was also planned to expedite the completion of all 4 phases as soon as possible, so that the profit sharing from electricity sales will be further recognized.

In addition, in 2021, the Company has expanded its businesses to Cryptocurrency Mining which will be operated through a subsidiary named ECF Holdings Co., Ltd., and a newly established subsidiary is V.V. Rich Company Limited, registered for the agricultural crop production and distribution to be operated under an additional subsidiary which will be newly established.

As seen that apart from the furniture business which is the original business of the Company, at present, the Company has a concept of **"Step to the Future"** to create a diversified business growth, diversify the risks, along with the principles of good governance on the foundation of sustainability, and integrate the sustainable development goals into the Company's operations so that all areas of operations including economy, society and environment will show good performance, and the goal has been determined to continually develop better corporate governance in all areas.

On behalf of the Company, I would like to express the gratitude to everyone for trustfulness and good support all the times, the Company is committed to conducting its businesses with uprightness, aiming to add values for all stakeholders, be responsible in operating the business for stable growth together, and further create a society of sustainable coexistence.



Mr. Arak Suksawad
Managing Director

FINANCIAL HIGHLIGHT: CONSOLIDATED

Unit : Million Baht

Statements of Financial Position	Year 2019	Year 2020	Year 2021
Total Assets	3,348.31	3,544.72	3,756.20
Total Liabilities	2,106.63	2,304.94	2,429.59
Shareholder's Equities	1,241.68	1,239.78	1,326.61
Paid-up Capital	239.87	239.87	239.87

Unit : Million Baht

Profit and Loss Statements	Year 2019	Year 2020	Year 2021
Revenue from Sales-Net	1,254.18	1,384.49	1,549.41
Total Revenues	1,290.90	1,415.63	1,600.80
Cost of Goods Sold	(851.54)	(1,077.23)	(1,237.05)
Total Expenses	(1,109.90)	(1,293.61)	(1,433.22)
Income Tax Expense	(7.49)	(13.80)	(1.67)
Profit for the Year	68.87	31.65	50.92
Profit Attributable to owners of the parent	69.89	41.16	50.85
Total Comprehensive Income for the Year	65.44	17.70	93.88
Total comprehensive Income for the Year - Attributable to owners of the parent	66.46	27.21	93.81

Unit : Million Baht

Financial Ratios	Year 2019	Year 2020	Year 2021
Return on Asset (%)	2.13	0.92	1.39
Return on Equity (%)	5.63	2.55	3.97
Gross Profit Margin (%)	32.10	22.19	20.16
Net Profit Margin (%)	5.33	2.24	3.18
Debt to Equity Ratio (times)	1.70	1.86	1.83
Earnings per share (Baht)	0.07	0.04	0.05
Book value per share (Baht)	1.29	1.29	1.38

BUSINESS UNDER THE OPERATIONS OF ECF

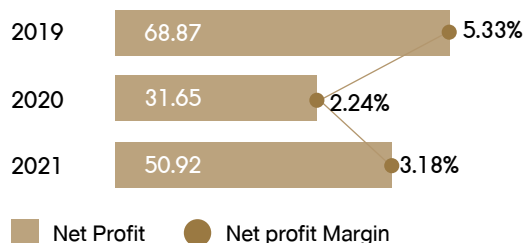
Manufacturer and distributor of furniture made from particle boards, MDF, rubber wood, foil paper to be used in furniture manufacturing, production and distribution of dried rubber wood, distribution of furniture through websites, online platforms; and PVC trim cutting services, investment in solar power plant business, cryptocurrency mining business, and agriculture and crop distribution business.

BRANDING FOR FURNITURE PRODUCTS



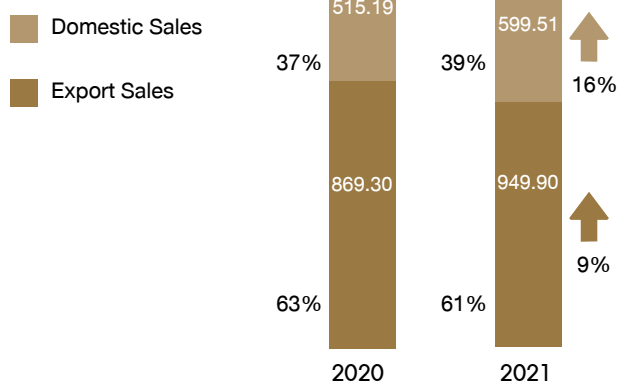
NET PROFIT AND NET PROFIT MARGIN

Unit: Million Baht



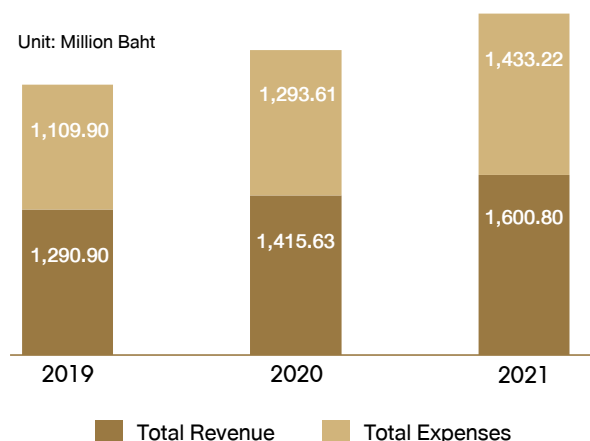
DISTRIBUTION CHANNEL

Unit: Million Baht



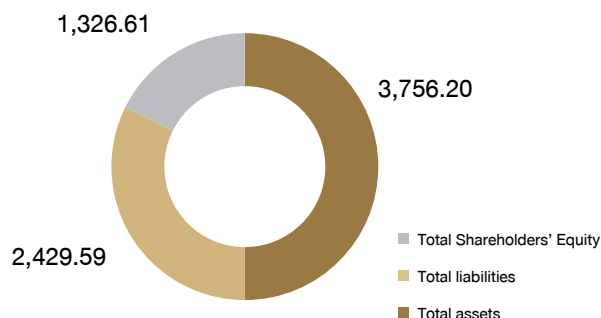
TOTAL REVENUES AND TOTAL EXPENSES

Unit: Million Baht



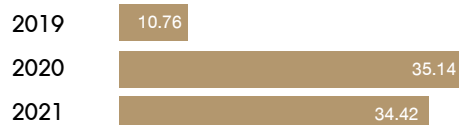
STATEMENTS OF FINANCIAL POSITION

Unit: Million Baht



SHARE OF PROFIT FROM SOLAR POWER PLANT BUSINESS

Unit: Million Baht



ECF Power Co.,Ltd. (ECF-Power), as the subsidiary of ECF, has made the investment through Green Earth Power (Thailand) Co., Ltd., where ECF Power has an investment proportion of 20% in solar power project with capacity of 220 MW. At present, the COD is implemented of 50 MW and the 2nd, 3rd and 4th phases of the plant are under construction to be completed as soon as possible.

■ BOARD OF DIRECTORS

At Present, the Company's Board of Directors has 8 Directors consisting of;



General Terdsak Marom

Chairman of the Board and
Independent Director



Assoc. Prof. Dr. Montree Socratyanurak

Chairman of the Audit Committee and
Independent Director



Mr. Paiboon Aroonprasobsuk

Independent Director



Mr. Chalee Suksawad

Vice Chairman



Assoc. Prof. Songklod Jarusombat
Independent Director



Dr. Ekarin Vasanasong
Independent Director



Mr. Wanlop Suksawad
Director



Mr. Arak Suksawad
Director

AUDIT COMMITTEE

At Present, the Company has 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

At Present, the Company has 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. Chalee Suksawad
Risk Management Committee



Mr. Arak Suksawad
Risk Management Committee

NOMINATION COMMITTEE

At Present, the Company has 3 Nomination Committees consisting of;



Assoc. Prof. Songklod Jarusombat
Chairman of the Nomination Committee and
Independent Director



Mr. Chalee Suksawad
Nomination Committee



Mr. Arak Suksawad
Nomination Committee

REMUNERATION COMMITTEE

At Present, the Company has 3 Remuneration Committees consisting of;



**Assoc. Prof. Dr. Montree
Socratyanurak**
Chairman of Remuneration Committee
and Independent Director



Mr. Chalee Suksawad
Remuneration Committee



Mr. Arak Suksawad
Remuneration Committee

■ EXECUTIVE COMMITTEE

At Present, the Company has 3 Executive Committees consisting of;



Mr. Wanlop Suksawad
Chairman of Executive Committee



Mr. Chalee Suksawad
Executive Committee



Mr. Arak Suksawad
Executive Committee

■ MANAGEMENT TEAM

At Present, the Company has 6 executives as the names consisting of;



Mr. Arak Sukasawad
Managing Director



Mr. Racha Pojariya
Assistant Managing Director
(Head Office)



Ms. Suphak Toaphonganan
Assistant Managing Director
(Branch 1)



Mr. Sittichoke Chinnurat
Assistant Managing Director
(Branch 2)



Ms. Pachanan Singphu
Assistant Managing Director



Mr. Pongpan Suriya-Amporn
Accounting and Financial Director
Chief Financial Officer

1

PART 1

BUSINESS OPERATIONS AND PERFORMANCE

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 business vision and strategies with a commitment to maintain strong stability in the furniture business and to create opportunities for business growth. Continuously seeking chances to expand into other businesses for sustainability. ECF has operated its business as a manufacturer and distributor of furniture products made from particleboard, MDF, rubber wood, and dried processed rubber wood products, foil paper for particleboards. In addition, ECF is currently expanding into energy business, cryptocurrency mining business, and agricultural crop business, in which the latter two businesses is in the process of launching and further accelerated to generate commercial income.

At present, our main business is a manufacturer and distributor of furniture, the Company has exported to many countries around the world, including Japan, USA, Middle East, China, India, and countries in ASEAN Economic Community (AEC) such as Malaysia, the Philippines, since 2020, some countries continuously has been has an increasing growth rate of sales, especially, among customers from China, India and USA.

In domestic market, another important distribution channel for domestic customers is Hypermarket such as Home Pro, Lotus, Big C, Mega Home, Do Home, Global House, etc. ECF has distributed its products to hypermarket for OEM and house brands, including production under the Company’s brands including a7, Hasta, and Finext.

As for the distribution of furniture products to customers in wholesale store and retail stores, the Company has improved the sales and marketing system, payment system, to increase the efficiency of selling through this channel. Therefore, when the system was developed and improved, along with a lot of orders from foreign customers, resulting in the sales of this distribution channel remained at same level compared to previous year. However, if the improvement and development of sales and marketing system and the payment system could be utilized with full potential, the Company expected that the sales of this distribution channel will be restored to significant grow.

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 Décor Co., Ltd. (V V-Décor) 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 terms of the growth direction of V V-Décor, the Company will focus on marketing through large-scale retail customers to increase distribution channels, and further create opportunities to increase sales for V V-Décor. 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 Home Pro, Lotus, Big C, Mega Home, Do Home, Global House, etc.

Later, in December 2021, ECFH has entered into additional businesses, such as investing in cryptocurrency mining business, in which when the digital currency can be mined, it will be sold. In addition, the management has studied data and information, and has been experimenting with this business for a period of time, and seen that the investment in such business provides satisfactory results, it is expected to benefit the operational result, and various risk factors can be controlled without affecting the overall business operation. Additionally, it will further increase the revenue channel for the Company Group, the amount of investment in this business starts at THB 80 million by using the Company's working capital. The investment in main equipment used to mine cryptocurrencies will mainly take into account the conditions and volatility of cryptocurrencies that will occur over time in order to get the most benefit from the investment and in accordance with the risk prevention guidelines.

The Company has realized that the success factors of cryptocurrency mining business are the procurement cost of mining machine and processing equipment, which will be a factor in depreciation that will be a fixed cost incurred in the future, electric power cost and the fluctuations of cryptocurrency price to be happened at any time. In addition, the cryptocurrency mining business has a risk of future law enforcement and regulator, and risk of exchange rate of cryptocurrencies which will be fluctuated all the time. The Company is well aware of factors mentioned above, and will carefully control and mitigate risks that may arise in many areas with utmost caution, mainly taking into account the best interests of the Company and its shareholders.

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 registered capital is THB 2,252,716,300, divided into 22,527,163 shares with a par value of THB 100 per share and a paid-up capital of THB 1,658,290,058.13 (comprising 10,806,478 ordinary shares which are fully paid up, 7,032,411 ordinary shares which are paid of THB 56.72 per share, and 4,688,274 ordinary shares which are paid of 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 28,737,951.43. 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. Its production capacity is expected to reach 600-800 cubic meters per day and Planet Board Co., Ltd. was registered of its establishment on 19 December 2017. The initial investment in the project is expected for approximately THB 1,400 million.

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 Patamasattayasonthi	3%
6.	Mr. Eakalak Patamasattayasonthi	3%
7.	Mr. Ekaridhi Patamasattayasonthi	3%
8.	Mr. Warattakrit Pornjamsai	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, as well as the impact of COVID-19 situation at this moment, 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 platform development team is in the process of construction, design development, improvement

of the platform structure to be in accordance with the planned work plan. The platform will be developed to serve as another channel to create opportunities in offering products and services of core business and businesses of subsidiaries that may be additional in the future. It is expected that the development of online platform will be completed and ready to operate within the 1st quarter or the 2nd quarter of 2022. In the beginning stage, products and services of the Company Group will be offered first, and in the expansion phase, the Company will make the platform growing by seeking for partners to increase the offering of goods and services in other types on the platform.

Investment in Cryptocurrency Mining Business

In December 2021, the Company considered additional investment in new business by assigning ECF Holdings Company Limited ("ECFH" or "Subsidiary") as a subsidiary in which the Company holds 94.44% of total shares, to invest in a new business in addition to the main business of distributing furniture products to the Company. For the investment in the cryptocurrency mining business, after the cryptocurrency mining earns digital currency, it will be sold, considering that it will benefit the performance, risk factors in many areas can be controlled without affecting overall business operation. In addition, it will further increase the revenue channel for the Company Group. The initial investment will be not over than THB 80 million.

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 a 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.

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 of the Company 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 90%, based on the result of annual survey on customer’s satisfaction.

In terms of long-term target, the Company has set the return from renewable energy business for not less than 30% of the total net profit of the Company and all subsidiaries within 3 years, and diversified business risks to other types of businesses that have potential and opportunities for continued growth, and become a leader of manufacturers and distributors of furniture for export, and a leader in furniture distribution business for wholesalers and retailers across the country and the ASEAN Region.

1.1.2 Significant Changes and Developments

<p>1992 – 2009</p>	<p><i>East Coast Industries Company Limited (ECI)</i> 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, <i>East Coast Design Co., Ltd. (ECD)</i>, 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. Subsequently, <i>East Coast Furniture Company Limited (ECF)</i> was registered as the 3rd company to operate business as a manufacturer and distributor of self-assembled particle board furniture, MDF.</p> <p>Later, <i>V-Chats Decor Co., Ltd (VCD)</i> 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. Another company to be established was <i>V-Chats Industry Co., Ltd (VCI)</i> to restructure the operations within the Company Group.</p>
<p>2010</p>	<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>
<p>2011</p>	<p>11 May: the Company established <i>VV Décor Co., Ltd. (V V-Décor)</i> 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>
<p>2012</p>	<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 East Coast Furnitech Public Company Limited (ECF).</p>
<p>2013</p>	<p>26 March: the Company began trading in market for Alternative Investment (mai) as First Trading Day</p>
<p>2015</p>	<p>23 February: the Company established ECF Holdings Company Limited (ECFH) to operate the business of holding company. Presently, it operates business as a distributor of furniture products for ECF including being the investor for cryptocurrency mining business as well.</p>

<p>2017</p>	<p>12 January: ECF Power Co., Ltd., another subsidiary, was registered to invest in renewal energy business, 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>
<p>2019</p>	<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>
<p>2021</p>	<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 process of platform creation.</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>16 December 2021, the Board of Directors had a resolution to approve the investment in additional new businesses of a subsidiary, ECF Holdings Company Limited ("ECFH" or "Subsidiary") as a subsidiary in which the Company holds 94.44% of shares, was approved to invest in new business in addition to the main business that is the distributor of furniture products for the Company, the new business is the cryptocurrency mining business.</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 is V.V. Rich Company Limited. The Company will be a 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>

1.1.3 Use of Funds

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

Use of Fund	Approximate amount used	Estimated time spent	Details/progress for the use of fund
Debt Securities			
1. Partially Secured Debentures of the Company No. 1/2020, maturity in 2022 on 12 June 2022			
To repay debenture due on 16 August 2020 and/or to repurchase ECF debentures from the secondary market and/or used as collateral for the issuance of debentures No. 1/2020	THB 581.10 million	within August 2020	Completed the use of money for the intended objective
2. The Company's Secured Debentures No. 1/2021, maturity in 2023 on 29 January 2023			
To use as additional investment in renewable energy business. At present, the Company has invested in the business of a 220-megawatt solar power plant with a stake of 20% and the capital increase is required because the said project is under the construction; and/or to invest in buying additional machinery in the furniture manufacturing business and/or to be the working capital in the business.	THB 225 million	Within 2021	Completed the use of money for the intended objective
3. The secure debentures of East Coast Furnitech Public Company Limited No. 2/2021, maturity in 2023, in which the issuer is entitled to redeem the debentures before maturity			
<ol style="list-style-type: none"> To exercise the right to partial redemption of ECF226A debentures on December 13, 2021 in the amount of THB 290.55 million. To be used as fund to increase furniture production machinery in the amount of THB 10 million. Used as working capital of the Company in the amount of THB 39.45 million. 	THB 340 million	Within 2021 to the 1 st -2 nd quarter of 2022	<p>The use of money for the purpose for item 1) has been completed.</p> <p>The remaining part to be used as capital for increasing machinery and working capital totalling THB 49.45 million, which is expected to be completed within the 1st of 2022.</p>
Equity Instruments			
1. Warrants to Purchase Ordinary Shares of the Company No.4 (ECF-W4)			
1. For use in the purchase of assets or invest in businesses related to current business operations.	In the year 2021, there is no person who has expressed an intention to exercise the right to convert, from warrants to ordinary shares.		
2. For use in the purchase of assets or investing in businesses that are not related to the current business.			
3. To pay off the loan or debt from issuing debt instruments.			

(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

- Partially Secured Debentures of the Company No. 1/2020, maturity in 2022 on 12 June 2022

The Issuer of debentures will maintain the Interest Bearing Debt to Equity Ratio, and the maturity of debentures in the Issuer's consolidated financial statements audited by the Auditor of the debenture issuer, at the ratio not more than 4 :1 (four to one) times as at the end of the Issuer's quarterly accounting period in each quarter according to the quarterly consolidated financial statements, and at the end of each fiscal year of the debenture issuer according to the annual consolidated financial statements.

- The Company's Secured Debentures No. 1/2021, maturity in 2023 on 29 January 2023

The Issuer of debentures will maintain the Interest Bearing Debt to Equity Ratio at the ratio not more than 4 :1 (four to one) times as at the end of the Issuer's quarterly accounting period or at the end of fiscal year for the purpose of calculating the ratios as stated herein.

- The Company's secured debentures "Secured Debentures of East Coast Furnitech Public Company Limited No. 2/2021, maturity in 2023, in which the issuer is entitled to redeem the debentures before maturity."

The Company will maintain the Interest Bearing Debt Less Cash to Equity Ratio as defined in the Terms and Conditions, at a ratio of not more than 4:1 times according to the consolidated financial statements at the end of the quarterly or year-end fiscal periods throughout the debenture life.



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 assembly of particleboard furniture.
Branch Office Location		
Branch 1	:	No. 29/1, Moo 3, Soi Chongko - Chunmnumnai, 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, this branch is used as a general management division and a warehouse.
Type of business	:	Manufacturer and distributor of furniture made from particle boards, MDF, 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 PVC trim cutting services, investment in solar power plant business, cryptocurrency mining 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	:	287,846,227 Baht which has been divided into 1,151,385,108 ordinary shares at a par value of 0.25 Baht
Paid-up Capital	:	239,871,897.50 Baht which has been divided into 959,487,590 ordinary shares at a par value of 0.25 Baht
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	2019		2020		2021	
	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%
1.Furniture	1,195.30	92.59	1,330.70	91.72	1,495.38	93.41
2.Foil Paper	47.87	3.71	50.48	3.57	51.21	3.20
3.Sawn Timber	8.68	0.67	3.31	0.23	2.82	0.18
4.Wholesale Shops and Retail Shops	2.33	0.18	-	-	-	-
Net sales revenues	1,254.18	97.16	1,384.49	97.80	1,549.41	96.79
Others Revenues ^{1/}	36.72	2.84	31.14	2.20	51.40	3.21
Total revenues	1,290.90	100.00	1,415.63	100.00	1,600.80	100.00
Profits from investments in associated companies and joint ventures.	10.76		35.14		32.42	

Note : ^{1/} Other revenue includes sales of waste, profit (loss) from exchange rate, interest receivable, profit from sales of non fixed assets and others.

^{2/} In 2019, the Company has prepared its financial statements according to the Financial Reporting Standard No. 15 'Revenue from contracts made with customers, therefore, the information in 2018 financial statements has been restated for comparative purposes.

2. Revenue structure categorized by domestic and overseas distributions

Distributin Channels	2019		2020		2021	
	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%
1. Domestic distribution	548.28	43.72	515.19	37.21	599.51	38.69
2. Overseas distribution	705.90	56.28	869.30	62.79	949.90	61.31
Net sales revenue	1,254.18	100.00	1,384.49	100.00	1,549.41	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 furniture made of particle board, MDF and rubber wood, 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 for the production of 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 some customers of the Company.

Additionally, ECF Holdings Company Limited (ECFH), in which the Company currently holds 94.44% of shares, with a registered capital of THB 45,000,000 (forty-five million baht only), 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.

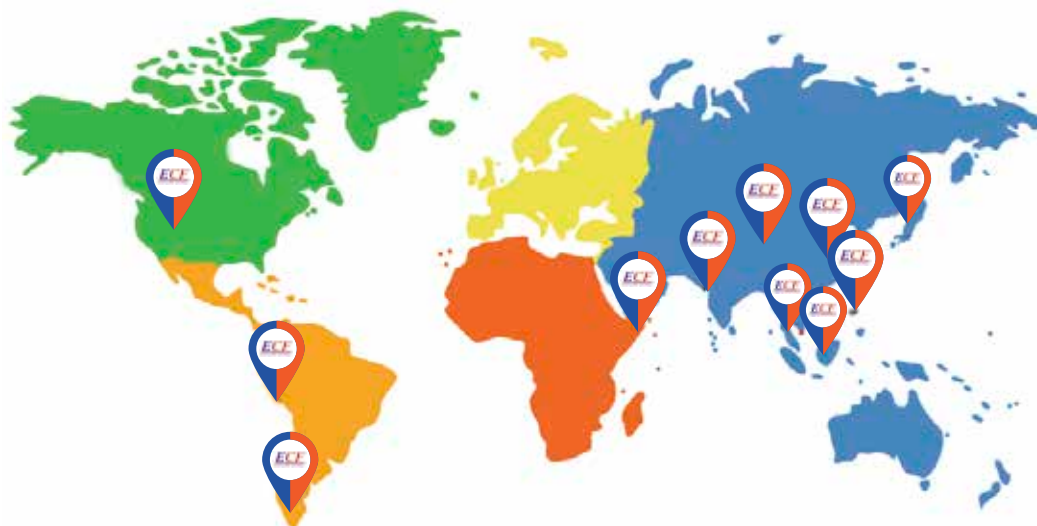
Product line of ECF and its subsidiaries can categorize into 5 types which are related to Furniture:

1. Rubber wood furniture
2. Particle board furniture
3. Furniture distributed through retailers and wholesalers nationwide
4. Foil paper
5. Dried rubber wood

The Company has main revenue from manufacturing and distribution of made-to-order for foreign customers, and from the manufacturing and distribution of the Company brand such as particle board furniture MDF and rubber wood furniture to domestic customers consisting of hypermarket such as Home Pro, Lotus, Big C, Mega Home, Do Home, Global House 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 30 % 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 and China as well.

Diagram about the Countries of Customers



The secondary revenue ratio is the revenue from manufacturing and distribution in domestic market. Brands that the Company manufactures and distributes to hypermarket are mostly produced under the house brand for each customer, and partially produced under the Company's brands including a7, Hasta, and Finext.

Apart from the distribution channels mentioned above, ECF also has the revenue from furniture distributing to the group of wholesalers including distribution channel of online platforms such as Lazada, Shopee, etc.

Company's Brands

Brands	Symbol	Distribution Channel
ELEGA		Used for distributing all solid wood furniture that produced by our own factory or imported from overseas.
A7		Used for selling self-assembly furniture for customers in Modern Trade stores.
Hasta		Used for selling self-assembly furniture for customers in Modern Trade stores.
Finext		Used for selling self-assembly furniture for customers in Modern Trade stores.

(1) Product or service characteristics and business innovation development

Main 5 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 furniture made from particle board and MDF 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 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, 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 Photos of Rubber Wood Furniture

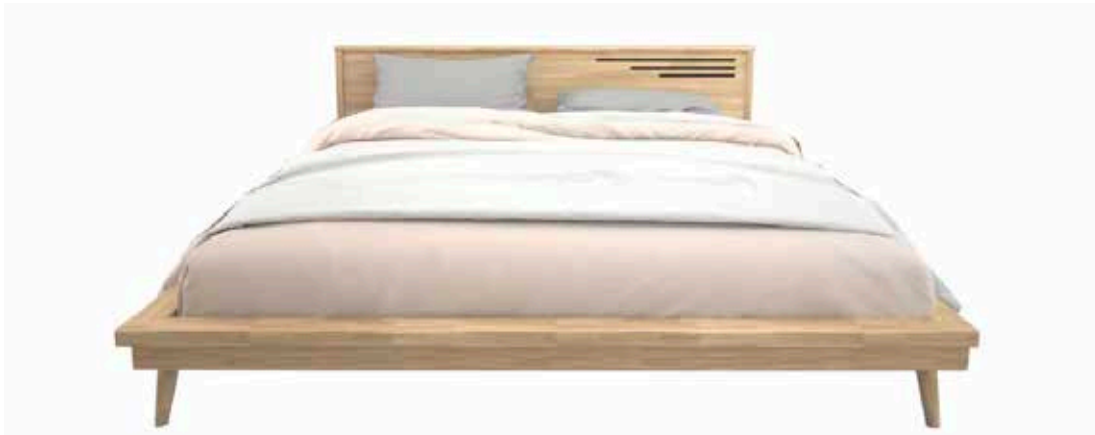
Sample of Dining Set



Sample of Living Room



Bedroom Products



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.

3. Particle Board MDF Furniture

This is modern furniture with particle board MDF as the main raw material at 50% of cost structure while the foil paper is approximately 10%. The proportion will also depend on the price at that time.

Particle board is made of crushed rubber and other woods then pack 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.

Products of particle board are 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

Samples of Particle Board Furniture, MDF Products



For Furniture made from particle board and MDF, 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.
2. The manufacturing and domestic sales by using House Brand for selling in Home Pro, Lotus, Big C, Global House, Mega Home, Do Home and Winner. In addition, the Company also uses the brand “Hasta” which is the Company’s brand for furniture production for selling through Mr. DIY.

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.

Samples of Foil Paper manufactured and distributed by the Company



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.

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.

Presently, GEP's registered capital is THB 2,252,716,300, divided into 22,527,163 shares with a par value of THB 100 per share and a paid-up capital of THB 1,658,290,058.13 (comprising 10,806,478 ordinary shares, which are fully paid up; 7,032,411 ordinary shares, which are paid-up THB 56.72 per share; and 4,688,274 ordinary shares which are 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 28,737,951.43

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.

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, and all 4 phases will be completed within not later than 2022 - 2023. However, the aforementioned schedule is subject to change due to the COVID-19 situation and the political unrest situation in Myanmar.

The total value of the Minbu power plant project is USD 250 Million, with the expectation of a debt to equity ratio of 70: 30. Therefore, ECF-P has the obligation to increase its capital in accordance with the shareholding proportion at 20% or USD 14 Million approximately. With the details as follows;

Unit : Million USD	Phase 1	Phase 2	Phase 3	Phase 4	Total
Loan	48.00	39.07	37.95	52.70	177.72
Shareholder's Equity	29.04	13.02	12.65	17.57	72.28
Total investment in the project	77.04	52.10	50.59	70.27	250.00
20% of Shareholder's Equity : Proportion of ECF	5.81	2.60	2.53	3.51	14.46
Latest capital increase status	Completed	Completed	Completed	Capital increased 0.37, the remaining will be 3.14	

It is expected that the increase of remaining capital amounting US\$ 3.14 million or approximately 102 million baht, depending on the exchange rate of Baht per USD at that time, will conduct within the first quarter of 2022.

The credit application is under the consideration of approval from financial institutions, currently in the process of presenting the application to the meeting of the Board of Directors, and it is also expected to get approval and can withdraw the loan amount within the first quarter of 2022.

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 for about 4 hours. The project area approximately 836 acres (equivalent to 2,114.48 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



Photos of the Solar Power Plant Project, Phase 2 in Minbu City, Myanmar



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, such as MDF board, its production capacity is expected at 600 - 800 cubic meters per day. Planet Board Co., Ltd. was completed of its registration on 19 December 2017. at present, Planet's registered capital is 50 million baht, and it will spend the initial investment amounting 1,400 Million Baht.

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, as well as the impact of COVID-19 situation at this moment, 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 platform development team is in the process of construction, design development, improvement of the platform structure to be in accordance with the planned work plan. The platform will be developed to serve as another channel to create opportunities in offering products and services of core business and businesses of subsidiaries that may be additional in the future. It is expected that the development of online platform will be completed and ready to operate within the 1st quarter or the 2nd quarter of 2022. In the beginning stage, products and services of the Company Group will be offered first, and in the expansion phase, the Company will make the platform growing by seeking for partners to increase the offering of goods and services in other types on the platform.

Cryptocurrency Mining Business

The Cryptocurrency Mining Business will be invested through a subsidiary, ECF Holdings Company Limited, with an initial investment of not more than THB 80 million. The Company will receive digital money as the return of mining, the mining is to solve the algorithmic equation created by the blockchain system. The working principle of blockchain is that allowing everyone in the system to help verify the accuracy of the data by means of checking if that data is matched, and the examiner will be rewarded with digital coins. The said equation is necessary to use a computer to operate, and such computers are primarily designed for the purpose of solving the said equations, or it is known as cryptocurrency miner.

The main equipment used to mine cryptocurrencies will be considered with the conditions and volatility of cryptocurrencies to be occurred over time. In order to get the most benefit from the investment and to comply with the hedging guidelines, the investment is expected to gradually input until reaching the investment limit within the end of 2023 under the condition that the payment will be made in full in accordance with the number of equipment completely delivered and checked.

ECF has personnel and team with knowledge, expertise and experience in the investment of cryptocurrency mining to supervise the investment in the said business.

ECF will strictly implement the accounting policy for recording digital assets that occur in accordance with the specified accounting standards. However, the Company will focus on selling mining-derived digital assets in order to obtain cash flow to benefit liquidity and mitigate the potential price volatility risks. The Company Group will treat the mined digital assets as inventories of subsidiary held for sale and not for any other purpose. The initial measurement at the date of acquisition and at the end of the relevant period will be conducted by using the market price or fair value method.

The Company has realized that the success factors of cryptocurrency mining business are the procurement cost of mining machine and processing equipment, which will be a factor in depreciation that will be a fixed cost incurred in the future, electric power cost and the fluctuations of cryptocurrency price to be happened at any time. In addition,

the cryptocurrency mining business has a risk of future law enforcement and regulator, and risk of exchange rate of cryptocurrencies which will be fluctuated all the time. The Company is well aware of factors mentioned above, and will carefully control and mitigate risks that may arise in many areas with utmost caution, mainly taking into account the best interests of the Company and its shareholders.

Agriculture and Crop Distribution Business

At present, a newly established subsidiary for the agriculture and crop distribution business that is V.V. Rich Company Limited. in which the Company will hold 99.97% of the shares and then it will start to operate the business for commercial income.

For research and development of being the manufacturer and distributor of the Company's furniture occurred in last year of 2021, 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 labour 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, under the objective to establish the sustainable development guideline in the production process of the Company's products, and take part to reduce the environmental impact. In last year of 2021, the Company has commenced to have the said operating expense of around 0.53 million Baht.

In addition, in 2021, ECF has continuously developed to diversify the investment, seek for opportunities to grow the business as a whole, as a result, there are three new businesses including online platform business, cryptocurrency mining business, and agriculture and crop distribution business. The Company has continuously developed to respond to the needs of stakeholders, and prepared itself for economic, social and environmental changes, leading to an increase in the opportunity and competitiveness of the Company.

However, since the said business is in the early stages of setting up a company and preparing many areas. At present, there is no commercial income for 2021.

(2) Markets and Competitions

• Marketing

1. Product

For 2021, ECF has continued its policy in developing new styles of products that can meet the needs of customers in foreign countries and in hypermarket in the country. The Company has an idea to expand the market for bedroom sets, and plans to expand production lines to support this particular product group. The development of such products will be a channel that the Company can add values and reduce the production cost. In addition, the concept has been developed by combining other materials with particleboard to get a new style of product and reduce production costs for the Company.

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, Lotus, Big C, Mega Home, Do Home, Global House, 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.
- Particleboard/MDF furniture: 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 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.

In 2021, under the circumstances of highly increasing orders, especially from customers in China and India, we have to partially outsource the particleboard furniture production to keep up with orders. However, the Company has emphasized 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 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", some types of products may be determined of margin lower than desired because such products may be highly competitive in the market, the Company therefore needs to lower the margin, so that we can compete with the competitors. The lower margin may be caused by the order in big volume, for example, if the customer places a large-volume order, the selling price may be proposed at the similar level to compete with other competitors, etc., or it may be caused by other factors depending on the circumstances.

3. Place

Since the Company's sales revenue mostly comes from Made to order, which is almost placed by overseas customers, at present, the Company's proportion of sales between foreign customers and domestic customers is approximately 66% and 34% 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 2021, Made-to-order customers consisted of Japanese customers including major furniture dealers and hypermarket which are accounted for

approximately 39.62% 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 30% of total sales revenue.

The income from the sale of particleboard 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, 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 made public relations through leaflets and brochures by regularly giving to customers and target customers each year.
- 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 HOME PRO Expo.
 - 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 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, 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 customers, cash payment is a must. 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 expedited a policy to reduce the risk of debt collection from this customer group, and put in place measures for debt collection that are concise and appropriate to prevent the Company from the risk of bad debts or uncollectible debts.

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 2021, when considering the top five listed furniture manufacturers of 2021, most operators showed a decrease in revenue from the same period of previous year, because the spread of COVID-19.

Based on the information from the Department of Business Development, Ministry of Commerce, it was found that at present, approximately 6,900 juristic persons who are furniture manufacturers and distributors of all types have

Top 5 Entrepreneurs in the Stock Exchange of Thailand	Revenue (Million Baht)				YoY%
	2019	2020	2021	difference	
Index Living Mall Public Company Limited.	9,798.01	7,657.06	7,837.99	180.93	2.36
Modernform Group Public Company Limited.	2,888.39	2,701.60	2,134.58	(567.02)	(20.99)
East Coat Furnitech Public Company Limited.	1,254.18	1,384.49	1,549.41	164.92	11.91
Siam Steel International Public Company Limited.	2,287.23	1,576.65	1,640.97	64.32	4.08
Rockworth Public Company Limited.	708.99	498.46	381.68	(116.78)	(23.43)

submitted the financial statements (based on the latest data on the website of the Department of Business Development, Ministry of Commerce) with a total income of approximately 176,591 Million Baht.

There are 5 major entrepreneurs as big players in this industry, if comparing the target customer groups of these major players and the Company, it was found that they are not the same customer groups, provided that 2 entrepreneurs operated business as furniture manufacturers and distributors in the form of large furniture retail shops directly distributing products under their own brands to end-users, All entrepreneurs are not the direct competitors of the Company. Because they have different target customers groups from the Company.

while another entrepreneur will focus on the full range of furniture products covering most types of furniture, by selling products through showrooms and real estate projects; and the last entrepreneur manufactures furniture to mainly support orders from a single large retailer. All 4 entrepreneurs are not the direct competitors of the Company, because they have different target groups.

If considering furniture manufacturers and distributors with the target group of hypermarket as same as the Company, presently, there are four entrepreneurs that have products distributed in modern trade. However, as these four manufacturers are middle-to-small-sized furniture factories with limited capability of purchase order acceptance and no entrepreneurs have similar sale volume to the Company. In addition, the Company's selling revenue, mostly or approximately 50%, comes from the production for distribution

to foreign customers. Therefore, the Company considers the competitors from foreign countries as priority and currently, the Company anticipates that only one entrepreneur that operates similar business to the Company and located in ASEAN and has same target customer groups, that is HEVEA PAC Malaysia SDN BHD, Malaysia.

The current situation and competitiveness of the Company are still considered to be at a level that is not disadvantageous when compared to competitors. In addition, the Company could maintain the revenue level without losing any market share. When considering the market shares of both exports and domestic sales, while the domestic sales, in 2021, the Company did not lose any significant market share. In addition, in terms of exports, the Company had the trade opportunities from customers in India, who started to place the orders to the Company's factory and the volume of orders has tended to continuously increase according to the projected order plan. In addition, under the situation of COVID-19 outbreak, the Company has been provided of opportunities by its customers in Japan, our existing main customers, to continuously place more orders because under the COVID-19 situation, more people live at home, resulting in a very high sales of furniture in Japan.

Furniture Export Situation in 2021

Based on the data from the Department of International Trade Promotion, Ministry of Commerce, it was found that in 2021, an overall export figures of furniture products and parts consisting of wooden furniture, metal furniture, mattress, other furniture and furniture parts was USD 1,672.99 million, representing 16.46% increasing in growth rate compared to the year 2020, type of products exported can be divided as follows:

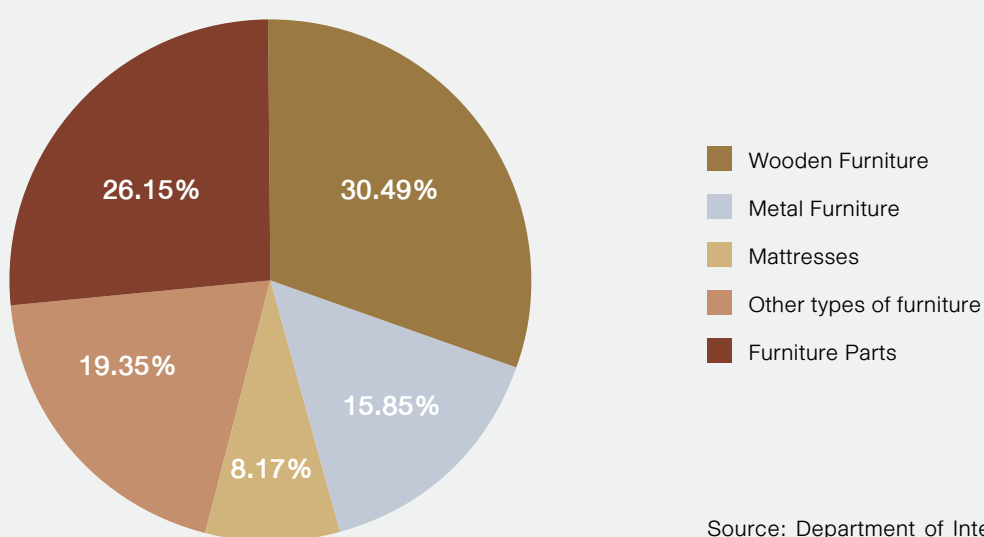
Unit: Million USD

Export	Value: Million USD			Growth rate	Proportion : Percentage
	2019	2020	2021	2021	2021
Furniture & Parts	1,276.20	1,436.48	1,672.99	16.46%	100.00%
1. Wooden Furniture	328.60	433.72	510.02	17.59%	30.49%
2. Metal Furniture	138.60	226.11	265.19	17.28%	15.85%
3. Mattresses	200.70	198.7	136.68	-31.21%	8.17%
4. Other types of furniture	201.60	258.62	323.66	25.15%	19.35%
5. Furniture Parts	406.80	319.33	437.45	36.99%	26.15%

Proportion compared to the total export value of furniture and parts

The export figure of wooden furniture is ranked as No. 1 compared to the total export value of all other products and has a growth rate of 17.59% compared to the export of wooden furniture in 2020. The Company's export is based on orders from foreign customers. This is in compliance with and in same direction of the Company's performance in 2021, the figure of furniture exports grows 9.27% compared to the previous year (2020).

Diagram of Value and Proportion of Furniture and Parts Export Sales of 2021



Source: Department of International Trade Promotion, Ministry of Commerce

The United States is the country where Thailand exports furniture and parts the most, in 2021, the export ratio was increased by 20.18% with an export proportion of 46.55%, followed by Japan with the export rate increased at 8.22%. When considering the Company's exports to foreign countries in 2021, it was found that the Company's export ratio in USD and THB was increased with a growth rate of 8.84%, and 9.27%, respectively. The Baht value in 2021 was slightly depreciated compared to 2020.

In addition, considering the figure of export value from the Department of International Trade Promotion, Ministry of Commerce, it was also found that among 10 countries where Thailand exports the most, 3 partner countries in the ASEAN Economic Community (AEC) which are Malaysia,

Vietnam and Indonesia, are included. Thailand's export value to these countries was totally USD 126.26 million, or an increase of approximately 35.59% compared to the year 2020 and accounted for 7.55% of the total export value of furniture 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.

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, China and the United States. Although it is just an early stage, it's a good sign as evidenced by the number of orders received until the year 2022.

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.
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.

For the overview of the furniture business from Business Information Division, Department of Business

Development, Ministry of Commerce in the past period of August 2021, the overview summary of the information has been provided.

The growth figure of furniture retail and wholesale businesses has been continuously interesting, even though the new company registration numbers have not been high in the manners of skipping. However, it has been the positive signal of newcomer of furniture businessman that is seeking for the investing provinces, whereas this has been the good period of time. Both domestic and overseas markets have still been widely opened while the number of competitors has been low, resulting in easier ability to build their own markets in accompany with the factor of consumer demand with high furniture and furnishing purchasing demand for using to facilitate Work at Home or Work from Home, and broader sales channels on online world, causing the popularity of furniture products. The finding indicated that the retail business and wholesale business of furniture have currently consisted of the 4,163 businesses under operation with authorized capital value of higher than 24,434.72 million Baht. In the period of the first 8 months of 2021, 210 businesses have been established, increasing when compared with the same period of the previous year. This has reflected the continuous growth direction, and the existing gap for the entry of newcomers of furniture business entrepreneurs to compete in the low number of competitors.

It can be seen that in overview of the furniture business in last year of 2021 for the growth direction both in export and domestic distribution, another existing stimulating factor of growth of this business has been the development of e-commerce business. The products in type of furniture and furnishings on the world of online commerce have been regarded as the category that has been highly popular and had the fourth order of value inferior to department store, cosmetics and supplementary food, attire and decoration fashion businesses, respectively. This has reflected the popularity of selection for purchasing the furniture of new era consumers who reduce the travel to leave their home, and the ability to select various products, compare price, promotion from stores prior to making the decision on purchasing without requirement to travel by their own. All this has been the important opportunity of Thai furniture business with export potential because not just Thailand that has applied WFH measure, but it has been the measure

applied by the global business for the organizational employees to work at home and may become the permanent trend of new working style.

Power Consumption of the Republic of the Union of Myanmar

At present, the Republic of the Union of Myanmar ("Myanmar") has accessed to electricity sources for only 50% of the country's electricity demand. It is also expected that the demand for electricity will be increased by 15-20% per year or representing 700 - 1,000 MW per year, based on the forecast of Myanmar's GDP that will be increased at a rate of 7.1% per year from 2013 to 2030. In 2020, the demand for electricity was 5,642 MW and it is risen more than 8,900 megawatts until reaching 14,542 megawatts of electricity demand by the year of 2030.

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 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 10 buildings for production process as follows:
 1. Five furniture manufacturing buildings
 2. Two warehouse buildings
 3. One small showroom building (temporary)
 4. One raw material warehouse building (small)

This Head Office will have production lines related to particle board 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. Four buildings for furniture production;
 2. One building as processed rubber wood sawmill

and drying plant;

3. One warehouse to stock ready-made products
4. 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.-2.00PA. 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 particle board 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)	6,500	145,390	5,690	16,084,300
Rate of current capacity use (approximately)	91.95%	90.87%	63.04%	71.21%

Remark : For production capacity of particle board furniture and rubberwood furniture, the machines are run with full effectiveness and workforce at this moment.

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		
	2019	2020	2021
Dining Table	10,434	10,514	8,473
Dining Chair	137,109	83,583	93,823
Bench	4,969	170	300
Bed	24	-	170
Center	-	19,800	2,200
Buffet + Hutch	330	9,083	1,184
Wagon	380	7,938	13,061
Shelf	6,580	10,009	24,412
Other components	19,618	40,095	36,949
Total production volume	179,444	181,548	180,575

3. Particle board 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 particle board furniture in the past

Unit : piece

Product Type	Production Volume		
	2019	2020	2021
Multifunctional shelf	2,248,703	2,485,242	2,479,509
Multifunctional cabinet/ showcase	91,163	351,939	235,113
Shoe cabinet	46,986	43,313	39,440
Wardrobe	46,576	58,392	50,215
TV Stands	374,207	101,501	175,541
Computer table/ working desk	39,219	103,677	87,533
Dressing table/ bed	28,453	30,573	43,529
Total production volume	2,875,307	3,174,637	3,110,880

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		
	2019	2020	2021
30 grams	13,545,450	13,802,600	13,887,750
45 grams	1,446,940	1,517,105	1,571,400
60 grams	379,350	360,800	387,000
Total production volume	15,371,740	15,680,505	15,846,150

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	43.13	Domestic order
2. Paint	9.55	Domestic order
3. Materials (fitting) (such as handle, hinge, drawer rail, lock key and mirror)	14.27	Domestic order
4. Box	10.77	Domestic order
5. Rubber wood timber	3.62	Domestic order
6. Other equipment (such as foam, foam sheet, sandpaper and consumable materials)	6.49	Domestic order
7. Paper	3.18	Mostly imported
8. Edge-closed PVC material	3.52	Domestic order
9. Glue	3.69	Domestic order
10. Wood sheet/ wood top/ veneer wood/ wood board	0.66	Domestic order
11. Sponge	0.54	Domestic order
12. Artificial leather (PVC)	0.28	Domestic order
13. Cushion	0.31	Domestic order
Total	100.00	

Source : Information from the Company by actual calculation proportion in 2021

In 2021, the Company had a proportion of raw material orders by domestic order per import for 97.56%: 2.44%. 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, 2021 (Million Baht)	Asset Utilization
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 -	31.13	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.	107.65	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 As of December 31, 2021 (Million Baht)	Asset Utilization
4. Improvement of Building		Owner	- None -	44.93	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	82.40	For factory use
6. Electrical System		Owner	- None -	37.14	For factory / office use
7. Furniture and Fixtures and Office Equipment		Owner	- None -	2.20	For factory / office use
8. Vehicle		Asset under hire-purchase agreement	- None -	2.41	For contact and transportation use
9. Work in Construction and Machines under Installation		Owner	- None -	88.65	On the process of construction and installation, all of which are machines for the manufacture of furniture.
Total				613.96	

4.2 Assets under the category of ordinary shares of subsidiaries

Type of Assets	Nature of Assets	Nature of Ownership	Obligation	Net Asset Value	Asset Utilization
				As of 31 December 2021	
				(Million Baht)	
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, 2021, the Company used 90,589,796 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 with an outstanding balance of THB 842.69 million, issued and offered during August 2020, January 2021 and December 2021 past.	THB 1,101.90 - 1,172.47 million, with an appraised value by an independent financial advisor of THB 12.12 - 12.89 per share, the appraisal report is dated on 8 November 2021.	Used as a collateral for the issuance and offering of debentures for the Company

4.3 Intangible Assets Used for Business Operation

As of December 31, 2021 the Company's intangible asset transaction of 1.35 million Baht has been computer program and the right-to-use assets are the machinery that the Company leases for 12.16 million baht.

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, 2021, six 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

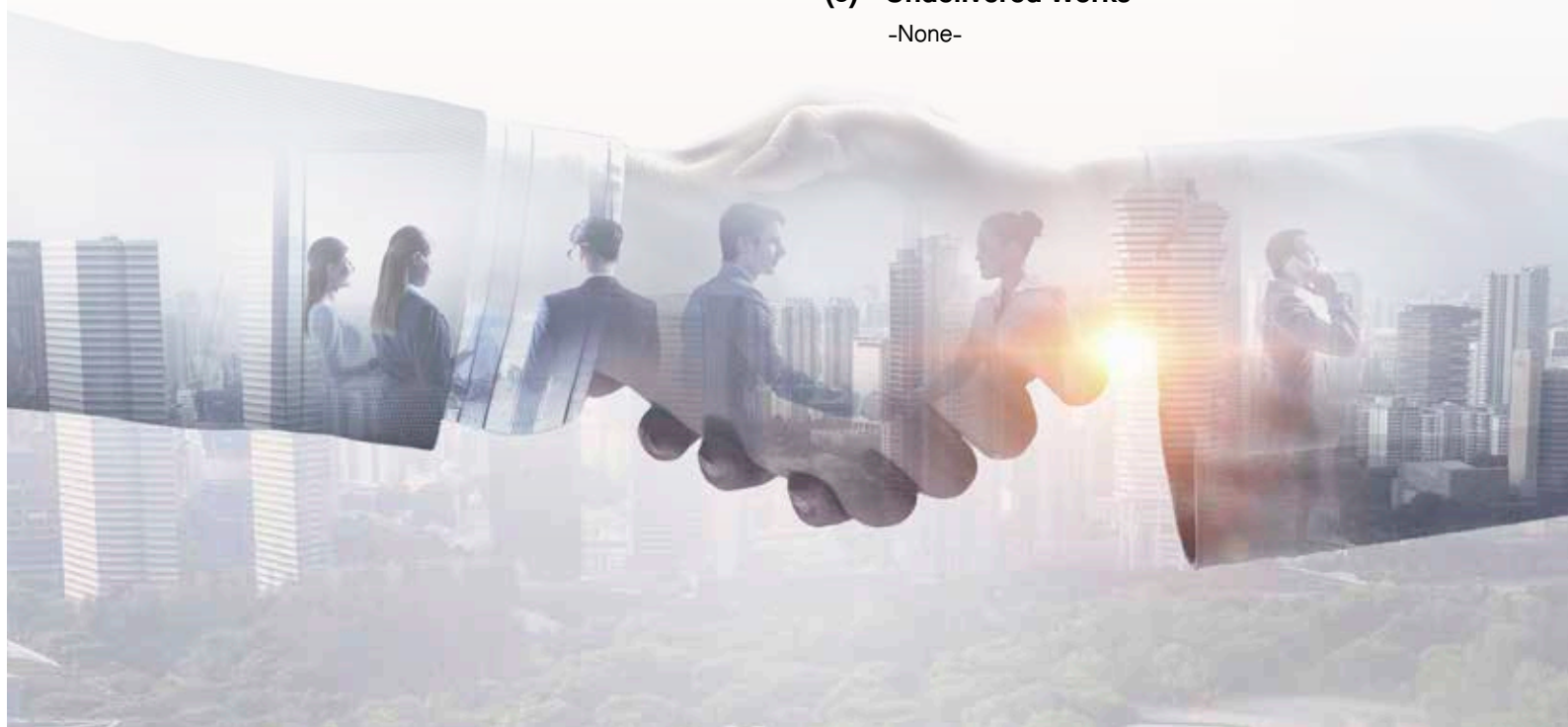
In addition, one associates to be invested by ECF Power Company Limited for investment transaction is Green Earth Power (Thailand) Co.,Ltd.

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

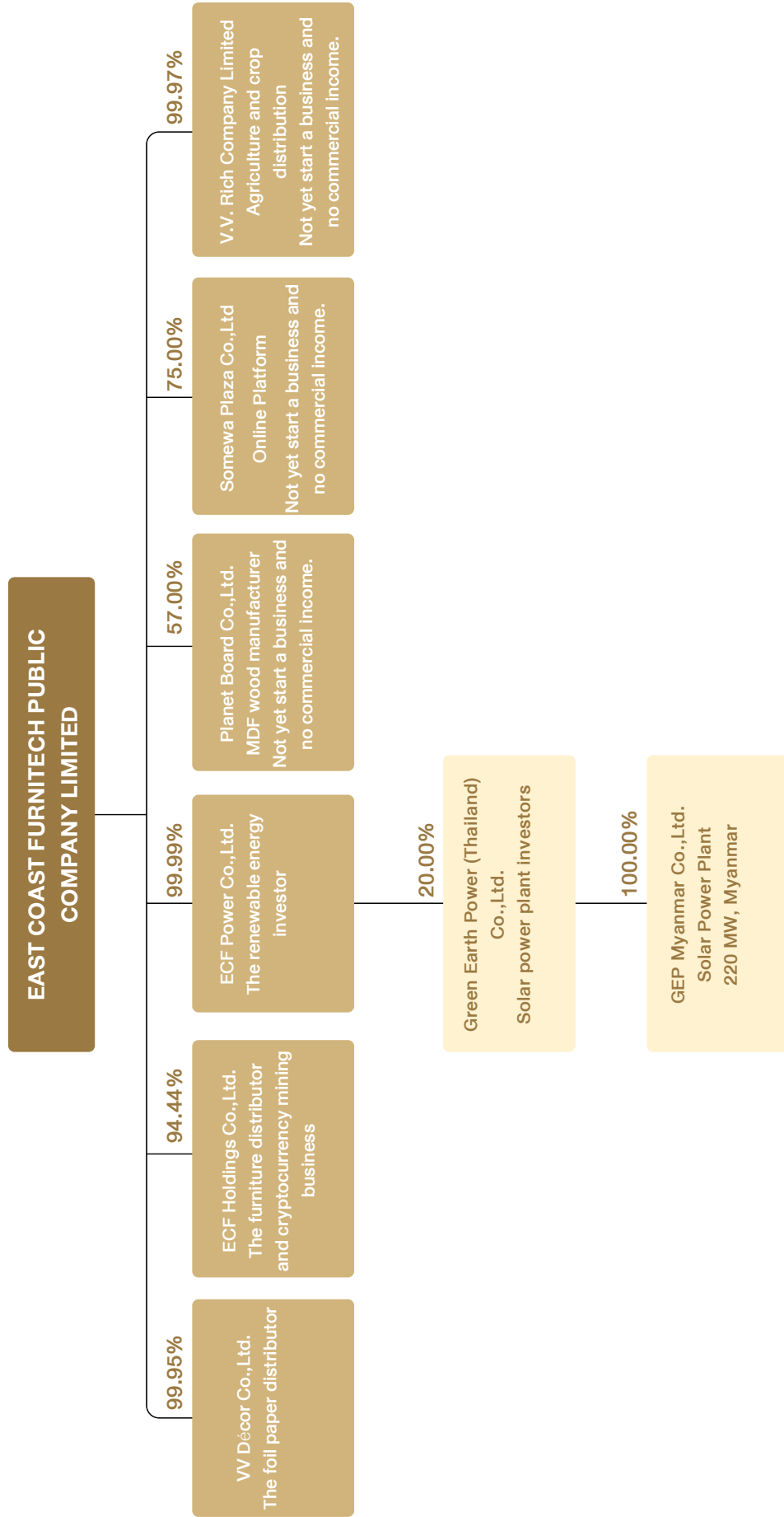
-None-



1.3 THE COMPANY GROUP'S SHAREHOLDING STRUCTURE

1.3.1 The Company Group's Shareholding Structure

As of 31 December 2021, 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 | Patamasatayasonthi | shares, or 3.00% |
| 4. | Mr. Eakalak | Patamasatayasonthi | shares, or 3.00% |
| 5. | Mr. Ekaridhi | Patamasatayasonthi | 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. | Noble Planet PTE. Ltd. | shares, or 28.00% |
| 3. | Mata Corporation Company Limited | shares, or 12.00% |

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% |

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 furniture made from particle boards MDF, 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, cryptocurrency mining 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	: 239,871,897.50 Baht which has been divided into 959,487,590 ordinary shares at a par value of 0.25 Baht
Name of the 1 st Subsidiary	: VV Décor Co.,Ltd.
Location	: No. 25/28, Moo 12, Bueng Kham Phroi Subdistrict, Lam Luk Ka District, Pathum Thani Province
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 : 1,000,000 baht
 has been divided 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 : 45,000,000 baht
 has been divided 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
 has been divided Ordinary shares 90,928,250 shares, par value of 10 baht per share.
 Paid-up Capital : 909,282,500 baht
 Proportion in which the company holds shares : 99.99% of registered and paid-up capital.

Name of the 4th Subsidiary : Plantnet Board Co., Ltd.
 Location : No. 25/28, Moo 12, Bueng Kham Phroi Subdistrict, Lam Luk Ka District, Pathum Thani Province
 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
 has been divided Ordinary shares 10,000,000 shares, par value of 10 baht per share.
 Paid-up Capital : 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 Co., Ltd.**
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
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 : 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
Registered Capital : 1,000,000 baht
 Ordinary shares: 10,000 shares, par value of 100 baht per
Paid-up Capital : Under the process of company registration
Proportion in which the company holds shares : 99.97% of registered and paid-up capital.

Associated Company : **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 : 1,658,290,058.13 baht
 Consist of Ordinary shares 10,806,478 shares
 Paid-up value full ordinary shares 7,032,411 shares paid-up 56.72 baht per shaers
 and ordinary 4,699,274 shares paid-up 38.13 baht per shares
Proportion in which the company holds shares : 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 are the spouse of Mr. Arak Suksawat, a shareholder, director, authorized director and 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 are the spouse of Mr. Arak Suksawat, a shareholder, director, authorized director and 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 Suksawat and his spouse, Miss Kridchanok Patamasatayasonthi, each are serving as a director, executive and major shareholder in the businesses of same nature. Therefore, Mr. Arak Suksawat, 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, 2021; the total number of shareholders is 5,542 people as following details;

Name-Surname	Shareholding data as of December 31, 2021	
	Number of shares (shares)	Proportion (% of paid-up capital)
1. Suksawad Group	482,206,550	50.2567
1.1 Mr. Arak Suksawad	151,637,750	15.8040
1.2 Mr. Chalee Suksawad	149,982,750	15.6315
1.3 Miss. Tippawan Suksawad	149,560,550	15.5875
1.4 Mr. Wanlop Suksawad	23,538,800	2.4533
1.5 Mrs. Waraporn Suksawad	6,283,100	0.6548
1.6 Miss Kridchanok Pattamasuttayasonthi	1,200,000	0.1251
1.7 Mstr. Nopparut Suksawad	600	0.0001
1.8 Miss. Warisara Suksawad	600	0.0001
1.9 Mstr. Peerawut Suksawad	600	0.0001
1.10 Miss. Supichaya Suksawad	600	0.0001
1.11 Mstr. Wantana Suksawad	600	0.0001
1.12 Mr. Sitthichock Chinnurat	600	0.0001
2. Thai NVDR Co.,Ltd.	40,910,829	4.2638
3. Panich Group	27,581,100	2.8746
3.1 Mrs. Pikul Panich	25,000,000	2.6056
3.2 Miss Prapassorn Panich	2,567,100	0.2675
3.3 Mr. Wicha Panich	14,000	0.0015
4. Wiriyatorphan Group	11,181,500	1.1654
4.1 Mrs. Wassana Wiriyatorphan	9,384,500	0.9781
4.2 Mr. Vitthaya Wiriyatorphan	1,661,900	0.1732
4.3 Miss Weeraya Wiriyatorphan	135,100	0.0141
5. Pattamasuttayasonthi Group	10,650,000	1.1100
5.1 Mrs. Kunthong Udommahuntisuk	7,500,000	0.7817
5.2 Mr. Pisit Pattamasuttayasonthi	3,150,000	0.3283

Name-Surname	Shareholding data as of December 31, 2021	
	Number of shares (shares)	Proportion (% of paid-up capital)
6. By the Group of KTB Securities (Thailand) Public Company Limited	7,412,200	0.7725
6.1 Mrs. Kunthong Udommahuntisuk	6,410,300	0.6681
6.2 Mr. Wasin Puttaree	702,400	0.0732
6.3 Mrs.Suteera Puttaree	90,200	0.0094
6.4 Empress Satana Sonakul Na Ayutthaya	73,600	0.0077
6.5 ML Thirachet Sonakul	72,300	0.0075
6.7ML Ratanamongkol Chayapirat	63,400	0.0066
7. Miss Tassanee Wongjiraj	7,204,000	0.7508
8. Thepphusawatana Group	6,806,000	0.7093
8.1 Mr. Sakchai Thepphusawatana	6,301,000	0.6567
8.2 Mr. Saksit Thepphusawatana	200,000	0.0208
8.3 Mr. Chowarit Thepphusawatana	120,000	0.0125
8.4 Miss. Wimon Thepphusawatana	95,000	0.0099
8.5 Miss.Wilawan Thepphusawatana	90,000	0.0094
9. Thiravetyan Group	5,488,400	0.5720
9.1 Mr. Sanguan Thiravetyan	5,478,400	0.5710
9.2 Miss.Reewadee Thiravetyan	10,000	0.0010
10. Mrs. Maneerat Ananpumtraipop	5,280,000	0.5503
11. Other shareholders (5,507 people)	354,767,011	36.9746
Total Shares	959,487,590	100.0000

Foreign shareholders: As of December 31, 2021, there are 1 foreign shareholders with total shares of 1,500 shares or 0.00 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 239,871,897.50 Baht (Two Hundred Thirty-nine Million Eight Hundred Seventy-one Thousand Eight Hundred Ninety-Seven Baht and Fifty Satang) which has been divided into 959,487,590 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	:	<p>The Warrant Holders can exercise their rights to convert into the Company's ordinary shares as according to the following scheduled date:</p> <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. <p>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.</p>
Number of warrants that have not been exercised at present	:	191,894,988 Units

1.5.2 Debt Securities

ECF issued and offered debt securities on 31 December 2021, with following details:

<p>Objectives of debt securities issuance</p>	<p>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.</p>
<p>Outstanding amount of debt securities</p>	<p>As of 31 December 2021, the Company has the outstanding debt securities which have not yet matured, for totally THB 1,030.55 million, as following details:</p> <ul style="list-style-type: none"> <p>“The secured debentures of East Coast Furnitech Public Company Limited No. 1/2020, maturity in 2022”, with the outstanding amount of THB 290.55 million, with maturity date on 12 June 2022.</p> <p>issued and offered to the institutional investors and/or high net worth investors under the Notification of the Capital Market Supervisory Board, Re: Application for and Approval of Offer for Sale of Newly Issued Debt Securities.</p> <p>The key financial terms are the Issuer will maintain the Interest Bearing Debt to Equity Ratio, and the maturity of the Bonds in the Issuer’s consolidated financial statements audited by the Auditor of the debenture issuer at the ratio of not more than 4:1 (four to one) times as at the end of the issuer’s quarterly accounting period in each quarter according to the quarterly consolidated financial statements and at the end of each fiscal year according to the annual consolidated financial statements.</p> <p>“The secured debentures of East Coast Furnitech Public Company Limited No. 1/2021, maturity in 2023, in which the debenture issuer is entitled to redeem the debentures before the maturity date” with an outstanding amount of THB 225.00 million, maturity date on 29 January 2023.</p> <p>issued and offered to the institutional investors or high net worth investors under the Notification of the Capital Market Supervisory Board, Re: Application for and Approval of Offer for Sale of Newly Issued Debt Securities.</p> <p>The key financial terms are the Issuer will maintain the Interest Bearing Debt to Equity Ratio at the ratio of not more than 4:1 (four to one) times as at the end of the issuer’s quarterly accounting period or at the end of each fiscal year for the purpose of ratio calculation as specified.</p> <p>“The secure debentures of East Coast Furnitech Public Company Limited No. 2/2021, maturity in 2023, in which the issuer is entitled to redeem the debentures before maturity”, with the outstanding amount of THB 340 million, maturity date on 8 December 2023.</p> <p>issued and offered to the institutional investors or high net worth investors under the Notification of the Capital Market Supervisory Board, Re: Application for and Approval of Offer for Sale of Newly Issued Debt Securities.</p> <p>The key financial terms are the Issuer will maintain the Interest Bearing Debt to Equity Ratio at the ratio of not more than 4:1 (four to one) times as at the end of the issuer’s quarterly accounting period or at the end of each fiscal year for the purpose of ratio calculation as specified.</p> <p>Short term bills of exchange with a total outstanding amount of THB 175 million, which will be gradually matured in not more than 9 months from the date of issuance, or not later than September 2022.</p>

<p>Registrar of Debenture</p>	<ul style="list-style-type: none"> <p>“The secured debentures of East Coast Furnitech Public Company Limited No. 1/2020, maturity in 2022”</p> <p>Registrar of Debenture: Siam Commercial Bank Public Company Limited. Head Office is located at No. 9 Ratchadaphisek Road, Chatuchak, Bangkok 10900 Telephone: 02-544-2923</p> <p>“The secured debentures of East Coast Furnitech Public Company Limited No. 1/2021, maturity in 2023”</p> <p>Registrar of Debenture: Siam Commercial Bank Public Company Limited. Head Office is located at No. 9 Ratchadaphisek Road, Chatuchak, Bangkok 10900 Telephone: 02-544-2923</p> <p>“The secure debentures of East Coast Furnitech Public Company Limited No. 2/2021, maturity in 2023”</p> <p>Registrar of Debenture: Siam Commercial Bank Public Company Limited. Head Office is located at No. 9 Ratchadaphisek Road, Chatuchak, Bangkok 10900 Telephone: 02-544-2923</p>
<p>Debenture holder representative</p>	<ul style="list-style-type: none"> <p>“The secured debentures of East Coast Furnitech Public Company Limited No. 1/2020, maturity in 2022”</p> <p>Debenture holder representative: Country Group Securities Public Company Limited Head office is located at 132 Sindhorn Tower 1, 3rd Floor, and Sindhorn Tower 3, 18th, 20th Floor, Wireless Road, Lumpini, Pathum Wan, Bangkok 10330 Telephone: 02-205-7000</p> <p>“The secured debentures of East Coast Furnitech Public Company Limited No. 1/2021, maturity in 2023”</p> <p>Debenture holder representative: Country Group Securities Public Company Limited Head office is located at 132 Sindhorn Tower 1, 3rd Floor, and Sindhorn Tower 3, 18th, 20th Floor, Wireless Road, Lumpini, Pathum Wan, Bangkok 10330 Telephone: 02-205-7000</p> <p>“The secure debentures of East Coast Furnitech Public Company Limited No. 2/2021, maturity in 2023”</p> <p>Debenture holder representative: Country Group Securities Public Company Limited Head office is located at 132 Sindhorn Tower 1, 3rd Floor, and Sindhorn Tower 3, 18th, 20th Floor, Wireless Road, Lumpini, Pathum Wan, Bangkok 10330 Telephone: 02-205-7000</p>

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 2019, 2020 and 2021

Details of Dividend Payment	2019	2020	2021
Net profit of separate financial statements (THB Million)	33.72	30.45	12.40
Allocate 5% of legal reserve (THB million)	1.8	1.55	1.60
Number of shares (million shares)	959.49	959.49	959.49
Dividend paid per share (THB)	0.0167	0.0125	0.0157
Total dividends paid, approximately (THB million)	16.03	11.99	15.06
Proportion between dividend payment and net profit after deducting reserve (%)*	50.20%	41.49%	121.53%

- Note :
1. ECF has a dividend payment rate based on the dividend payment policy of the years 2019, 2020 and 2021.
 2. For the operational performance of the year 2021, the Company is in the process of proposing the dividend payment to the shareholders' meeting for further approval.

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. The risk management is to work in such a way that all workloads shall assess the risks before operating, taking into account the risk countermeasures in advance to perform main duty to watch out the risks in advance together. The 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 be occurred. 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 damages 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 function and to the overview of organization by focusing on managing risks in various areas to be at sufficient and appropriate level.
- Establish 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 advices 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 the 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

Risk form Industrial competition

Based on the data from the Department of Business Development, Ministry of Commerce, it was found that at present, a number of juristic persons submitting financial statements and being an entrepreneur in furniture manufacturing business of all types including being a distributor of furniture products (based on the data appearing most recently on the website of the Department of Business Development, Ministry of Commerce) is approximately 6,900 with a total revenue of approximately THB 176,591 million. Currently, Thailand has at least 5 large entrepreneurs who are both being a manufacturer and distributor of furniture (including ECF). Comparing the group of target customers of these four major entrepreneurs, we found that the group of target customers are different from the group of customers of the Company. It was to say that two entrepreneurs operate furniture retail stores, and distribute under their brand names to their end-users. Another one entrepreneur offers comprehensive furniture products covering almost all categories of furniture and distribute them through showrooms and customers of the real estate projects. The other one mainly focuses on manufacture of a made-to-order furniture ordered by only one main customer. Therefore, these four entrepreneurs are not our direct competitors as they have different group of target customers. If considering on the manufacturers and distributors of furnitures that have hypermarket stores as the group of customers like the Company, the products of the existing four manufacturers and distributors are made from medium and smaller factories with limited purchase order acceptance capacity. None of any entrepreneurs have generated sales volume approximate to sales volume of the Company. Regarding foreign competitors, only single entrepreneur, namely HEVEA PAC Malaysia SDB BHD from Malaysia, that operates the similar business as the Company and has the same group of target customers. 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.

In addition, in 2020 continuing to 2021, due to the COVID-19 outbreak situation, ECF has received the opportunity from customers in Japan, who are the Company's existing main customers, they have continuously increased orders because the situation of COVID-19 makes people taking more time at home, as a result, the furniture sales have increased considerably in Japan, and the orders from customers in India and the United States have been increased. This gives ECF the opportunity to receive more orders during 2021, and the orders in 2022 are also continuously increased.

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.

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 but still in accordance with the given plans.

Risk of Finance and Exchange Rate

For the Risk of Finance, the important issue at the moment is on the Accounts Receivable Management because the Company has continuously expanded its business, the responsible functions are requested to quickly improve the debt collection management system to be careful, prudent, and timely to the situations that shall occur with each customer to enter into the correct and appropriate system. The objective is to minimize the debt collection period, and continuously and quickly reduce the amount of long overdue debts.

ECF has distributed the products to foreign customers with the condition of payment in USD, during 2021 and 2020, the Company had a proportion of sales to foreign countries at 61.31% and 62.79% of sales revenue, respectively. In addition, the Company imported raw materials for the production of foil paper. During 2021 and 2020, the Company has the proportion of purchasing such raw materials at 2.44% and 2.84% of the total purchase amount 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 the financial instruments to hedge against such potential risks. 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.

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, 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 the United States, India and China, resulting in lesser reliance on customers in Japan which currently accounts for the largest proportion among international customers.

Risk of Fire Inside the Factory and Application for Insurance

The Company has reviewed the fire prevention policy, provided the employees who are working in the production process with the trainings, and annually reviewed the insurance limit which is still in accordance with the plan.

Risks from Non Long-Term Purchasing Agreements

31 December 2021 The Company manufactures and distributes its furnitures via the five major channels of distribution:

Type 1: Production and distribution for export and domestic distribution to large retailers such as Home Pro, Lotus, Big C, Mega Home, Do Home, Global House, etc. In 2021 and 2020, the Company sold products to these two groups for THB 1,421.65 million and THB 1,255.02 million, or equivalent to 91.75% and 90.65% 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. In 2020 to 2021, we produced under the brand A7, HASTA, and FINEXT, 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, the Company had a transition period to improve the sales and marketing system, payment system, to enhance the distribution through this channel. Therefore, the sales amount of this channel was not seen a significant growth in the Year 2021.

However, the Company expects it will begin to see good growth in the future following signs of recovery and the confidence of domestic consumers who have started to buy again.

Type 4: Distribution through online channels, including the Company's website (www.eastcoast.co.th) or various online platforms such as Lazada, Shopee, etc.

In 2021, the sales amount was still in the process of creating guidelines and providing strategies for greater 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 of products. The Company therefore may expose 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 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 overseas customer group and modern trade store group with the Company. In addition, the Company also has a method for diversifying risks by developing more distribution channels in every channel to reduce the dependence on just one product distribution channel.

Information Technology Risk

In present era when the information technology system, computers, and various types of data storage have played important roles in the corporate management, and are an important part of the internal control system through related programs such as sales management, financial & accounting tasks, database creation and storage, and general relevant operations, the Company has therefore placed the importance on providing the guidelines for preventing itself from IT risks that may occur within the organization. In 2021, the Company has established this policy to relevant units

for their acknowledgement and actual practices, as well as follow up to achieve a clear and concrete result that the Company could prevent the risks at every point of the information technology system in the organization, covering all aspects.

Risks from the impact of COVID-19 outbreak situation

Due to the outbreak situation of COVID-19, results of many measures stipulated by the government for the purposes of controlling and preventing the spread of disease may affect the production capacity of the Company because we have minimized a number of working hours based on the enforcement of the Emergency Decree which prohibits people to leave their residence within the specified period, while in 2021, foreign customers placed more orders to the Company with the increase of 30-40%, but the Company is unable to allow workers to work overtime under the said measures of the government, resulting in only 60% of the production run time compared to normal times. However, whenever the epidemic situation is gradually relieved, the Company expects to speed up the production capacity to compensate for the loss period as soon as possible. Although there was a problem from COVID-19 at some period in 2021, the Company could generate overall revenue growth in the past year 2021 at around 13%.

2. Production Risks

Raw Material- Related Risk

- **Risk from Raw Material Shortage**

During 2021 and 2020, The Company has a proportion of purchasing all types of wood to be used as raw materials in the production process. Which is the highest raw material purchase value, accounting for 43.13% and 37.90% of the total raw material purchase amount, the proportion in 2021 was higher than those of 2020 due to the increasing price of particle boards.

The Company enters none of 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 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 long time over than 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 2021, the prices of main raw materials which are particleboard and MDF wood fluctuated and affected the Company's production cost structure. However, we use a policy to control production costs and continuously manage wastes in the factory. However, the aforementioned impact has still resulted in the increasing proportion of production cost and cost of sales, comparing to 2020, such increase did not significantly affect the Company's operational performance.

Based on the data from the Office of Agricultural Economics, it was found that at present, Thailand has a total area of rubber tree plantation of 24.75 million rai, while the amount of harvested area is approximately 21.98 million rai, combined with the data from the Rubber Authority of Thailand, in 2021, the cutting of rubber trees is targeted at 400,000 rai. Rubber trees are planted by the farmers under purpose of tapping latex to make rubber sheets for sale. Rubber tree is a by-product of growing rubber trees. When rubber trees are older, latex will be reduced and rubber woods are cut down and sold particularly in furniture manufacturing business for distribution. Thus, if rubber woods are needed in higher quantity, it will affect cost of rubber woods and affect profitability of the business. At present, the Company has not been affected by the volatility of the rising rubber wood prices.

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.

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, 2021, the Company has had total of 1,156 employees classifying into 202 full-time employees and 954 daily-waged employees. Approximate 82.56% of total daily-waged employees are in factory/production department. The large number of labor will affect production cost and competitiveness of the business. During the year, there is always a turnover and the Company's expansion 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 issue, the Company has formulated guideline 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 dusts arising from 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 the 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 the 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.

4. Management Risk

Risk from Dependency on Key Executive

The Company has 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 than 20 years of business operation, the key executives of the Company has ongoingly created reliability to the business and built good relationship with both domestic and overseas customers. The Company therefore may expose 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 on such risk and then prepared position succession plan and supported its employees to fully play role in opinion expression and operation under determined authority and carried forward for teamwork in order to build more working potential and efficiency 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 for 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, 2021 it has currently been under construction of the Project - Phase 2 3 4 total amount 170 MW from total of 220 MW. At present, the major risks to be an obstacle causing the construction to be delayed from the plan are 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 since last September, the engineering team is the main contractor from China could enter into the area, and the construction team of Myanmar people can now enter the site to start the site preparation, and the supplies required for the construction have been ordered as planned. 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 working team are well

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. 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 attend the meeting and closely oversee the progress including problems and corrective guidelines for success of the project operation on setting plan.

As of 31 December 2021, the aforementioned power plant project could commercially sell electricity and recognize the revenue, for the capacity of 50 MW, Phase 1 since 27 September 2019.

The details of Investment Estimation of the Solar Power Plant Project in Minbu City, Myanmar are as follows:

Unit : Million USD	Phase 1	Phase 2	Phase 3	Phase 4	Total
Loans	48.00	39.07	37.95	52.70	177.72
Shareholders' equity	29.04	13.02	12.65	17.57	72.28
Total amount of project investment	77.04	52.10	50.59	70.27	250.00
20% of shareholders' equity (proportion of ECF)	5.81	2.60	2.53	3.51	14.46
Latest Capital Increase Status	Completed	Completed	Completed	Capital increased 0.37 Balance 3.14	

It is expected that the rest of the capital increase for USD 3.14 million or equivalent to approximately THB 102 million (depending on the exchange rate of THB per USD at that time) will be further occurred during the 1st quarter of 2022.

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

As of 31 December 2021, the Company has a condition of making a refundable deposit in case that the outcome of the feasibility study for an investment in a wind power plant project is not satisfactory. However, at the moment, the project owner is in the process of gradually returning the deposits to the Company, the latest outstanding balance as of 31 December 2021 was THB 58 million.

The deposit to study the feasibility of the biomass power plant project in Japan as of 31 December, 2021, 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 2022 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 interest rate is changed, it will directly affect financial cost of the Project and affecting 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 2021, the construction of Phases 2 to 4 is still under ongoing construction.

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 declines due to such 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.

3. DRIVING BUSINESS FOR SUSTAINABILITY



3.1 POLICIES AND TARGET ON SUSTAINABILITY MANAGEMENT

The Company has a sustainability management policy taking into account the compliance with business directions and strategies according to GRI (Global Reporting Initiative) Index Framework and guidelines of UN's Sustainable Development Goals (SDGs) under the objective "Leading the organization to sustainable development and profits with social, environmental responsibility and good corporate governance" to reflect the intention and determination to drive the business by considering the issues of good corporate governance, including environment and society that cover the importance of respect for human rights, anti-corruption, etc. as a guideline for operations and to create understanding among stakeholders. The full version of the sustainability management policy can be found on the Company's website at www.eastcoast.co.th under the menu 'Sustainable Development'.

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 90%, 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 Sustainability Management Targets are as follows:

Sustainability Targets 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 the confidence in the Company's businesses. • 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. 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Developing a variety of products to provide customers with more choices • 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"> • Employees 	<ul style="list-style-type: none"> • Shareholders/ Investors • Communities, Society and Environment • Creditors • Partners and Accounts Payable 	

Sustainability Targets 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	<ul style="list-style-type: none">• Rights and equality• Strict compliance with the agreement	<ul style="list-style-type: none">• Good Corporate Governance Policy	<ul style="list-style-type: none">• Encouraging employees to attend training on knowledge related to operations inside and outside the organization	<ul style="list-style-type: none">• Employees	<ul style="list-style-type: none">• Customers• Partners and Accounts Payable	
2. Respecting Human Rights	<ul style="list-style-type: none">• Adhering to the contract and complying with terms & conditions	<ul style="list-style-type: none">• Anti-Corruption Policy				
3. Good Corporate Governance	<ul style="list-style-type: none">• Welfare and fair compensation	<ul style="list-style-type: none">• Non-infringement policy on the intellectual property or copyright of others	<ul style="list-style-type: none">• Organizing training courses to enhance knowledge in other areas for personnel such as financial planning, etc.		<ul style="list-style-type: none">• Communities, Society and Environment	
4. Compliance with relevant laws, rules and regulations	<ul style="list-style-type: none">• Not be demanded or receive or pay any unjustified benefits	<ul style="list-style-type: none">• Complaint Protection Policy				
5. Good quality products and services.	<ul style="list-style-type: none">• Accuracy, completeness, without distorting information					
6. Satisfaction and Complaint Management	<ul style="list-style-type: none">• Reasonable price level of products and services	<ul style="list-style-type: none">• Conflict of Interest Prevention Policy	<ul style="list-style-type: none">• Providing employees with equal opportunity to express their opinions			
7. Labor management and personnel potential development	<ul style="list-style-type: none">• Politeness / Efficiency in communication• Speed of responding to the needs	<ul style="list-style-type: none">• Insider Policy	<ul style="list-style-type: none">• Equally disseminate policies, guidelines, and news & information to employees, including supervising to achieve practicality			
8. Health, sanitation and safety	<ul style="list-style-type: none">• Building good relationships	<ul style="list-style-type: none">• Ethics in Business Operation				
9. Corruption	<ul style="list-style-type: none">• Independent 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.	<ul style="list-style-type: none">• Business Ethics for Directors, Executives and Employees	<ul style="list-style-type: none">• Focusing on community-organized activities			
10. Social Responsibility		<ul style="list-style-type: none">• Investor Relations Code of Conduct				
11. Growing with Society and Environment	<ul style="list-style-type: none">• Development of knowledge, competency and consistent and thorough performance• Safety of life and property• Opportunities and advancements at work• Good working culture and atmosphere• Health and safety• Encouraging personnel to have awareness of anti-corruption in all forms• Not 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">• Human resource development policy• Employee Compensation and Welfare Policy• Human Rights Policy• Occupational Safety, Health and Work Environment Policy	<ul style="list-style-type: none">• Receiving complaints, hearing to community• Provide all communities or takeholders with an opportunity to have channels for directly complaining and giving suggestions to person assigned by the company			 

Sustainability Targets 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	<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 2021

In previous 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 Bussiness 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 Bussiness 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.
Shareholders /Investors 	<ol style="list-style-type: none"> 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 	<ol style="list-style-type: none"> 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, proper risk management planning 7. Planning for comprehensive and appropriate business risk management 	<ol style="list-style-type: none"> 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 visit

Stakeholders	Expectation	Reaction	Connection Guideline
Customers 	<ol style="list-style-type: none"> Variety of quality goods and services to fulfil customer needs. Products that are responsible to society and environment, and are reused Convenience of product access. Preparedness and rapidity of customer service. Reasonable price of goods. Confidentiality of customer information. Service availability during purchase and after purchase 	<ol style="list-style-type: none"> 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. Use eco-friendly materials in product manufacturing 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 Operate the business by adhering to honesty and fairness, not performing acts that violate the right of customer Not demand to receive or agree to receive property or any other interest in bad faith from customers both directly and indirectly. 	<ol style="list-style-type: none"> Visiting customers to offer new products and opportunities to directly listen to feedbacks and needs from customers. Survey on Customer's Satisfaction 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. Provision of opinion, suggestion, and complaint channel for customers Providing additional information about the Company or its products via Website : www.eastcoast.co.th
Business Partners and Business Creditors 	<ol style="list-style-type: none"> Fair business doing Management under good governance and transparency of business operation Sustainable business chain management Ability in supporting business operations Co-development of products and services to enhance the quality and standards 	<ol style="list-style-type: none"> Treat business partners under equality. Select business partners that operate business according to law, and comply with manufacturing standard, and safety and environmentally friendly standard Keep business secret or business information of the business partner 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. Not demand to receive or agree to receive property or any other interest apart from business agreement. 	<ol style="list-style-type: none"> Regular holding annual meeting of the business partners Discussion for brainstorming in creative development of products Business partner company visit for hearing opinions and suggestions Providing information to trading partners for the acknowledgement of our anti-corruption policy Procurement Manual
Business Competitors 	<p>Operate business and compete under transparency and fairness, and compliance with the framework of good competition and honesty.</p>	<ol style="list-style-type: none"> Compliance with the framework of rule of fair competition Not destroy reputation of business competitors with malevolence. Not violate intellectual property / copyright. Not seek for secret information of business competitors by dishonest or improper means. To cooperate in developing Thai furniture to be internationally competitive in the world market. 	<ol style="list-style-type: none"> Meeting and discussion, opinion sharing, and cooperation in various agenda. 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. 	<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. 	<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 through given via Website : www.eastcoast.co.th

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.

3.2.3 Selection of Significant Issues Affecting Sustainability

The Company has selected the issues affecting the sustainability by considering the risks and strategies for the Company's sustainable management and the issues emphasized by the stakeholders, has the prioritization process from agencies connecting the Company's stakeholders and executives and annually reviews the important issues. In 2021, the Company considered and analyzed various issues that are important to the Company's stakeholders in terms of good corporate governance, economic conditions, society and community, and environment in Materiality Matrix format. The horizontal axis represents the level of importance/impact on the business while the vertical axis represents the level of importance/impact on stakeholders. The information is in table below:

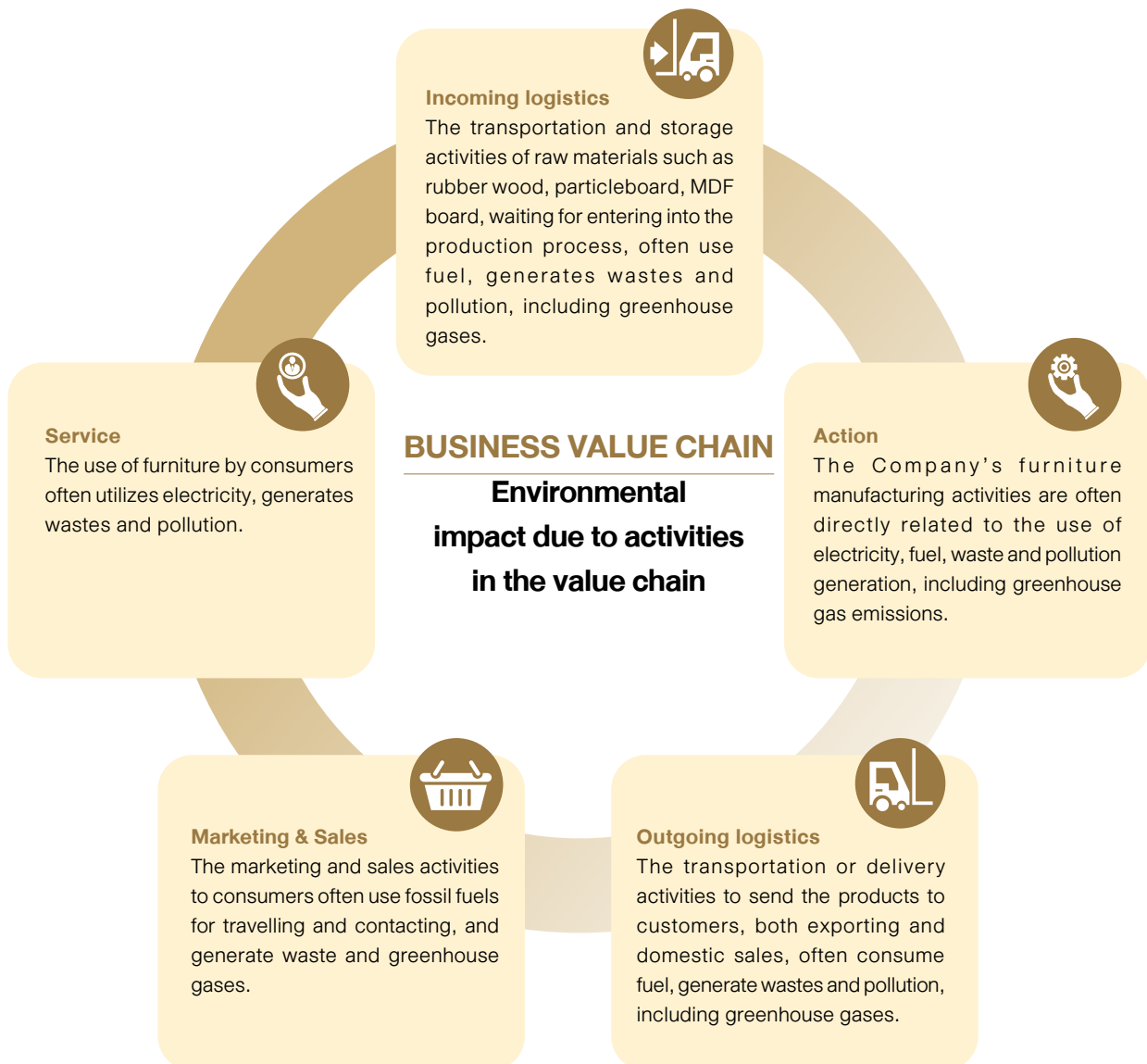


3.3 SUSTAINABILITY MANAGEMENT IN ENVIRONMENTAL DIMENSION

3.3.1 Environmental Policies and Practical Guideline

The Company 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.

In the formulation of environmental policies and practices, the Company conducted the value chain analysis and environmental impact as follows:



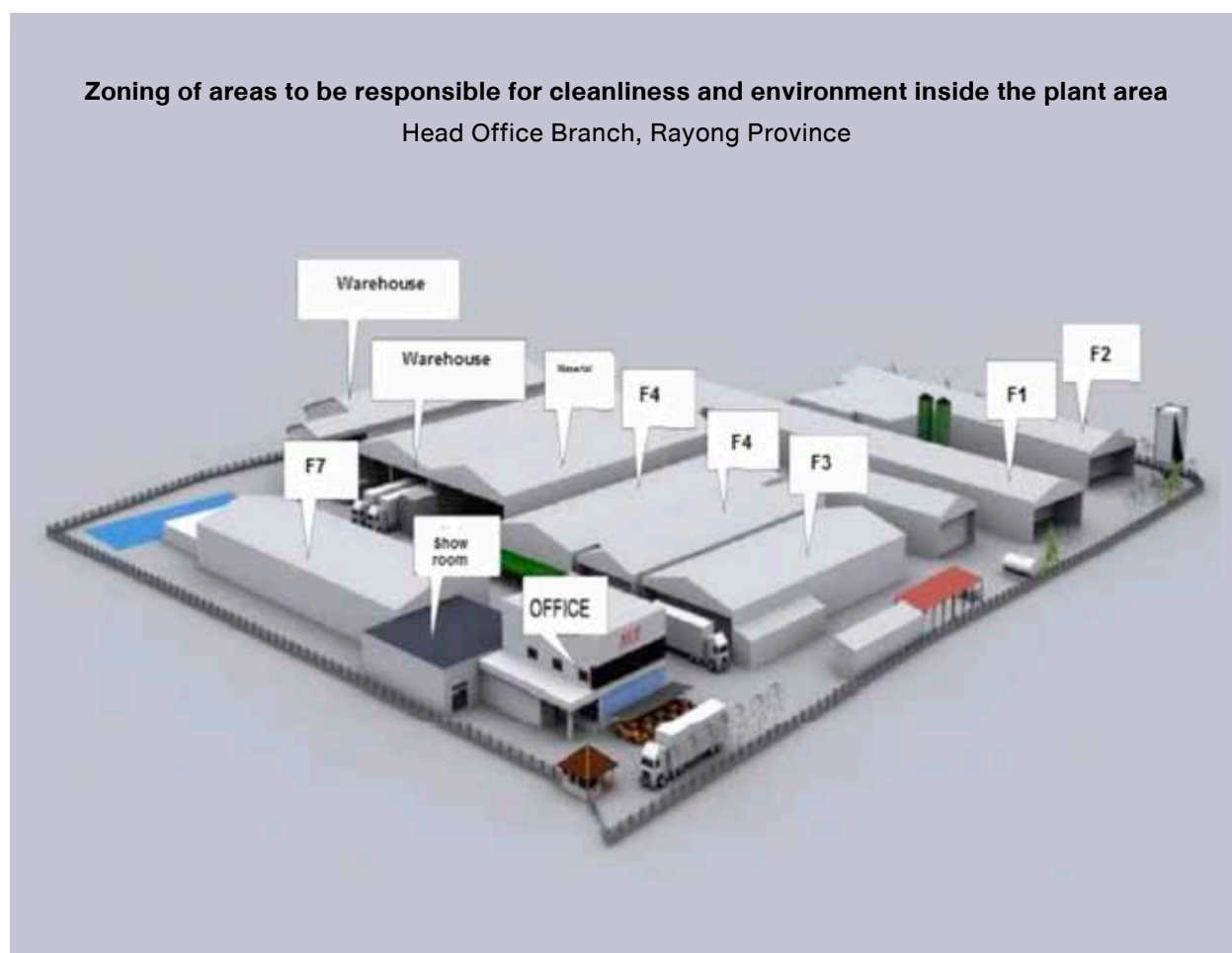
Above table could lead to a summary of 4 environment-relevant issues as follows:

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.



Environmental Management Target

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. Wastewater treatment, water source conservation and development	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

3.3.2 Performance on Quality Environment

1. Energy Consumption

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.

During 2021, the Company's electricity consumption and fuel consumption are as follows:

Type of Resources	Amount				Unit : Baht
	2019	2020	2021	Difference between 2020 and 2021 (%)	
Electricity	24,467,466.82	24,512,146.82	26,305,823.63	7.32%	
Fuel	10,692,871.21	7,935,400	9,786,105.00	23.32%	
Total	35,160,338.03	32,447,546.82	36,091,928.63	11.23%	

Based on the above table showing the utilization of resources, it was found that the cost of electricity was increased by 7.32% because in 2021, the Company accelerated the production capacity in order to keep up with the demands of customers according to the increasing number of orders, as a result, the amount of electricity consumption was increased.

Most of fuel consumption is for goods transportation, in terms of amount, the expense was increased by 23.32% compared to the year 2020. Comparing the number of units, it was found that the fuel consumption in 2021 was 359,730.06 liters, 370,000 liters in 2020, representing a decrease in the amount of fuel oil at 2.78%. It can be said that the increasing expense is due to the continuous increase in fuel prices throughout the year 2021. In order to manage for maximum efficiency of fuel use, the Company has established preliminary guidelines such as turning off the engine while waiting for loading or not in use, and the driver will be evaluated of their performance by providing incentives for motivation of energy conservation, etc.

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 Province Waterworks Authority for Marketing Office at Lam Luk Ka branch office in Pathum Thani Province.

In 2021, the Company's consumption of tap water is as follows:

Unit : Baht

Type of Resources	Amount			
	2019	2020	2021	Difference between 2020 and 2021 (%)
Tap Water	55,218.75	52,330.00	44,708.65	-14.56%

Based on the data from the table showing the expense of tap water in the Company, it was found that the expense has been continuously declined comparing to 2020, decreasing for more than 14.56%, as a result of compliance with resource management policies.

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 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** it 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, starting from year 2021 as the base year, to show the benefits of reducing raw material costs and to reduce the generation of wastes arising from the production process as follows:

Unit : Ton

Type of Resources	2021
The amount of wood chips and sawdust generated after the production process	834.35

As for the amount of A4 paper wastes from the use in the Company's work during 2021, the Company's paper consumption is as follows:

Unit: Baht

Type of Resources	Amount			
	2019	2020	2021	Difference between 2020 and 2021 (%)
Paper	165,063	157,104	170,724	8.67

Based on the data in 2021, the cost of A4 paper in the office was increased by 8.67% compared to 2020. Currently, the Company is developing an Application system to support and facilitate sales and customer service tasks, fast stock checking, presenting the product through the Application instead of presentation with papers.



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 2022, the Company is aware of the consideration and disclosure of greenhouse gas emissions. The preparation will be made as follows:

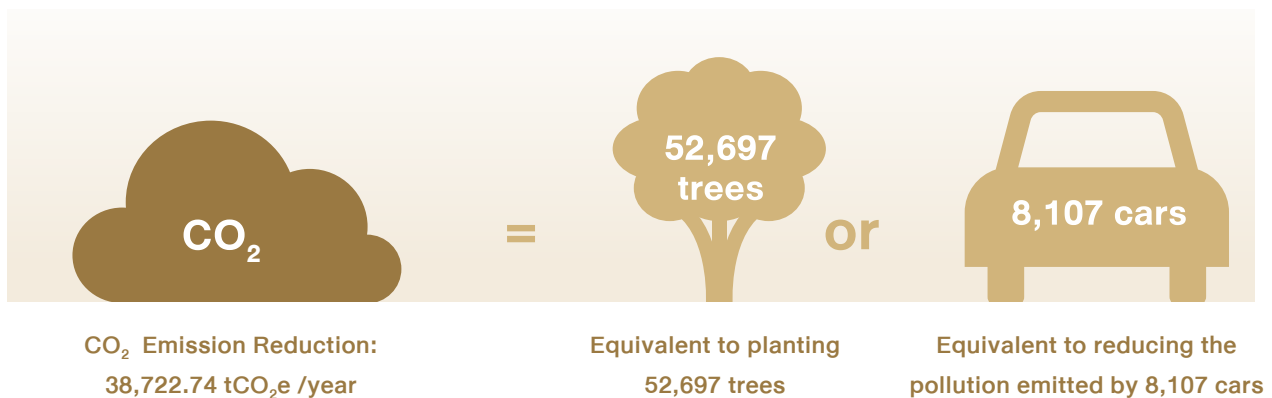
1. Preparation of information on business activities that produce greenhouse gases, including direct activities and indirect activities, such as the use of electricity, heat or steam used within the organization.
2. Management guidelines to reduce greenhouse gas emissions.
3. Figures for calculating the amount of greenhouse gas emissions generated within the organization to be used as a baseline and use them for year-to-year comparison.

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:

- For the rooftop solar project Installed at the Head Office, Rayong Province, with a capacity of 998 kWh, in 2021, it could reduce the use of electricity by 993,514 kWh/year, or reducing greenhouse gas emissions by *496.66 tCO₂e /year, equivalent to planting 676 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 77,460,964 kWh/year, equivalent to the reductions in greenhouse gas emissions for *38,722.74 tCO₂e/year, equivalent to planting 52,697 trees, or reducing vehicle pollution released by 8,107 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.

Target of Greenhouse Gas Emission Management

Objective : To be a part of building a low-carbon society inside the organization

Indicator : The Company can continuously reduce greenhouse gas emissions in the value chain of the business, when calculated in proportion to compare to previous year, the decrease should be at least 5% or higher.

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) resulted in 2021, the Company could reduce its carbon footprint by 118.77 kgCO₂e, equivalent to the CO₂/year absorption of 13 trees. Most activities include online in-house meetings which can reduce fossil fuels used for travelling and reduce the amount of carbon footprints.



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. In 2021, the Solar Rooftop project can help reduce electricity cost for more than THB 3.57 million, or 13.60% of the Company's total electricity consumption.

Considering that the installation of solar cells is the starting point for the Company's success aiming to reduce 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 Use 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.

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.

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 the business by taking into account the management practices in responsibly treating employees, customers, business partners, communities and society to reduce the impact that may occur from the Company's business in order that the Company's business shall stably and sustainably grow.
2. 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.
3. Support the participation of the Company's employees and embed them the values in public consciousness for corporate culture creation.
4. Operate and pay attention to the importance of working safety and environmental management to minimize the impacts on society, environment and community.
5. Apply the knowledge, experience and expertise of the Company's personnel and support equipment and tools to help and develop society environment and community.
6. 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	Social Problems	Management Practices/ Guidelines
<p>Treatment to employees</p> 	The problem of human rights violations	Formulating human rights policies and practices and having a process to ensure the fair treatment to employees and workers without human rights violations for the entire supply chain.
	The problem of inequality and discrimination	Respecting human rights by taking into account the equality and diversity
	Health insecurity and Safety in the workplace	Establishing policies and practices on safety, occupational health and working environment
	Employees lack skills, knowledge, ability to work. causing lack of motivation to work, lack of opportunities for skill development	Formulating human resource development policy
<p>Responsibility to Customer</p> 	The problem of losing competitiveness of the business that fails to adapt itself to rapidly changing customer needs	Improving customer satisfaction and building long-term engagement
	The problem of consumer rights violations and lack of awareness of responsible production and consumption	<ul style="list-style-type: none"> Fair marketing and sales Adaptation of products, packaging or business model to meet the needs of customers.
<p>Business Partner Management</p> 	Problem of Partner's irresponsible operations	<ul style="list-style-type: none"> Sustainable Supply Chain Management Realization of green procurement concepts development
<p>Community and Social Development</p> 	Conflicts between communities and business due to the impact of business operations that cause troubles to communities and society	<ul style="list-style-type: none"> Managing the impact of operations to prevent conflicts with communities Improving the quality of life of people in communities to enable them to be self-reliant in a sustainable manner Participating in making society livable

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
2. Not cause the inequality and discrimination
3. No production process that may affect the communities and society.
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 and society.
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.
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

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.

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 reduce 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 the competitiveness and sustainable business growth.

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 assessment to know the average score that each employee receives by considering will cover terms of complying with discipline set by the Company such as work leave, late coming, personal behavior, development in job content, creativity, job success etc.



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	✓	✓	✓

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, etc.
2. The Company has established a clear performance appraisal system for providing employees with fairness by using corporate KPIs as indicators.

Target of Corporate Engagement Survey

Objective: 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.

Benefits for employees: Have more channels to independently express their opinions.

Benefits for the Company: 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.

Target: The target of total average score set by the Company is 70%.

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 of 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 changing furniture industry.
6. Employees are encouraged to development the Company's products by adding value for sustainable growth and continuously creating the consumers' awareness and being demanded by the consumers.
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.

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. The executives in secondary level have the opportunities to work with high-level executives in their own working line, and to attend the meetings in assigning the policies from top executives.
2. Personnel with specific capabilities are provided of more capabilities in managing other areas to prepare themselves for higher job positions.
3. The executives in secondary level with potentials are assigned to be successors.
4. The executives in secondary level are provided of opportunities to attend the training on organizational leadership concepts, creation of consciousness in responsibility level and the honesty towards the Company as well as the guidelines for managing personnel in their own work line.
5. The executives in secondary level are developed by having the opportunities to present plans and performance results to top executives.
6. Provide the lower-level executives with opportunities to work with senior management in their respective areas of responsibility, attend the meetings at the level of policy assignments from senior management.
7. Prepare personnel with specialized skills to have the ability to manage more areas than ever to prepare themselves for higher job position.
8. Designate potential secondary executives to be successors.
9. Provide secondary executives with opportunities to be trained on the concept of organizational leadership, raising their awareness of responsibility and honesty to the organization, including the guidelines for personnel management in the line of work they are responsible for.
10. Develop secondary executives by giving opportunities to present their work plans and performance to senior executives.

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

Objective: 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.

Benefits to employees: Gain more knowledge, capabilities and skills, have better work efficiency and have a good career opportunity and progress.

Benefits to the Company: To have more potential for business competition and help create engagement towards the organization from employees.

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 to customers: a channel to express opinions for obtaining better products and services.

Benefits to 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.

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.

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.

For the future, 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.

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, 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.

3.4.2 Performance on Quality Society

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:

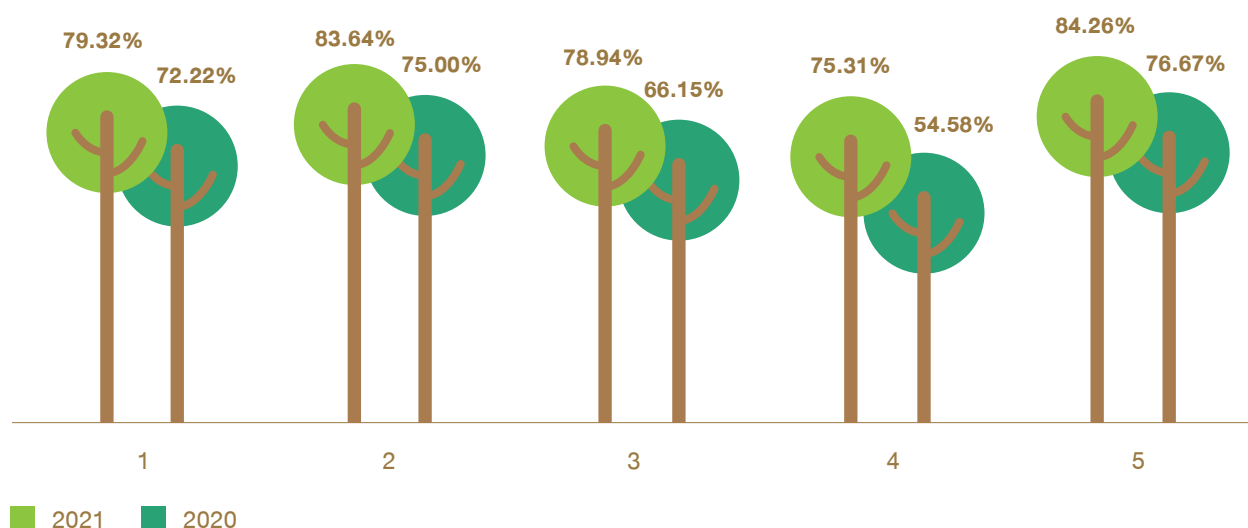
Violation of Human Rights

In previous year, the Company has no problems including complaints on human rights violations, child labor, we use legal labors and have not create any inequality and discrimination.

The Survey Result of 2021 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:

Graph showing employee engagement in the organization, year 2021

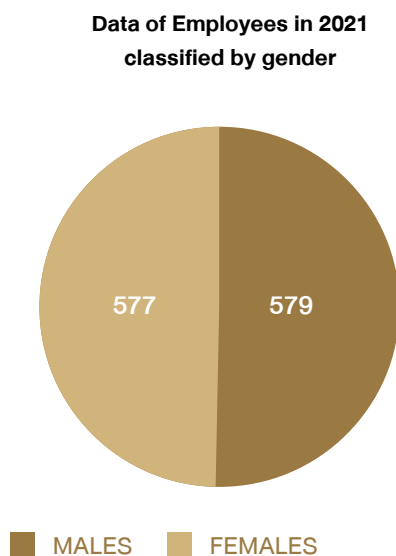
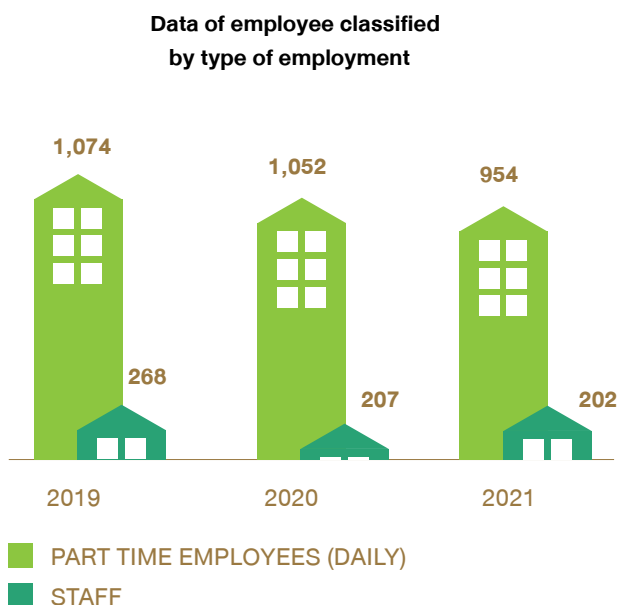


1. Corporate Image and Communication in the Organization
2. Supervisor and Colleagues
3. Role, Duty and Responsibility, Remuneration and Evaluation
4. Growth Opportunity Quality of Life and Work Stability
5. Knowledge and understanding of good corporate governance principles

Based on the result of survey on the Employee Engagement for the year 2021, it was found that an overall average score was 80.66%, increasing more than 18.40% compared to the average score in 2020 at 68.13%. The highest score was Topic 5: Knowledge and understanding of good corporate governance principles with the average score of 84.26%, which was higher than the average score of 2020 at 76.67%. This was a result of the Company's focus on business operations along with the corporate governance with transparency according to the principles of good corporate governance, the Company has also embedded a good conscious mind among employees. The topic with the lowest average score is Topic 4: Growth opportunities, quality of life and security, with an average score of 75.31%. However, it was found that the average score has increased compared to the year 2020 with an average score of 54.58%. The year 2021 was a period when the Company prudently controlled the expenses, was attentive in spendings, and adjusted work positions to comply with the volume of tasks. In order to plan the prevention of potential risks, in case the impact of COVID-19 epidemic situation tends to be increased in the future for a reason of survival for the whole organization to avoid the problems of reductions in wages, salaries, compensations, or termination of employment. However, for whatever reason, the Company will provide guidelines for the development and improvement in such areas for the development to create opportunities for growth, quality of life, and also provide training courses for employees to develop the potentials of employees.

Target: The Company has set a target of a total average score at 70%. For the year 2021, the average score was higher than the target set, with a score of 80.66%. The Company is in the process of finding ways to manage various areas to balance the employees and the Company.

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 2021 under Section part 2 Corporate Governance, 7.5 Information about employees

Based on the data of employees classified by type of employment including daily employees and full-time employees, it was found that in 2021, the number of daily employees was significantly decreased by 103 people or 8.18% compared to the number of daily employees in 2020, as a result of the reduction in the number of labors in production lines to prepare and adjust itself according to the plan to reduce the dependence on labors and replace the production with more machines. In case of classifying employees by gender, it was found that the Company's employees in 2021 consisted of 579 males or 50%, and 577 females or 50%.

Development of Work Skills and Knowledge and Competency

The Company has formulated 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.	<ol style="list-style-type: none"> 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 2020 and 2021

Course	Number of Training Hours	
	2020	2021
In-house Training	63	76
Public Training	31	85

Note: Due to the prevention of Covid-19 outbreak, the Company had to reduce training activities during 2021, the Company has determined plans to continuously provide more online training activities and seminars for the development of employees' potentials



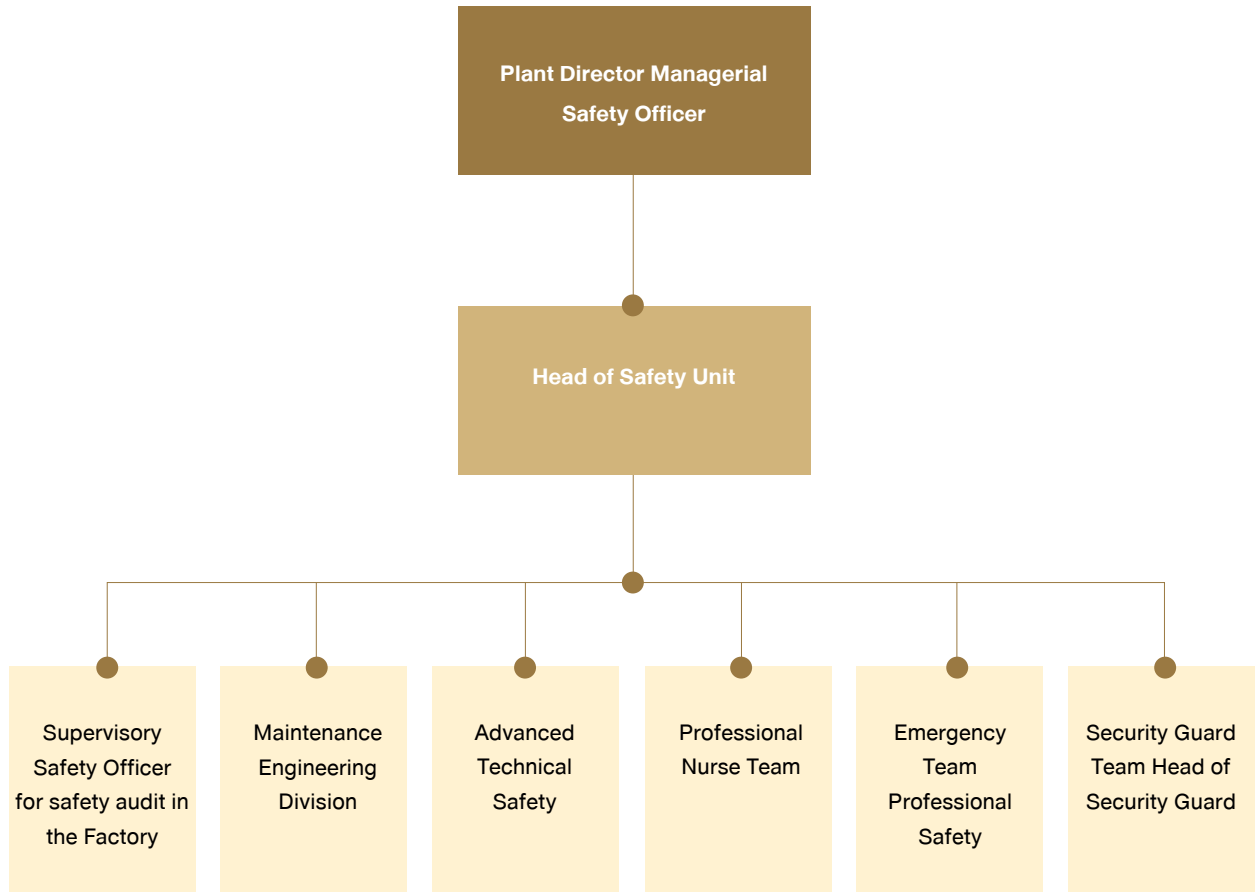
Employee Development and Care

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



Summary of Number of Occupational Accidents for 2020-2021

Severity/Damage	Number of Times		Treatment			
			First-Aid		Referral to Hospital	
	2020	2021	2020	2021	2020	2020
Insignificantly Injured (No Day Off)	-	-	-	-	-	-
Injured (Day Off)	6	5	3	-	3	5
Total	6	5	3	-	3	5

Based on the data in the above table, it was found that the accidents from work was decreased by 16.67% and such accidents does not cause any damage to work. The Company has established the guidelines so that the employees will more comply with safety policies in the organization to more effectively reduce the number of accidents at work.

Safety promotion activities

The Company has maintained working environment that is safe for life and properties of its employees, customers and visitors by improving and checking both fire and water protection systems on a regular basis, an engineer team who has been trained and registered as inspectors of buildings and equipment is also hired to inspect, supervise and control operations in accordance with legal requirements. This engineer team is mainly responsible for inspecting the building's stability, electrical system, air-conditioning system, hygiene and environment system, fire protection and suppression system, building safety management system, and annually checking the performance of building equipment. The Company has usually organized first aid and life-saving trainings for employees on a regular basis, The Company has published the details of the policy on safety, occupational health and working environment at the website www.eastcoast.co.th, under the Topic: Sustainable Development, Corporate Governance.



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.

Activities to promote the communication and

notify important information through Journal "For East Coast People"

The Company has made its journal to communicate with employees, titled "Journal for East Coast People" with the objective to provide more channels to communicate news and information including policies to create understanding and become another channel for providing employees with news and information, such as anti-corruption policies and practices, Code of Business Conduct, as well as other policies related to corporate governance which are updated from time to time to be a channel for notifying employees of such changes.

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. However, due to the coronavirus outbreak in 2021, and the prevention of Covid-19 outbreak, the Company is therefore necessary to refrain from organizing any activities that may affect the health of participants and some activities have been organized online

"Happy Credit" Project

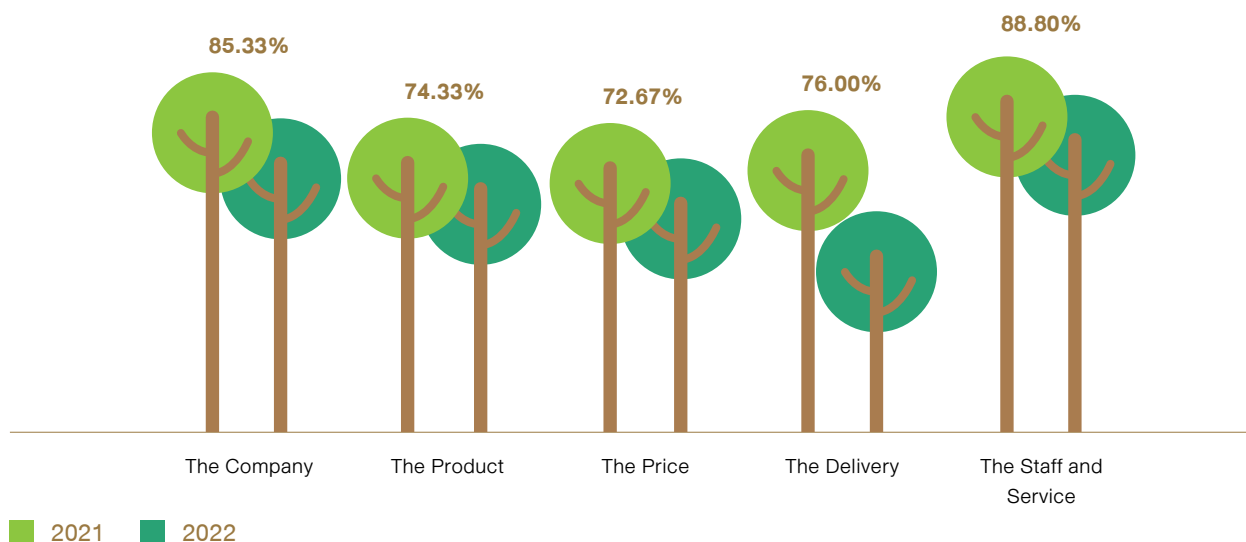
The objective is to release debts for its employees by affixing the collaboration between East Coast Furnitech Public Company Limited and G Capital Public Company Limited to prepare "Happy Credit" Project for easy borrowing, comfortable amortization, special condition granting to the employee with more than 2 years and over service duration. It is the credit granting that helps reduce obligation of the employee who participates in the Project for decrease in amortized installment and loan interest. The knowledge provision and financial management skill development are executed to the employee whereas the employee who participates in the Project shall comply with the rule of the Project and shall disclose actual financial information. Such project has been commenced for execution in 2016 and still continued.

Major labor disputes in the past 3 years

- None -

Customers Performance

Customer Satisfaction Survey 2021



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.
5. Satisfaction on employee services.

Based on the Customer Satisfaction Survey in 2021, the average score was 81.50%, an increase of 11.38% compared to 71.88% in 2020, because the Company puts more development on the products and services including transportation, providing advices about the Company's products including after sales service to completely meet the needs of customers. The topic satifying customers the most in 2021 was Employee's service, with an average score of 88.80%, an increase of 11.56% compared to the year 2020 with an average score of 79.60%. In addition, it was found that the average score for the satisfaction on transportation in 2021 was 76.00%, an increase of 46.15% compared to the year 2020 with an average score of 52.00%.

Target: : The Company has established the target for the performance in terms of customer, then stipulated that the average score for each topic must not be less than 70%. For the year 2021, every topic has an average score higher than an average target score set by the Company. The Company will continue to focus on its operations with an emphasis on all customer groups, and maintaining existing customer base, and look for opportunities to create new customer groups, and further develop better products and services

Partners Performance

In 2021, the Company was granted of the “Best Supplier Award 2020 - 2021” from Flipkart, Flipkart is India's top ecommerce platform company with a market share of approximately 31.90% (as of October 2021 from the Longtunman Page). Flipkart is one of our key customers, the award granted to the Company emphasizes our good quality and standards in the production of furniture products.



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.

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.

Purchase of rubber woods from the communities for using as raw materials in the Company's production

The Company are care of the road area accessing to the plant. At present, the said road's condition is concrete road which can be used in travelling both for delivering woods by trucks into the plant's area, and the villagers can conveniently travel without obstruction.

Activity “Forward Happiness ... to Society”

The Company is highly aware on the sharing in culture in our 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. However, due to the outbreak of Covid-19 in 2019, the Company had to suspend some activities to prevent the outbreak of coronavirus, the Project “Forwarding Happiness ... to Society” in 2021 had organized following activities:

The COVID-19 outbreak has caused the number of infected people considerably increased, resulting in the shortage of tools and medical equipment in many hospitals. East Coast Furnitech Public Company Limited has realized the importance of medical treatment to help patients; the refores, delivered respirators including tools and other medical equipment to hospitals located in neary areas of Head Office in Rayong and Pathum Thani provinces. All medical devices are important to patients in increasing the efficiency of treatment for infected patients in affected communities



and reducing the mortality rate of patients, the details are as follows:

⬆️ Donation of ventilators and medical equipment to Klaeng Hospital, Klaeng District, Rayong Province, a hospital



located near the Company's Head Office area.

⬆️ Donation of PPEs to Lam Luk Ka Hospital and Thanyaburi Hospital, Pathum Thani Province, a hospital located near the Company's Marketing Office



↑ Donation of Bedding to the Field Hospitals in Rayong Province, where the Company's Head Office is located.



↑ Support of Beverages and Snacks for Staff at the Vaccination Center in Rayong Province

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.

Whistle Blowing Policy

The Company has established the Whistle Blowing Policy and Procedures ("Policy") as 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 laws, rules and regulations of the Company and the Company's business ethics which may lead to the damage in the Company's assets, image and reputation. This Policy will be beneficial and may be modified to be consistent and appropriate according to the circumstances. The details of Policy is available on the Company's website at www.eastcoast.co.th.

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.

Value distribution to stakeholders

Value distribution to shareholders	Personnel investment	Economic value
Dividend payment of 15.06 Million Baht.	Employee compensation 262.16 million baht Training fee Seminar 0.05 million baht Directors' remuneration 5.33 million baht	Create cost and expenditure for circulation in the economy 1,433.22 million baht Tax paid to the government 1.67 million baht

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 2021, 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, under the objective to establish the sustainable development guideline in the production process of the Company's products, and take part to reduce the environmental impact. In last year of 2021, the Company has commenced to have the said operating expense of around 0.53 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

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.

In 2021, the Company organized many activities as follows:

1. Securities Analysts' Meeting (focus group style) for 4 times
2. Local Funds Meeting, 1 time in total
3. The presentation to the investors at the Opportunity Day event through online channel of the Stock Exchange of Thailand for 2 times.

In 2021, the Company did not participate in the investor seminars organized by the media due to the situation of COVID-19 outbreak.



■ 4. MANAGEMENT DISCUSSION AND ANALYSIS: MD&A

4.1 ANALYSIS ON OPERATION AND FINANCIAL POSITION

East Coast Furnitech Public Company Limited (“Company”) has explained and analysed the financial position and performance of the Company for consolidated financial statements ended for the year as at 31 December, 2019, 2020, and 2021 due to the Company’s main revenues from furniture business operation. Thus, no detail of the information from consolidated financial statements and separate financial statements have been significantly different.

Overview of Past Performance

During the past period of 2021, the revenue from the Company’s furniture business operation situation has started to be evidently improved, indicating that the commencement of better trend of business operation under the COVID-19 pandemic situation. The revenue from business operation was 1,549.41 million Baht, increasing by 11.91% when compared with the same period of last year. Total revenues were 1,600.80 million Baht, increasing by 13.08% when compared with the same period of last year as the main result of growth of revenue from export of 9.27%, and domestic sales of 16.37%. In 2021, the Company’s proportion of revenues from export and domestic sales were estimated in the approximate proportion of 61 and 39% or the value of 949.90 million Baht and 599.51 million Baht, respectively.

From the completion of restructuring of East Coast Group since 2011, the Company has operated its business through the operations of two juristic persons consisting of East Coast Furnitech Company Limited (before transformation to be a public company), and VV-Décor Company Limited as the subsidiary of which the Company holds shares in proportion of 99.95%. After such restructuring, the Company’s nature of main business operation is the manufacturer and distributor of particle board and MDF board furniture, and rubber wooden furniture, foil paper and dried lumber for using as raw materials in manufacturing furniture.

Other than being the manufacturer and distributor through the group of major domestic and export customers, the Company also distributes products through the group of the nationwide furniture retail and wholesale stores, and distribution through online channel, and distribution on the online platform service providers, for instance, Lazada and Shopee.

Later, in the period of 2015, the Company registered the establishment of one more subsidiary, ECF Holdings Company Limited (“Subsidiary” or “ECFH”). At present, the Company has entrusted ECFH to play the role in distributing furniture products to the Company, and operating the digital currency mining business according to the resolution of the Board of Directors’ Meeting raised in the past period of 2021.

The Company established ECF Power Company Limited (ECF-Power) as a subsidiary whose shares are held by the Company for 99.99%, to invest in the energy business. As at 31 December 2021, ECF-Power has invested in only one associated company, Green Earth Power (Thailand) Company Limited (GEP), in the proportion of 20% of total shares. GEP has invested in a 220 MW-sized solar power plant project in Myanmar through the investment in only one subsidiary which is GEP Myanmar Co., Ltd., in the proportion of 100%, and completely recognized revenue from the commercial operation from the construction of Phase 1 Project with a capacity of 50 megawatts since the past 27 September 2019. At this time, it has been in the process of construction of Phase 2 under expectation of completion within 2022, and Phase 3 and Phase 4 will be further quickly accelerated to complete the construction.

Previously, ECF-Power had invested in another joint venture that is Safe Energy Holdings Company Limited, in the proportion of 33.37% to invest in biomass power plants. In the past, the Company recognized a share of profit from the

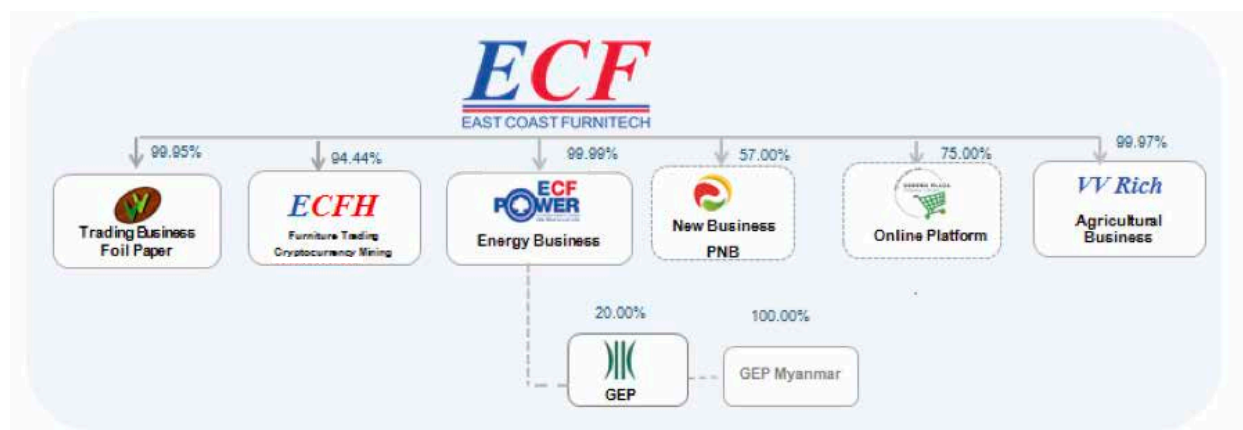
operation of a 7.5 MW-sized biomass power plant located at Waeng District, Narathiwat Province, and a 1 MW-sized Biomass Gasification Power Plant Project located at Long District, Phrae Province. However, the Company sold all of SAFE's shares at the selling price of 233.9 million Baht, and the transaction was completely closed on the past 24 December 2020.

For Planet Board Company Limited (PNB) as a subsidiary recently registered for the company establishment in the proportion of the Company's shareholding of 57%, presently, PNB has delayed its investment in the MDF manufacturer and distributor project because the wood cost has been increased and a demand of wood quantity for using woods in production of biomass power plant project group in the area has been under consideration for procurement for investment in the project. These factors have significantly affected the return-on-investment figures that have previously been considered, and the COVID-19 situation at this moment. Therefore, the management and PNB team have still been considering to find an optimal solution for the feasibility of PNB business operation continuity. At present, PNB has not yet had the commercial revenue.

In addition, Somewa Plaza Company Limited as a subsidiary registered for the company establishment on 14 June 2021 with the proportion of the Company's shareholding of 75% to operate the business of online platform that will be further used as online distribution channel of furniture products in the future. The platform has currently been in the process of development and has not yet had the commercial revenue. However, it has been anticipated that the platform development will be completed and can generate the commercial revenue for the Company within Q2 of this 2022.

In the past 2021, the Board of Directors' Meeting resolved to approve the establishment registration of one more subsidiary. Later, on February 2022, the said subsidiary, V.V. Rich Company Limited, with the Company's shareholding proportion of 99.97%, completely registered for the company establishment with Department of Business Development. The establishment objective is to operate the agricultural crop cultivation and distribution business. At present, the company has not yet had the commercial revenue.

Current Shareholding Structure and Business Operation Chart



PERFORMANCE

Revenue from Sales

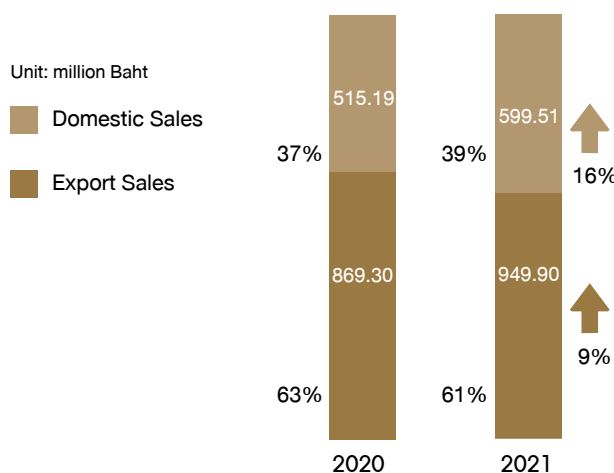
In the year of 2019, 2020, and 2021, the Company's revenue from sales was 1,254.18 million Baht, 1,384.49 million Baht, and 1,549.41 million Baht, respectively, being classified into revenue from domestic and foreign sales for the period of 2021 in the proportion of 39% and 61%, respectively.

The revenue from sales of the Company Group increased by 11.91% significantly caused by the growth of revenue from distribution of the Company Group's furniture products. The growth was derived from export of around 9%, and from domestic sales of around 16% or in the value of revenue from sales for export and domestic sales of 949.90 million Baht and 599.51 million Baht, respectively.

The growth of the domestic distribution channel of products in the year of 2021 indicated more growth than export due to the commencement of recovery on domestic economy and people confidence after the COVID-19 pandemic situation of which the manageable signal has been initiated, resulting in the recovery of the Company's furniture product demand again. The said growth has been the growth from the second key distribution channel that is the distribution through Hypermarket, such as Home Pro, Lotus, Big C, Mega Home, Do Home, Global House, etc., including the product distribution through retail stores and wholesale stores in nationwide, which has been increased when compared with the same period of the previous year.

For the export of product for foreign distribution, it indicated the significant growth from the group of customers in India and USA with growth rate of 70.46% and 50.33%, respectively. The said growth has been in line with the Thailand's direction of export overview. In last year of 2021, the products in the group of furniture products were exported in the value of 510.02 million USD, and at the growth rate of 17.59%.

Comparative Information of Revenue from Export and Domestic Sales between 2020 and 2021



Share of Profit from the Investments in Solar Power Plant and Biomass Power Plant Businesses

In the year of 2019, 2020, and 2021, the Company's share of profit from the investments in associates was 10.76 million Baht, 35.14 million Baht, and 32.42 million Baht.

The said share of profit was derived from the investment of ECF Power Company Limited ("ECF-Power") as the subsidiary whose shares are held by the Company in the proportion of 99.99%, whereas ECF-Power recognized share of profit and loss from the investments in the following companies.

1. Safe Energy Holdings Company Limited ("SAFE"), which has been invested by ECF Power Company Limited ("ECF-Power") as the subsidiary that has been invested by the Company for 99.99%. ECF-Power has invested in SAFE in proportion of 33.37%. In the past until the end of 2020, the Company had recognized the operating result of

Biomass Power Plant Project with 7.5 MW capacity of Prize of Wood Green Energy Company Limited (“PWGE”) in Narathiwat Province. The Company has recognized profit based on the investment proportion from Q3/2017 to the end of 2020. SAFE has invested in PWGE in a proportion of 99.99% and Biomass Gasification Power Plant Project with 1 MW capacity of Safe Energy (Phrae) Company Limited in Phrae Province, was in the proportion of 49%.

2. Green Earth Power (Thailand) Company Limited (“GEP”) operates the business of solar power plant with 220 MW capacity in Minbu City, Myanmar, which has been invested by ECF-Power as the subsidiary in the proportion of 20%. At present, the revenue has been recognized from the commercial operation of the Project, Phase 1 with the capacity of 50 MW from total of 220 MW. There have been the remaining projects that must be constructed for additional 170 MW in another 3 phases.

After the Company entered the plan to dispose SAFE’s investment since the beginning of Q1/2020, the use of the equity method for measuring the investments has been discontinued, and the value of such investments has been non-current assets held for sale. As appeared in the statement of financial position according to the Company’s consolidated financial statements as at 31 March 2020. On the past 24 December 2020, the Company disposed all ordinary shares of SAFE held by the Company in the proportion of 33.37% in the value of 233.9 million Baht and the trading was completely closed on the same day. As a result, the Company will no longer have a share of profit from the investments of SAFE investment; therefore, the transactions of profit sharing from the investments in associates throughout 2020 until present will be a share of profit from the projects of solar power plant invested in GEP by the Company.

In the year of 2021, the transaction of the said share slightly decreased when compared with the period of 2020 due to GEP’s recognition of the personnel expense for preparing the construction of the remaining phases of power plant project. At this moment, the construction of Phase 2 with a capacity of 50 MW has been in process. In addition, the transaction of the expense relating to coordination and acquisition of source of loans for using in the project increased.

The value of other incomes generated in 2019, 2020, and 2021 was 36.41 million Baht, 30.58 million Baht and 42.78 million Baht, respectively. Other significant incomes of the Company for 2021 consist of revenue from sales of production scraps and supplies being increased from 11.99 million Baht in 2020 to 28.64 million Baht in 2021 due to discharge of production scrap supplies, and increase in the quantity of scrap supplies from the increasing production quantity of furniture. For the year of 2021, the transaction of gain on sales of non-current assets held for sales (gain on the transaction of disposal of investments in SAFE in the value of 6.17 million Baht) occurred in the year of 2020, and gain on the sales of fixed assets in the value of 7.15 million Baht occurred in the past 2019, were inapparent.

In addition, in the period of 2021, from Thai Baht depreciation situation in accompany with the realization of most of the Company’s revenues generated from export of products for foreign sales in USD currency, resulting in the significant increase in gain on exchange rate in the value of 8.62 million Baht when compared with the period of 2019 and 2020, that earned profit from on exchange rate of 0.34 million Baht and 0.56 million Baht, respectively.

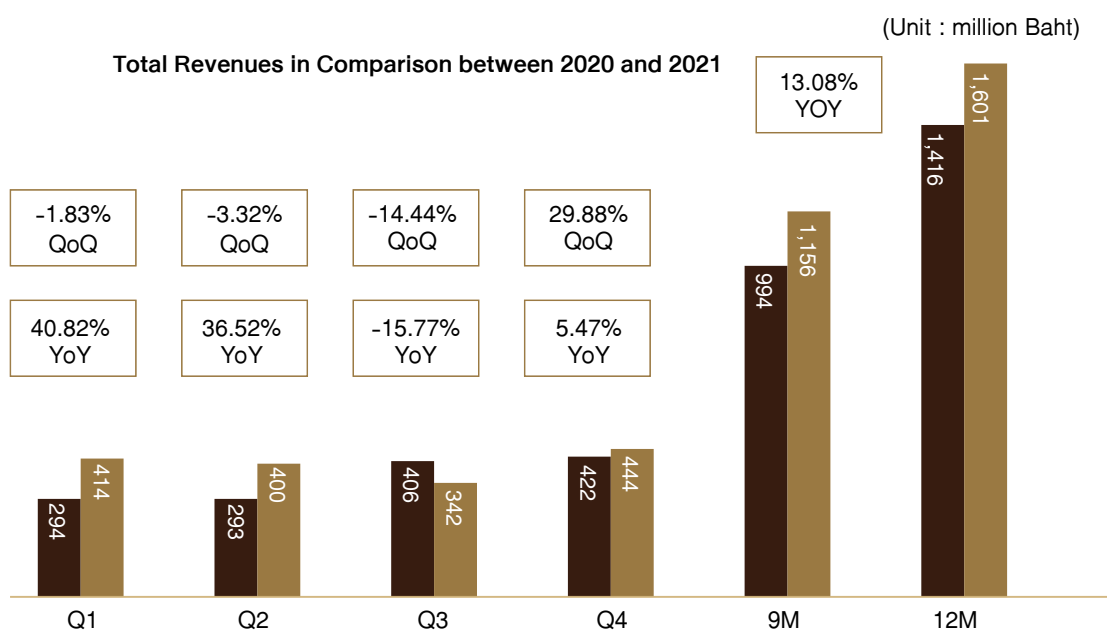
In the period of 2019, 2020, and 2021, the Company’s total revenues were 1,290.94 million Baht, 1,415.63 million Baht, and 1,600.80 million Baht, respectively. For 2021 when compared with 2020, the significant reason of growth rate at 13.08% was mainly due to the growth of revenue from sales both in part of export and domestic sales, indicating the good commencement of the improving trend of business operation under the COVID-19 situation from the past period of 2020.

If considering on the quarterly revenue value occurred, it was seen that in the year of 2021, the Company has been severely affected from the COVID-19 pandemic in the period of Q3, resulting in a reduction of total revenues for 15.77% when compared with the same period of the previous year, a reduction for 14.44% when compared with Q2 of the same year. The said reduced revenue from sales was significantly caused by the location of the plant or head office of the

Company where it has been in the highest controlled and strict area at that time pursuant to the government sector's measures, causing the time limit for prohibiting the people to go out homestead in nighttime or curfew, resulting in the Company's reduction of product manufacturing period, and reduction of loading period for product delivery. Despite of a large number of the incoming purchase orders with the Company in the past period in accompany with the domestic lockdown measure from July to October, it has resulted in the failure of hypermarket that is the Company's domestic key customer to sell the products. In addition, the opening-closing time has been limited in the past period, resulting in a decrease in sales volume of products not on the setting target. The occurrence of labour shortage problem due to the location of plant in the highest and strict controlled area has affected production capacity. However, the current situation can be fully and completely opened for manufacturing at full production capacity as usual.

However, during 2021, the Company could create high growth of revenues in the period of Q1 and Q2, and the recovery of the situation in the period of Q4 has been commenced again from the increased purchase orders. As a result, in the overview of total revenues for the year of 2021, the Company could create growth and meet the setting target of growth at the rate of not below 10 - 15% per annum.

If it is the normal period of the Company's business, it will be seen that revenue from sales will be in the reducing period of Q2 and Q3, and it will return to be highly increased again in the period of Q4 and Q1 that are the normal periods of the sales season of products.



Cost of Sales and Expenses

In the year of 2019, 2020, and 2021, the Company's ratios for cost of sales to revenues from sales was 67.90%, 77.81%, and 79.84%, respectively, or in the value of cost of sales of 851.54 million Baht, 1,077.23 million Baht, and 1,237.05 million Baht, respectively.

From the period of 2020 to 2021, the Company's proportion of cost of sales was increased due to the increased labour cost during the COVID-19 period from the failure to employ the alien labour for adding the production shifts, resulting in the requirement of increase in overtime wage payment based on the existing number of workers while more orders were placed to the Company. In addition, the said increase of cost of sales was also due to the improvement of long outstanding goods in process to be used as the products that can be distributed again, resulting in the increase in cost of labour and raw materials since the past period of Q2. Although this brought about the Company's production at higher cost of sales, but the said policy

will ultimately contribute to the increase in cash flow liquidity for the Company. In addition, it was also due to the increase in prices of goods by the group of manufacturers of goods used by the Company as raw materials in manufacture of furniture since the ending period of Q4/2020 onwards. However, the situation of raw material prices has begun to be improved. The Company has begun to have a decreasing proportion of cost of sales since the period of Q3/2021, partly due to the commencement of the improved situation of the increase of price and cost of raw materials.

Even part of the increase of cost of sales has been derived from the increased cost of raw materials, which is the uncontrollable external factor, however, to cope with the said problem, the Company has invented the method for adjusting the product styles, production method for reducing the consumption of woods or raw materials in manufacturing or enabling to use the remaining raw materials for manufacturing other products in order to find the way to reduce the said impact, and create the solution guideline for the occurrence of business sustainability.

In addition, the Company has also focused on the adaptation policy for the continuous reduction of the proportion of cost of sales, including the investment to purchase Semi-Automatic Machine in order to enhance the efficiency in the production process of particle board furniture and lesser reliance on manpower. Since the ending period of 2020 to 2021, the Company has still continued to plan for machine purchase in the production lines. Another important policy is the control of costs and expenses in the production process by considering every point of expenses in order to seek for the ways to reduce and control costs for benefit maximization. It has been expected to result in a lower proportion of cost of sales, especially, after elapsing the Covid-19 pandemic period.

The Company's ratios for cost of distribution to total revenues in 2019, 2020 and 2021 were 5.80%, 4.35% and 3.89%, respectively, or in the value of 78.42 million Baht, 61.61 million Baht, and 62.21 million Baht, respectively. The said ratios were decreased due to the strategy to adjust the distribution channels for products that generate fixed expenses and not worth to the revenue reduced from before, such as cancelling the ELEGA showroom since the past ending period of 2019, and adjusting the selling styles and managing the new group of customers in type of dealers (wholesale stores and retailer stores) in nationwide. In overview, even the Company can generate revenue from sales in the group of domestic customers to be grown over 16% or in the growth value of 84.32 million Baht when compared with the period of 2020, but the direction of the ratio of cost of distribution has been reduced when compared with total revenues occurred.

The ratios for administrative expenses to total revenues transactions occurred in 2019, 2020 and 2021 were 14.22%, 9.48%, and 8.37%, respectively, or in the value of 185.53 million Baht, 134.23 million Baht, and 133.97 million Baht, respectively. The ratio of administrative expenses was also reduced from before, as the result of the expense control policy from the adjustment of new distribution channel strategy for the reduction of costs and expenses. In the past, the products were sold through ELEGA showrooms and at present, the distribution through the said channel was cancelled. In addition, the management plan for selling the products through dealers (wholesale stores and retail stores) in nationwide has been adjusted.

Other expenses of 18.13 million Baht incurred in the period of 2020 was the transaction recognized as expenses of a subsidiary and incurred for just one time, and inapparent in the transaction in the said nature for the period of 2021.

In 2020, ECF Power Company Limited (ECF-Power) entered the plan to sell the joint venture investments to a joint venture party by entering into the purchase-sale contract with another joint venture party at the selling price of around 222.9 million Baht. The value of investments based on the equity method amounted to around 227.7 million Baht, which is less than fair value deducted with cost of selling the investments in the amount of around 4.8 million Baht. Therefore, the Company Group recognized the said loss and presented the transaction as part of "other expense" in consolidated statement of comprehensive income for the year as at 31 December 2020. Later, the said selling plan has been negotiated to increase selling price to be 233.9 million Baht, and gain on sales was around 6.2 million Baht. The aforementioned selling plan has been completed on December 2020.

In addition, in 2020, Planet Board Company Limited (“PNB”) has initiated the concept to possibly delay the investment in the production and distribution project for MDF board, and the Company’s Management has been in the consideration process of new projects that are suitable for investment instead. For fixed asset transaction of PNB, part of them amounted to around 18.1 million Baht, and therefore, they have not be further used and amortized as expense (already approved by the Company’s directors). The said transactions are presented as part of “other expenses” in consolidated statement of comprehensive income for the year ended 31 December 2020 due to PNB’s non-business operation and the past complete a amortization of asset as expense. Thus, the transaction of amortization as expense occurred during 2021 was inapparent at all. The income that was apparent in the year of 2021 was generated from the interest income from lending, and expense incurred from hiring the auditor for preparing financial statements and tax paid as the transaction of key expenses.

The ratios for financial cost to total revenues in 2019, 2020, and 2021 were 8.94%, 9.39%, and 8.43%, or in the value of 115.43 million Baht, 132.92 million Baht, and 134.92 million Baht, respectively. Even the value of the said financial cost was increased from before, but when compared with total revenues of the Company, the ratio of total revenues was commenced to be decreased from before, and this was consistent with the Company’s policy to seek for the guideline for the continuous reduction of financial cost. The said financial cost was caused by financing short-term and long-term loans from financial institutions, and issuance of financial instruments through debentures, etc. As at 31 December 2021, the Company has had the ratio of loans from financial institutions to interest-bearing debts at 46.29%, which is the highest ratio for financing the source of loans or in the value of 948.60 million Baht; the ratio of issuance of debt instruments to interest-bearing debts at 41.43%, or in the value of 842.70 million Baht; and the ratio of other interest-bearing liabilities to interest-bearing debts at 12.58%, respectively.

Gross Profit Margin and Net Profit Margin

The Company’s gross profit margins in the period of 2019, 2020 and 2021 were estimated in the ratios of gross profit to revenues from sales at 32.10%, 22.19%, and 20.16%, respectively, or in gross profit value of 402.64 million Baht, 307.26 million Baht, and 312.36 million Baht, respectively.

The cause of lower gross profit was an increase in cost of sales as described above in the topic of the transactions of cost of sales and expenses.

Upon considering on net profit margin of the Company, it was found the Company’s net profit margin in 2019, 2020, and 2021 were 5.33%, 2.24%, and 3.18%. or in net profit value of 68.87 million Baht, 31.65 million Baht, and 50.92 million Baht, respectively. The net profit for the period of 2021 was classified into the parent company’s equity of 50.85 million Baht and non-controlling interest’s equity of 0.07 million Baht. The profit attributable to the parent company was increased by 23.54% when compared to the same period of the previous year, significantly due to the increasing cost of sales of furniture products both in part of foreign and overseas customers.

In the year of 2020, the Company obtained gain on sales of right of claim on accounts receivables and right on brand for Costa brand, where the brand was sold under the resolution of the Board of Directors in the period of March 2020 to approve the Company to sell a portion of accounts receivables arisen from the sales of products through retail stores and wholesale stores of furniture products in nationwide, and the sales of right on related brand to a non-related company who operates the trading business of construction materials and home decorations with the selling price of 55 million Baht. The gain on the said sales of approximately 18.8 million Baht was generated as the payment of the loyalty of the related brand. The Company transferred the control over the right to receive payment from accounts receivables and right on brand to the buyer. This gain is considered as a less frequent transaction in the past year of 2020.

Total comprehensive profit margin for the period of the Company indicated 5.07%, 1.25%, and 5.86% or in total comprehensive profit margin for the period at 65.44 million Baht, 17.70 million Baht, and 93.88 million Baht, respectively, in the period of 2019, 2020, and 2021.

Total comprehensive income for the year of 2021 was classified into the parent company's equity of 93.81 million Baht and non-controlling interest's equity of 0.07 million Baht. The significant increase in total comprehensive income for the period from the period of previous year was due to an increase in the transaction of share of other comprehensive income from the associates from -13.95 million Baht in 2020, increasing to be 44.33 million Baht in 2021, partly due to the exchange rate depreciation from the transaction of investments in associates of which the investments have been paid by the Company in USD currency. As at 31 December 2021, the Company has had the value of the said investments in form of Thai Baht value at 823.87 million Baht.

In addition, in the period of 2021, the Company could generate cash flows from operating activities were 128.22 million Baht, decreasing when compared with the previous year with the value of 153.58 million Baht, significantly due to an increase in trade receivables value from a large number of incoming purchase orders in the past period in accompany with the Company's relief of the conditions for some trade debtors that have countered with illiquidity problem under the COVID-19 situation. However, the Company establishes the close collection measures, and it has expected that trade receivables value will start adjusting towards a normal situation after the commencement on alleviation of the COVID-19 situation and return of purchasing powers again.

In part of using cash flows from investing activities in last year of 2021, cash flows were used for 285.49 million Baht when compared with the previous year of 4.49 million Baht, due to an increase in use of cash for plant and equipment by 149.50 million Baht in order to support the expansion of production capacity inside the plant based on the additional purchase orders, an increase in the transaction of investments in associates by 75 million Baht, and repayment of short-term loans by 90 million Baht.

In the aspect of net financing and using in financing for approximately 7.5 million Baht, the whole transaction of borrowing occurred in overview, while repaying loans and redeeming debentures.

The Company's cash as at the ending date of 2021 was 22.41 million Baht, decreasing from the ending date of 2020 with the said value of 187.14 million Baht because in 2020, the Company's cash used in investing activities was just 4.49 million Baht when compared with the occurrence in the year of 2021 for 285.49 million Baht as described above.

FINANCIAL POSITION ANALYSIS

Assets

Non-Current Assets

As at 31 December 2019, 2020, and 2021, the Company's current assets were 1,837.49 million Baht, 2,035.77 million Baht, and 2,020.63 million Baht, respectively, as per the details in each of the following significant transactions.

- Cash and cash equivalents as at 31 December 2019, 2020, and 2021, were valued at 84.06 million Baht, 187.14 million Baht, and 22.41 million Baht or in the ratio to total assets at 2.51%, 5.28%, and 0.60%, respectively.
- Accounts receivables - net as of 31 December 2019, 2020, and 2021, were valued at 283.32 million baht, 331.31 million Baht, and 454.42 million Baht, or in the ratio to total assets at 8.46%, 9.34%, and 12.09%, respectively. Accounts receivables were increased, partly due to the Company's alleviation on term of payment for some customers from the group of domestic customers because of encounter with illiquidity in the period of the COVID-19 situation, and the Company's receipt of the additional purchase orders from the group of overseas customers, and commencement of granting credit term for some overseas customers. The Company establishes the close collection measures and it has anticipated that the situation of trade receivables will begin to be recovered again after the improvement of the COVID-19 situation.

If considering from the collection period, it indicated a reduction of the number of collection days from the period of 2019, with average collection period of 91.81 days, to be remained for 83.59 days in the period of 2020, due to the use of the debt collection policy, particularly from the group of customers in type of retail stores and wholesale stores of furniture (Dealer) on stricter basis. It is an attempt to reduce the debt collection period to be less than before. In addition, in the past year, the Company has restated the marketing strategy in order to reduce expenses in the transition period, resulting in a decrease in the Company's revenue from distribution in the group of Dealers from before, causing a decrease in trade receivables value, and the Company's ability to reduce expenses from before. After adjusting the policy in the period of 2020, the Company has begun to receive the additional purchase orders from the group of Dealers customers again, causing the commencement of appearing the additional trade receivables value in the period of 2020, and the commencement of recovering to be increased in the period of 2021 with average collection period at 93.86 days due to the reason as described under the COVID-19 situation.

In overview, the Company's trade receivables value increased and decreased according to the increase or decrease of revenue from sales particularly sales volume from the group of retail stores and wholesale stores of furniture (Dealer). According to the behavior of this group of customers, it takes a quite long collection period. In addition, some overseas customers have begun to negotiate for requesting credit term due to the increasing placement of total purchase orders with the Company, and delivery of advance purchase orders. However, the Company has considerably realized on the guideline for mitigating the collection risk in the group of Dealer customers under the planning of sales team and the accounting team for close collection of the said debts.

As at 31 December 2021, the Company's transactions of trade receivables - net were 454.42 million Baht, being classified into trade receivables - related companies for 8.44 million Baht derived from sales of furniture and foil paper to be used in manufacturing furniture for 27.35 million Baht for the related companies consisting of Index Interfurn Company Limited and Index Living Mall Public Company Limited, that are the companies whose director is the spouse of Mr. Arak Suksawad who holds the position of shareholder, director, authorized signatory director and executive of the Company and trade receivables - other companies for 445.98 million Baht. The value of most trade receivables both in part of the related companies and other companies at 60.71% of total trade receivables after deducting allowance for doubtful accounts are in the group of undue trade receivables. At present, the customers considered by the Company to be granted for credit term are hypermarket or large-scale retail store customers. In the past, there has no problem of debt collection with the said group of customers. For the group of dealer customers that are the group of retail stores and wholesale stores in nationwide, the Company will plan and closely monitor the debt collection and payment. For overseas customers, term of payment determined by the Company for most of them is L/C at sight or Telegraphic Transfer (T/T) prior to shipment date. Therefore, no problem of debt payment has been happened. However, under the COVID-19 situation, some overseas customers that have placed a large number of incoming purchase orders of products and advance purchase orders have requested the Company to consider the longer credit term, and the Company will closely consider the impact from the said policy.

**The details of the information of outstanding receivable aging
as at 31 December 2020 and as at 31 December 2021 are as follows.**

Value of Trade Receivables				
Related Companies	As at 31 December 2020		As at 31 December 2021	
Undue	4.38	58.03%	6.79	80.47%
Outstanding				
- Not over 3 months	3.16	41.85%	1.65	19.53%
- Over 12 months	0.01	0.12%	0.00	0.00%
Total Trade Receivables	7.55	100.00%	8.44	100.00%

Value of Trade Receivables				
Other Companies – Net	As at 31 December 2020		As at 31 December 2021	
Undue	230.67	71.25%	263.95	59.18%
Outstanding				
- Not over 3 months	47.05	14.53%	79.37	17.80%
- During 3 – 6 months	16.23	5.01%	17.79	3.99%
- During 6 – 12 months	24.76	7.65%	90.90	20.38%
- Over 12 months	9.90	3.06%	11.31	2.54%
Total Trade Receivables	328.61	101.50%	463.32	103.89%
<i>Less Allowance for impairment from expected credit loss</i>	(4.86)	(1.50%)	(17.34)	(3.89%)
Total Trade Receivables	323.75	100.00%	445.98	100.00%

From the said table, if considering by comparing the information of outstanding receivable aging of other companies – net, it indicated that as at 31 December 2021, the Company's ratio of outstanding receivables in the aging period from not over 3 months to during 6 – 12 months was estimated in the value of 188.06 million Baht, increasing from as at 31 December 2020 with the value of 88.04 million Baht due to the additional sales volume quantity, credit term granting consideration, relief on term of payment for some customers under the COVID-19 situation. However, the Company has deemed that the collection period can be managed without cause of the significant risk to the Company.

However, the Company has established the policy of allowance for doubtful accounts by considering the statistical data related to the past debt collection records from the customers, that is appropriate for the Company's business operation. The policy is established to monitor all payments of trade receivables within the granted credit terms as follows:

Receivables Counted from Due Date of Payment	Reserve Establishment Rate of Doubtful Accounts of Total Net Receivables Balance
From 12 months and more	100% (particularly the receivables with an uncollectible indication)
From 24 months and more	100%

The Company has currently granted the credit term for each type of customers that place the orders of furniture and other products from the Company in case of considering according to the policy and the number of days of which incoming money will be received by the Company as per the following details.

1. Group of Export Customers on the condition of L/C at sight 30 – 45 days
2. Group of Export Customers on the condition of L/C term 60 days
3. Group of Domestic Customers – Large-Scale Retail Stores (Hypermarket) for 90 days
4. Group of Domestic Customers – Wholesale Stores and Retail Stores in Nationwide (Dealer) for 90 – 120 days

From the said outstanding receivable aging, the group of receivables of other companies has mostly been group of domestic customers consisting of the group of large-scale retail stores, including wholesale stores, and retail stores in nationwide (Dealer), with trade receivable aging covering during 3 – 6 months, and during 6 – 12 months.

If considering the maximum granting period of credit term pursuant to the Company's policy for 120 days or 4 months, if the group of outstanding receivable aging is within the scope of over 4 months or over credit scheduled by the Company,

and then considering from the outstanding receivable aging table, it is in the group of during 3 - 6 months and during 6 - 12 months. The Company will continuously monitor the collection particularly in the dealer group. The customers in this group are the group of customers with continuous trading with the Company for long time. However, under the COVID-19 situation, the liquidity and financial position of some customers in this group of the Company have been affected, causing the delay of payment. In addition, some customers have negotiated to request for the debt installments with the Company, whereas the Company has foreseen and understood the occurred situation. Moreover, the group of customers in this part has also ordered the products on a continuous basis, resulting in accumulated amount. In this part, the related work unit of the Company will take into account on case by case basis. The Company has needed to stop trading with some customers in order to wait for the payment of proper installment amount in the outstanding portion and therefore, the Company will allow the ordering of products in next lots accordingly.

For the transactions of trade receivables with aging over 12 months, most of them have also been trade receivables due to the group of customers in type of Dealer. The Company has currently been in the process of the written collection and in the process of legal proceedings against some customers. The value of trade receivables over 12 months as at 31 December 2021 was 11.31 million Baht. The Company has already considered setting allowance for doubtful accounts for 100% pursuant to the Company's policy.

In addition, if considering the comparison between the established policy and the actual collectibility of debt by examining from average collection period ratio in the period of 2019, 2020, and 2021 at 91.81 days, 83.59 days, and 93.86 days, respectively, it indicated that the ratio has been in the worry free level or the problem of contingent debt collection in the future at all.

As at 31 December 2021, the Company discounted, under factoring, its trade receivables of approximately 83.9 million Baht with three domestic financial institutions within total credit facility of 150 million Baht. As at 31 December 2021, the financial institutions that support credit facility are entitled to recourse for approximate amount of 77.6 million Baht (which is the amount waiting for collection from discounted accounts receivable of the Company under factoring with financial institutions). It was presented as liability in the transaction of "Payable from sale of trade receivable claims" in request of factoring-type credit facility support. It is unnecessary for the Company to acquire assets as collateral of this type of credit facility. This will be beneficial for the Company in respect of non-obligation of collateral used as guarantee and strengthening financial liquidity for the Company in another form.

- **The value of other installment receivables** as at 31 December 2019 and 2020, and as at 31 December 2021 consisted of both current portion and remaining portion for 58.30 million Baht, 33.33 million Baht, and 17.86 million Baht. In the year of 2021, total amount has been in the current portion.

The said transaction of other installment receivables due to loans to other parties that transferred the sales of right as other installment receivables. This account has previously been loans to Inter Fareast Energy Corporation Public Company Limited ("IFEC") for 50 million Baht of which interest is charged at the rate of 6.25% per annum, with collateral as ordinary shares of a subsidiary of IFEC and in the form of deposit for feasibility study of the investment in 1 MW capacity solar power plant project of CR Solar Company Limited ("CRS"), where is located at Thoen District, Lampang Province. CRS is a subsidiary of IFEC. However, IFEC and CRS have signed in the Memorandum of Understanding on 22 December 2017 in order to prescribe the lending conditions and the related interest receivable can be used as deposit to be the part of the payment of takeover and sale of entity price in the future if the feasibility study result of the project is satisfactory, and the Company makes decision on investment. However, the said loans are also charged with interest until all conditions are met according to the said Memorandum of Understanding, whereas the Company and IFEC have mutually negotiated and agreed to extend the due diligence of the entity period to be within 30 November 2019, and extend the entry period of the agreement for takeover and sale of the entity to be within 31 December 2019.

However, due to non-completion of due diligence of CRS entity and failure to estimation of completion schedule, the Board of Directors' Meeting held on 24 December 2019 resolved the approval that the Company shall dispose the right of claim on the above loan contract including the pledge agreement of collateral, and the related memorandum of understanding to (1) a non-related person who is the shareholder of the subsidiary and the director of the subsidiary of the Company, and (2) the partial major shareholders and directors of the Company in the proportion of 2/3 and 1/3, respectively, of total outstanding loans including interest as at 24 December 2019 (in total of approximately 58.30 million Baht) as the part of (1) total of approximately 38.87 million Baht, and (2) total of approximately 19.43 million Baht, which is the disposal to (1) and (2) and gradually paid for seven installments at six months per one installment starting from December 2019. In part of (1) and (2), the approximate amount of each installment is 5.55 million Baht and 2.78 million Baht, respectively. However, the Company has estimated interest from the said installments for (1) and (2) at the rate of 6% per annum, from 24 December 2019 onwards. The Company has had no right on the outstanding claim and contracts with IFEC, and has not intended to carry out the due diligence of the entity, and takeover and sale of the entity with CRS anymore.

As at 31 December 2021, the amount of "other installment receivables", total amount of the portion of which the Company will be paid within one year from (1) and (2) was approximately 11.91 million Baht and 5.95 million Baht, respectively, and no portion of overdue payment over one year was remained. It was meant that total value of the transaction of other installment receivables as at 31 December 2021 was 17.86 million Baht, continuously decreasing from 31 December 2020, with total value of installment receivables for 33.33 million Baht. The term of installment will be arisen every 6 months, whereas the next payment cycles are on 31 December 2021, 30 June 2022, and 31 December 2022.

According to the guideline for considering the policy for setting allowance for doubtful accounts of the transaction of installment receivables, the Management has currently considered that there has been no trend of the said uncollectible signal or risk from (1) and (2). The Company has continuously monitored all the time. Both of them are regarded as the intimates as the directors and shareholders of the Company and its subsidiaries.

- **Inventories - net** as at 31 December 2019, 2020 and 2021, were 1,379.37 million Baht and 1,370.21 million Baht, and 1,314.47 million Baht, in ratio to total assets at 41.20%, 38.65%, and 34.99%, respectively.

The Company's inventories are raw materials prepared for use in manufacturing, goods in process, and finished goods stored as stock for distribution, and furniture imported from foreign country and ordered within the country for distribution. During a lot of orders placed by many customers with the Company, it affected the stock requirement for goods in preparation for delivery based on the increasing purchase orders accordingly. If considering from the past, it indicated the increase in inventory value based on the continuous increase in sales quantity. According to such increasing sales quantity, it is necessary for the Company to plan for ordering raw materials and storing inventory stocks to be sufficient for the requirement quantity and preventing the shortage problem of raw materials used in manufacturing for distribution to customers.

In manufacture and distribution for made to order overseas customers and domestic modern trade customer group, most of them are manufacture of goods in type of particle board furniture under the Company's condition of requirement to manufacture finished goods for storing the stock to be waiting for delivery. Overseas and Hypermarket customers will inform the delivery quantity of finished goods manufactured by the Company and being waiting on a periodic basis. It is necessary for the Company to have the sufficient stock of goods and control the punctual delivery of goods. In last 2021, the Company's inventory value was mostly been goods in process in the proportion of 49.91% of inventory value - net or value of 656.02 million Baht, decreasing from 31 December 2020 with value of 682.74 million Baht. Normally, the period from the year-end period to Q1 of each year is the period of which the Company

has been manufacturing goods for supporting the delivery based on purchase orders of the group of overseas customers and domestic Hypermarket customers. The secondary inventory value was the group of finished goods in the proportion of 40.58% of inventory value - net or value of 533.37 million Baht, decreasing from as at 31 December 31, 2020 with value of 549.27 million Baht.

It could be seen that the Company has tended to improve the stock management, whereas the value has been decreased even though revenue from sales could be increasingly generated in last year of 2021.

If considering average inventory period (being calculated by using inventory - group of finished goods excluding goods in process, goods in transit, and raw materials used in manufacturing) during 2019, 2020, and 2021, it indicated that the Company's average inventory period was 150.87 days, 155.65 days, and 157.53 days, respectively. If considering the overview of average inventory period from the period since 2019, it indicated that the number of days has been manageable, without cause of the significant change while the Company has generated higher revenue from sales.

At present, under the inventory-related policies, the Company has established the policy for the allowance for obsolete goods. The Company has started using the policy for setting the allowance for obsolete and slow-moving goods by considering the goods with life over 3 years and more, goods condition and past experiences. The allowance for obsolete and slow-moving goods value was estimated at 5% of the value of goods to be received. If the goods are remained in stock for longer than four years and more, the allowance for obsolete goods will be set at 50% of the value goods to be received. Moreover, the Company's goods are also classified into finished goods warehouse waiting for consideration or goods waiting for classification or categorization of goods grades by setting allowance for obsolete goods for 20% of value of goods to be received.

Throughout the past period, the Company has focused on execution according to the policy for continuous inspecting and monitoring the movement of inventories. If they are the slow-moving goods or remained portion from delivery, the Company will solve the problem by organizing sales promotion program as the channel of goods release. As at 31 December 2021, the Company has set allowance for devaluation of inventory value for 6.32 million Baht.

The Company's 2022 inventory management plan is as follows:

1. The Company reviews in-process goods that are in stock for a long time or slow moving, and quickly apply it to certain models of domestic products as a channel of goods release. This has been expected to be gradually decreased in 2022.
2. The Company considers finished goods and in-process goods that are in stock for a long time in order to review the policy of setting reserve for obsolete products in which the policy will be revised in 2022.
3. The Company reduces the ordering and circulates in-process goods in order to increase liquidity and reduce the value of inventories.
4. The Company drives sales volume through a subsidiary, ECF-Holdings, to enable to sell more products to the dealer group.

Non-Current Assets

As at 31 December 2019, 2020, and 2021, the Company's value of non-current assets was 1,510.83 million Baht, 1,508.96 million Baht, and 1,735.57 million Baht, respectively, as per the following detail of each important transactions.

- The net investments in associates recorded by equity method as at 31 December 2019, 2020, and 2021 were 584.10 million Baht, 672.12 million Baht, and 823.87 million Baht, or in the proportion of total assets at 17.44%, 18.96%, and 21.93%, respectively. The value of investments in associates as at 31 December 2021 for 823.87 million Baht was

the transaction of investments in Green Earth Power (Thailand) Company Limited (“GEP”) after the Company has disposed the investments in SAFE at the selling price of 233.88 million Baht to the buyer since last 24 December 2020.

- The value of property, plant, and equipment - net as at 31 December 2019, 2020, and 2021 was 481.89 million Baht, 521.51 million Baht, and 613.96 million Baht, or in the proportion of total assets by 14.39%, 14.71%, and 16.35%, respectively.

In the period of 2021, the Company’s significant investment included machinery and equipment for 21.82 million Baht, and machinery under installation for 99.02 million Baht in order to increase the furniture production capacity to be consistent with a lot of incoming orders from customers during the year, and to support the additional incoming purchase orders in the future as well.

- According to capital surplus from asset appraisal - net, since 1 January 2020, the Company has changed its accounting policy related to the value presentation of lands, buildings and machinery from revaluation method to be cost method. Therefore, no transaction of capital surplus from asset appraisal was appeared in the comparison of the financial statements between 2019 (revised) and 2020.

Starting from 1 January 2020, the Company has changed its accounting policy related to the value presentation of lands, buildings and machineries from revaluation method to be cost method (being approved by the Board of Directors’ Meeting on 30 March 2020), which can be performed under the Notification of the Federation of Accounting Professions No. 18/2554 dated 12 April 2011, RE: “Accounting for Revaluation”. The main reasons for this change in accounting policy are related to: (1) to make it feasible in practice and eliminate the difficulties and substantial unnecessary costs for closing the account with the same accounting policy of entities in the group; and (2) the Company’s Management deems that the bookkeeping with cost method is consistent with the practices in the same industry and also reflects the Company’s management ability and performance with more clarity and appropriateness than the revaluation method.

- The deposits for investment project feasibility as at 31 December 2018, 2019 and 2020 were 75 million Baht, 100 million Baht and 100 million Baht, or in the proportion to total assets by 2.99%, 2.82%, and 2.66%, respectively, because the Company is studying the feasibility of an investment project involving a biomass power plant in Saga Prefecture, Japan, provided that the refundable deposit amounting 100 million Baht must be paid to the project owner. It is considered as part of process for feasibility study, whereas the Company or the Company Group will recall the said deposit if the final decision is no investment in the project. In 2018 and 2019, the Company paid such deposits for 75 million Baht and 25 million Baht, respectively (100 million Baht in total). However, under the COVID-19 situation proceeded since the period of 2020, it has been the partial reason causing the significant delay to enter for feasibility study, and limitation of overseas travel, etc.
- The advance payment for the purchase of investments as at 31 December 2019, 2020, and 2021 was 95 million Baht, 70 million Baht, and 58 million Baht, or in the proportion to total assets by 2.84%, 1.97%, and 1.54%, respectively, in order to purchase the investments in capital stocks of a domestic company that operates the wind power generation business. The Company has purchased the said investments from a shareholder of that company that is not related to the Company. However, the purchase of above investments was approved by the Board of Directors’ Meeting on 10 September 2019. Nevertheless, the Company is currently and gradually selling it back, which could be seen from a decreasing amount since 2019.

Total Assets

As at 31 December 2019, 2020, and 2021, the Company's total assets were 3,348.31 million Baht, 3,544.72 million Baht, and 3,756.20 million Baht, respectively.

The main reason causing an increase in transactions of total assets from 31 December 2020 by 211.48 million Baht or 5.97% was due to an increase in trade receivables from 31 December 2020 with the value of 331.31 million Baht to be 454.42 million Baht as at 31 December 2021, and the transactions of investments in associates, and the increased value of investment in machineries from 31 December 2020 for 151.75 million Baht, and 92.42 million Baht, respectively.

Liabilities

Current Liabilities

As at 31 December 2019, 2020, and 2021, the Company's current liabilities were 1,676.02 million Baht and 1,673.05 million Baht, and 1,693.65 million Baht, respectively. Throughout the past period, the value of current liabilities did not significantly increase as per the following detail of each important transaction.

- The value of overdraft and short-term borrowings from financial institutions as at 31 December 2019, 2020 and 2021 was 522.48 million Baht, 601.83 million Baht, and 704.97 million Baht, or in the proportion to liabilities and shareholders' equity by 15.60%, 16.98%, and 18.77%, respectively. The overdraft and short-term borrowings from financial institutions were mainly used as a working capital for business operations of the Company
- The trade payables as at 31 December 2019, 2020 and 2021 were 153.08 million Baht, 215.15 million Baht, and 216.72 million Baht, respectively, or in the proportion to liabilities and shareholders' equity by 4.57%, 6.07%, and 5.77%, respectively. The Company's payables value was due to ordering of raw materials for preparing to use in production process to support the purchase orders in part of furniture business, and ordering of finished furniture from the manufacturers both in the country and foreign countries. All the time, the Company's repayment periods for liabilities in 2019, 2020, and 2021 were 72.63 days, 61.53 days, and 62.84 days, respectively. The repayment for liabilities is in accordance with the policy of collection from the Company's trade payables.
- The short-term loans from other parties as at 31 December 2019, 2020, and 2021 were 197.99 million Baht, 210.08 million Baht, and 257.81 million Baht, respectively, or in the proportion to liabilities and shareholders' equity by 5.91%, 5.93%, and 6.86%, respectively. Such transactions occurred as an alternative source of loans for using as working capital limit within the entity.
- The value of debentures due within one year as at 31 December 2019, 2020, and 2021 was 605.69 million Baht, 379.03 million Baht, and 287.42 million Baht, or in the proportion to liabilities and shareholders' equity by 18.09%, 10.69%, and 7.65%, respectively. As at 31 December 2021, the Company has had total debenture obligation for 842.70 million Baht. In the period of 2021, the Company has already repaid the debenture obligation in part that is due on 22 March 2021 for 200 million Baht and on 31 July 2021 for 180.20 million Baht.

As at 31 December 2021, the Company has had the debenture obligation under repayment for 290.55 million Baht, 225 million Baht, and 340 million Baht, with redemption maturity date on 12 June 2022, 29 January 2023, and 8 December 2023, respectively.

- The value of current portion of long-term loans as at 31 December 2019, 2020, and 2021 was 27.63 million Baht, 40.37 million Baht, and 77.01 million Baht, respectively, or in the proportion to liabilities and shareholders' equity by 0.83%, 1.14%, and 2.05%, respectively. As at 31 December 2021, the Company has had long-term loan obligation under repayment for 235.51 million Baht, significantly increasing from 31 December 2020 with value of 85.97 million Baht, due to the management to seek for the guideline for reducing financial cost from before.

Non-Current Liabilities

As at 31 December 2019, 2020, and 2021, the Company's value of non-current liabilities were 430.61 million Baht, 631.89 million Baht, and 735.94 million Baht, respectively, as per the details in the following important transactions.

- The value of debentures-net as at 31 December 2019, 2020, and 2021 was 375.11 million Baht, 571.16 million Baht, and 555.27 million Baht, respectively, or in the proportion to liabilities and shareholders' equity by 11.20%, 16.11%, and 14.78%, respectively.
- The value of long-term loans - net as at 31 December 2019, 2020, and 2021 were 41.83 million Baht, 45.60 million Baht, and 158.50 million Baht, respectively, or in the proportion to liabilities and shareholders' equity by 1.25%, 1.29%, and 4.22%, respectively.

Total Liabilities

As at 31 December 2019, 2020, and 2021, the Company's value of total liabilities was 2,106.63 million Baht, 2,304.94 million Baht, and 2,429.59 million Baht, respectively.

The Company's total liabilities as at 31 December 2021 were 2,429.59 million Baht or in the increased changing value by 124.65 million Baht when compared to 31 December 2020, with value of 2,304.94 million Baht. However, the said increase in total liabilities was due to a main increase in the transactions of outstanding long-term loans with the financial institutions.

However, the Company's debt to equity ratio decreased to be 1.83 times as at 31 December 2021 previously from 1.86 times as at 31 December 2020.

Shareholders' Equity

As at 31 December 2019, 2020, and 2021, the value of the Company's shareholders' equities was 1,241.68 million Baht, 1,239.78 million Baht, and 1,326.61 million Baht, respectively.

The detail of shareholders' equities in important transactions is as follows.

- The issued and called authorized capital as at 31 December 2019 and 2020 was 239.87 million Baht (from authorized capital of 312.46 million Baht), 239.87 million Baht (from authorized capital of 299.16 million Baht), and 239.87 million Baht (from authorized capital of 287.85 million Baht), respectively. As at 31 December 2021, the Company's issued and called authorized capital was 239.87 million Baht, being classified into 959,487,5590 ordinary shares at a par value of 0.25 Baht per share in accordance with consolidated financial statements of the Company or in the proportion to 6.39% to liabilities and shareholders' equity. The remaining authorized capital has been mostly available to support the exercise of the right to transform to be the Company's ordinary shares for Warrants ECF-W4 issued and offered for sale to the existing shareholders, which will be expired on 2 June 2024.
- The Company's premium on shares as at 31 December 2019, 2020, and 2021 was 768.34 million Baht, 768.34 million Baht, and 768.34 million Baht, respectively. From the period of 2021, there was no change in premium on shares, as a result from premium on ordinary shares due to the exercise of right to transform of Warrants issued and offered for sales in the past period at all.
- Retained earnings - unappropriated as at 31 December 2019, 2020, and 2021 were 407.25 million Baht, 430.84 million Baht, and 468.33 million Baht, respectively. As at 31 December 2021, the Company's retained earnings - unappropriated was estimated in the proportion to 12.47 % to liabilities and shareholders' equity. An increasing part of retained earnings - unappropriated as at 31 December 2021 was due to the profit from operations during the year.

Cash Flow for the Year Ended 31 December 2021

Net Cash Flow Received (Used) in Operating Activities

The Company's net cash flow received in operating activities in the year of 2021 was 128.22 million Baht previously from 153.58 million Baht when compared with the same period of the previous year. The important part was resulted from the increase in trade receivables and in the process of collection. In addition, the Company has formulated a measure for closely controlling the increase in trade receivables under the COVID-19 situation. Therefore, the foregoing was the significant reason of the reduction of cash flows from operating activities when compared with the previous year.

Net Cash Flow Received (Used) in Investing Activities

The Company's net cash used in investing activities was -285.49 million Baht due to the use of cash in the important activities in the period of 2021, that are the investment in machinery for expansion of furniture production capacity in order to support the purchase orders of customers for 149.59 million Baht, and cash used as additional investments in an associate (Green Earth Power (Thailand) Co., Ltd.) for a 220 MW solar power plant in Myanmar for 75 million Baht.

Net Cash Flow Received (Used) in Financing Activities

The Company's net cash used in financing activities was 7.46 million Baht. The important transaction was mainly occurred from the redemption of debentures in the past period of 2021 for 670.75 million Baht. Meanwhile, the Company issued the additional debentures for 565 million Baht and had the additional long-term loans for 205.49 million Baht in last year.

For the information relating to the Company's cash cycle management, it was found that in the period of 2021, the Company's average holding period was 157.53 days, average collection period was 93.86 days, and average payment period was 62.84 days, resulting in the Company's Cash Cycle of 188.55 days, increasing from 2020 that had Cash Cycle of 177.71 days. The Cash Cycle is equal to average holding period plus average collection period and deducted with average payment period. The cause of the said increased number of Cash Cycle days was a higher average collection period from 2020 that had average collection period of 83.59 days to be 93.86 days for the period of 2021, partly due to the increase of purchase orders of products in accompany with the negotiation of some of the Company's customers to request for changing payment period because of their encounter with financial liquidity problem during the period of the COVID-19 situation. The Company has taken into account that the said problem has been in the controllable situation, and has been expected to be occurred just in the period of the COVID-19 pandemic only. In addition, the Company has established the close collection measures, and appropriately defined the next ordering quantity or temporary discontinuity of sales to the customers for controlling risks under the case by case basis.

Interest-Bearing Liabilities

As at 31 December 2019, 2020, and 2021, the Company's interest-bearing liabilities were 1,773.24 million Baht, 1,905.86 million Baht, and 2,049.11 million Baht. In the past, interest-bearing liabilities increased based on the requirement of use of cash for investment in the projects, particularly entry to invest in the renewable alternative power plant project in the past period.

Liquidity

The Company's liquidity ratio as at 31 December 2019, 2020, and 2021 was 1.10 times, 1.22 times, and 1.19 times, respectively. Liquidity ratio is derived from the transactions of current assets to current liabilities. If considering the liquidity ratio of the Company, it indicated that the liquidity ratio in the period of 2020 increased from 2019, due to the increase of transactions of cash and cash equivalents while transactions of current liabilities have slightly decreased; and started decreasing in the period of 2021, due to the increase of current liabilities value from transactions of overdraft and short-term borrowings from financial institutions by 103.14 million Baht from as at 31 December 2020. While in the past period of 2021, the transactions of current assets decreased by 15.13 million Baht.

Capital Structure

If considering from interest-bearing liabilities as at 31 December 2021, the Company's ratio of loans from financial institutions, issuance of debt instruments, and other liabilities was 46.29%, 41.13% and 12.58%, respectively.

Debt to Equity Ratio pursuant to the Financial Policy

The Company prescribes the conditions according to the requirements of rights on the rights and duties of the debenture issuers and debenture holders. "Interest Bearing Debt" to "Equity" Ratio shall be maintained at the ratio of not more than 4:1 (four to one) as at the ending date of the quarterly accounting period or the ending date of accounting year. "Debt" means net financial liabilities consisting of interest bearing debt.

The Company's total interest bearing debt to equity ratio as at 31 December 2019, 2020, and 2021 was 1.43 times, 1.54 times, and 1.54 times, respectively. The said ratio was fixed from 31 December 2020 due to the increase of the Company's equity based on the profit from the occurred performance while the increase of interest bearing debt value has been in a similar amount.

Observation from the Auditor for the financial statements ended 31 December 2021

- None -

4.2 FACTORS OR EVENTS POSSIBLY SIGNIFICANTLY AFFECTING FUTURE FINANCIAL POSITION OR OPERATION (FORWARD LOOKING)

The Company is mainly engaged in the manufacture and distribution of particle board, MDF, and rubber wood furniture,. Although in the period of 2020 in continuity to 2021, the Company was significantly affected from the COVID-19 pandemic situation, obviously resulting in the decrease of revenue from sales during the period of Q1/2020, and affected again in the past period of Q3/2021. However, due to the recovery and growth signal of the situation of furniture purchase order placement of the customers, it has resulted in the existing growth of revenues of the Company Group in overview on the setting target for the past year of 2021 despite of the Company's no impact that has affected financial position or performance in the past period. Nevertheless, the Company has also sought for the opportunity to diversify its business risks into new types of businesses in order to mitigate the risk of sole dependence on furniture business. However, in part of furniture business, the Company has still been strong and able to create the competitiveness over its competitors because we can manufacture the products at lower cost prices when compared to the manufacturers from neighboring countries, such as Malaysia and Vietnam, which are considered as the significant competitors of Thailand.

Therefore, in forecasting the factors or events that may affect the Company's financial position or business operations, the Company regards that the establishment of a subsidiary, ECF Power Company Limited ("ECF-Power"), which is an investor in the renewable energy business for solar power plant project at Minbu City, Myanmar, in total installed capacity of 220 MW, invested by ECF-Power through the investment in Green Earth Power (Thailand) Co., Ltd. ("GEP") in the proportion of 20%. At present, the Company has started to recognize the share of profit from the COD of Phase 1 with 50 MW. However, the remaining phases consist of Phase 2 that has been under construction, and Phase 3-4 that have been behind in the future. T The construction of all four phases has been anticipated to be completed within 2022-2023 accordingly.

However, during the construction of the project, the Company may be responsible for financing in part of operating expenses, and investment expenses incurred during the period of no commercial revenue generated for the project. This may affect the Company's financial position or performance during the said period until all four phases of the project will generate revenue from commercial operation.

For the Company's business operation trend that may affect environment, society, and guideline of good corporate governance, the Company has sought for the risk management method in order to create the opportunity and mitigate risks that will affect the profitability, competition, image, reputation, and survival of the organization, by emphasizing from determination of the organizational mission and strategies, and analyzing the risks and key sustainability issues in accompany with the risk management in various levels in order to create confidence for all parties of stakeholders as per the following detail.

Environment

The Company is well aware of the impact from the change in weather atmosphere affecting the procurement of raw materials, for instance, particle board, processed and dried rubber wood, by casting about the method for reducing the usage quantity of woods used in manufacturing, and the manufacturing guideline that will contribute to minimize the loss of woods, as well as the concept of recycle in production process, for example, the Company's usage of recycle paper grade in manufacturing leaflet of the Company's product instruction, etc.

In addition, the Company has controlled the matters of dust and particle from wood production process to have the proper control in order to contribute to the reduction of contingent impacts on environment, community, and society in the area of the Company's plants used in manufacturing.

Society

The Company gives precedence to the principle of human rights respect in supply chain in order to create the sustainability in the business operation. In addition, the Company is well aware of the risk from the potential changing behavior of social people's life in order to keep abreast of the adaption on development of the Company's product styles to be ready for coping with the occurred changes for mitigating the contingent impacts on the overview of the Company's revenues and cost of production by giving precedence to the invention of new innovations in order to support the consumer behavior for creating the sustainable value that can fulfill the organizational goals.

Corporate Governance

The Company gives precedence to disclosure of the significant information in order to mitigate the risks and prevent the issues of the stakeholders' expectation, for instance, the equal opportunity of the minor shareholders or investors in the Company's securities to acquire the key information to be timely for making decision on investment without creation of advantage for any group, etc. Moreover, the Company emphasizes on the compliance with the organizational governance measures through issuance of the governance policy in various areas, such as Charter of the Board of Directors and all sets of the Sub-Committees, corporate governance policy yearly considered and reviewed by the Board of Directors, and business operation ethics, business code of conduct for the directors, executives, and employees, internal information storage and usage policy, anti-corruption policy, etc. These are part of the corporate governance policy in order to create the trust on the Company's consideration and emphasis for preventing the contingent corporate governance risk and for minimizing the Company's business operation impacts.

Impacts of COVID-19 pandemic situation

The Company has considered and assessed the impacts from COVID-19 pandemic situation that may affect the Company's business operations as follows:

1. Operations

The Company was not affected by the product demand as the purchase orders have still been continuously placed by both domestic and overseas customers. In addition, there was no problem of disease pandemic among the group of employees, no changes in plans or goals and no limitation in the operations. In the past, the Company's operation has been affected by the supply chain, in part of business partners, such as increase in the price of goods by the group of raw material distributors, and product transportation management in the past period, etc.

2. Finance

The Company was affected by the issuance and offering of debentures during the COVID-19 situation, resulting in a high interest rate in debentures to compensate for the potential risks. As a result, the Company's financial cost was increased. However, the Company has anticipated that such impact will be occurred in that period of debentures issuance only, and has been continuously looking for the ways to reduce financial costs. Additionally, the financial institutions that usually are the main credit supporters to the Company have been more careful and stricter in providing the additional credit support to the Company during the COVID-19 period.

3. Financial Position and Performance

The Company was partly affected by the problem of alien labour recruitment in order to add into the production lines, causing a higher production costs and opportunity cost incurred from a shortage of containers that delay the export of products to the overseas customers.

4. Contractual Obligation

-None-

5. Corporate Survival Risk

The Company has assessed that the COVID-19 will not affect the corporate survival by taking into account the continued increase in purchase orders of the customers, and the amount of positive cash flow from the Company's operations in the period of 2021, indicating the performance without the anxiety issue on the corporate survival at all. Please consider the supplementary information in the Analysis of Financial Position and Operating Performance of the Company in the topic of Assets and Cash Flows for the year ended 31 December 2021.

4.3 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 (Restated)		Consolidated Financial Statements		Consolidated Financial Statements	
	Ended 31 December 2019		Ended 31 December 2020		Ended 31 December 2021	
	Million Baht	%	Million Baht	%	Million Baht	%
ASSETS						
Current Assets						
Cash and cash equivalents	84.06	2.51	187.14	5.28	22.41	0.60
Temporary investments	9.98	0.30	-	-	-	-
Trade receivables						
- Related companies	6.52	0.19	7.55	0.21	8.44	0.22
- Other companies	276.80	8.27	323.75	9.13	445.98	11.87
Current portion of receivable from sales of rights	-	-	36.00	1.02	37.00	0.99
Current portion of other installment receivables						
- Related persons	8.33	0.25	5.55	0.16	5.95	0.16
- Other persons	16.65	0.50	11.10	0.31	11.91	0.32
Inventories - net	1,379.37	41.20	1,370.21	38.65	1,314.47	34.99
Short-term loans to and interest receivables from related parties	15.03	0.45	-	-	30.00	0.80
Short-term loans to other person	-	-	39.00	1.10	99.00	2.64
Other current assets						
- Interest receivable	-	-	5.56	0.16	11.05	0.29
- Deposits for purchases of raw materials and goods	2.90	0.09	25.61	0.72	9.99	0.27
- Value-added tax receivable	25.10	0.75	11.08	0.31	7.92	0.21
- Prepaid expense	-	-	8.53	0.24	9.27	0.25
- Others (net of allowance for doubtful accounts of 3.997 MB in 2021 and 2020)	12.75	0.38	4.69	0.13	7.24	0.19
Total Current Assets	1,837.49	54.88	2,035.77	57.43	2,020.63	53.79
Non-Current Assets						
Receivable from sales of rights - net	-	-	12.00	0.34	-	-
Other installment receivables - net						
- Related person	11.11	0.33	5.56	0.16	-	-
- Other person	22.22	0.66	11.12	0.31	-	-
Restricted deposits at banks	93.88	2.80	51.82	1.46	51.95	1.38
Investments in associates recorded with the equity method	584.10	17.44	672.12	18.96	823.87	21.93
Property, plant, and equipment - net	481.89	14.39	521.51	14.71	613.96	16.35
Right-of-use assets - net	-	-	5.33	0.15	12.16	0.32
Intangible assets - net	0.78	0.02	1.25	0.04	1.35	0.04

Statement of Financial Position	Consolidated Financial Statements (Restated)		Consolidated Financial Statements		Consolidated Financial Statements	
	Ended 31 December 2019		Ended 31 December 2020		Ended 31 December 2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Deferred income tax assets	9.54	0.28	5.83	0.16	8.69	0.23
Other non-current assets						
- Deposit for feasibility of investment project	100.00	2.99	100.00	2.82	100.00	2.66
- Advance for purchase of investments	95.00	2.84	70.00	1.97	58.00	1.54
- Advances for share subscription	78.75	2.35	-	-	-	-
- Deposits and guarantees	33.48	1.00	52.34	1.48	65.59	1.75
- Others-net	0.08	0.00	0.06	0.00	-	-
Total Non-Current Assets	1,510.83	45.12	1,508.96	42.57	1,735.57	46.21
TOTAL ASSETS	3,348.31	100.00	3,544.72	100.00	3,756.20	100.00
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current Liabilities						
Overdraft and short-term borrowings from financial institutions	522.48	15.60	601.83	16.98	704.97	18.77
Factoring payables	108.20	3.23	87.46	2.47	77.62	2.07
Trade payables	153.08	4.57	215.15	6.07	216.72	5.77
Short-term loans from and interest payable to the related parties	-	-	54.18	1.53	-	-
Short-term loans from other related parties	197.99	5.91	210.08	5.93	257.81	6.86
Current portion of long-term borrowings	27.63	0.83	40.37	1.14	77.01	2.05
Current portion of debentures	605.69	18.09	379.02	10.69	287.42	7.65
Current portion of lease liabilities	1.38	0.04	2.32	0.07	2.84	0.08
Income tax payable	5.85	0.17	8.03	0.23	2.32	0.06
Accrued expenses and other current liabilities	53.73	1.60	74.60	2.10	66.93	1.78
Total Current Liabilities	1,676.02	50.06	1,673.05	47.20	1,693.65	45.09
Non-Current Liabilities						
Long-term loans - net	41.83	1.25	45.60	1.29	158.50	4.22
Debentures - net	375.11	11.20	571.16	16.11	555.27	14.78
Lease liabilities - net	1.14	0.03	1.29	0.04	5.27	0.14
Deferred income tax liabilities	1.84	0.05	2.22	0.06	2.57	0.07
Liability for post-employment benefits	10.69	0.32	11.61	0.33	14.32	0.38
Total Non-Current Liabilities	430.61	12.86	631.89	17.83	735.94	19.59
TOTAL LIABILITIES	2,106.63	62.92	2,304.94	65.02	2,429.59	64.68

**Consolidated Statement of Financial Position : East Coast Furnitech Public Company Limited and its Subsidiaries
(Continued)**

Statement of Financial Position	Consolidated Financial Statements (Restated)		Consolidated Financial Statements		Consolidated Financial Statements	
	Ended 31 December 2019,		Ended 31 December 2020		Ended 31 December 2021	
	Million Baht	%	Million Baht	%	Million Baht	%
SHAREHOLDERS' EQUITY						
Issued authorized capital	312.46	-	299.16	-	287.85	
Paid-up authorized capital	239.87	7.16	239.87	6.77	239.87	6.39
Premium on shares	768.34	22.95	768.34	21.68	768.34	20.46
Retained earnings						
- Appropriated for legal reserve	27.40	0.82	28.95	0.82	28.95	0.77
- Unappropriated	407.25	12.16	430.84	12.15	468.33	12.47
Other components of shareholders' equity	(221.55)	(6.62)	(235.50)	(6.64)	(202.27)	(5.38)
Total Equity Attributable to Owners of the Parent	1,221.32	36.48	1,232.50	34.77	1,303.23	34.70
Non-controlling interests	20.37	0.61	7.28	0.21	23.38	0.62
Total Shareholders' Equity	1,241.68	37.08	1,239.78	34.98	1,326.61	35.32
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,348.31	100.00	3,544.72	100.00	3,756.20	100.00

Remark : Starting from 1 January 2020, the Company has changed its accounting policy related to the appraisal of lands, buildings and machineries from revaluation method to be cost method (being approved by the Board of Directors' Meeting on 30 March 2020), which can be performed under the Notification of the Federation of Accounting Professions No. 18/2554 dated 12 April 2011, RE: "Accounting for Revaluation". The main reasons for this change in accounting policy are related to: (1) to make it feasible in practice and eliminate the difficulties and substantial unnecessary costs for closing the account with the same accounting policy of the entities in the group; and (2) the Company's Management deems that the bookkeeping with cost method is consistent with the practices in the same industry and also reflects the Company's management ability and performance with more clarity and appropriateness than the revaluation method. The Company has retroactively restated the previous financial statements taken for presentation in comparison as if the Company has constantly recorded and presented the value of lands, buildings, and machineries using cost method from the beginning.

However, the Company presented the comparative information for 2019 by adjusting the figures in financial statements as if the entity has used the said accounting policy from the beginning for benefits in comparison with the information occurred in 2020 and 2021 for the users of financial statements information.

Statement showing the Performance : East Coast Furnitech Public Company Limited and its Subsidiaries

Statement of Comprehensive Income	Consolidated Financial Statements (Restated)		Consolidated Financial Statements		Consolidated Financial Statements	
	Year 2019		Year 2020		Year 2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales - net	1,254.18	97.15	1,384.49	97.80	1,549.41	96.79
Other income						
- Sales of production scraps and supplies	12.31	0.95	11.99	0.85	28.64	1.79
- Interest income	10.13	0.78	7.66	0.54	7.56	0.47
- Gain on sales of non-current assets held for sales	-	-	6.17	0.44	-	-
- Gain on sales of fixed assets	7.15	0.55	-	-	-	-
- Others	6.81	0.53	4.76	0.34	6.58	0.41
Gain (loss) on exchange rate	0.34	0.03	0.56	0.04	8.62	0.54
Total Revenues	1,290.94	100.00	1,415.63	100.00	1,600.80	100.00
Cost of sales	(851.54)	(65.96)	(1,077.23)	(76.10)	(1,237.05)	(77.28)
Cost of distribution	(74.82)	(5.80)	(61.61)	(4.35)	(62.21)	(3.89)
Administrative expenses	(183.53)	(14.22)	(134.23)	(9.48)	(133.97)	(8.37)
Other expenses	-	-	(18.13)	(1.28)	-	-
Total Expenses	(1,109.90)	(85.98)	(1,291.20)	(91.21)	(1,433.22)	(89.53)
Operating profit	181.04	14.02	122.02	8.62	167.58	10.47
Gain on sales of rights to claim on trade receivables and rights of product brand	-	-	18.80	1.33	-	-
Financial cost	(115.43)	(8.94)	(132.92)	(9.39)	(134.92)	(8.43)
Reversal of gain (loss) from impairment of trade receivable transaction	-	-	2.41	0.17	(12.48)	(0.78)
Share of gain (loss) from investments in associates and joint venture	10.76	0.83	35.14	2.48	32.42	2.03
Profit before Income Tax Expense	76.36	5.91	45.45	3.21	52.59	3.29
Income Tax Expense	(7.49)	(0.58)	(13.80)	(0.97)	(1.67)	(0.10)
Profit for the Year	68.87	5.33	31.65	2.24	50.92	3.18
Actuarial loss of liability for post-employment benefits	(1.03)	(0.08)	-	-	(1.37)	(0.09)
Share of other comprehensive loss from associates	(2.40)	(0.19)	(13.95)	(0.99)	44.33	2.77
<u>Other comprehensive profit (loss) for the year</u>	<u>(3.43)</u>	<u>(0.27)</u>	<u>(13.95)</u>	<u>(0.99)</u>	<u>42.96</u>	<u>2.68</u>

Statement of Comprehensive Income	Consolidated Financial Statements (Restated)		Consolidated Financial Statements		Consolidated Financial Statements	
	Year 2019		Year 2020		Year 2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Total Comprehensive Income for the Year	65.44	5.07	17.70	1.25	93.88	5.86
Profit (Loss) Attributable to:						
Owners of the parent	69.89	5.41	41.16	2.91	50.85	3.18
Non-controlling interests	(1.02)	(0.08)	(9.51)	(0.67)	0.07	0.00
Profit for the Year	68.87	5.33	31.65	2.24	50.92	3.18
Total Comprehensive Profit (Loss) Attributable to:						
Owners of the parent	66.46	5.15	27.21	1.92	93.81	5.86
Non-controlling interests	(1.02)	(0.08)	(9.51)	(0.67)	0.07	0.00
Total Comprehensive Income for the Year	65.44	5.07	17.70	1.25	93.88	5.86
Basic Earnings per Share	0.07		0.04		0.05	
Diluted Earnings per Share	0.07		0.04		0.05	

Remark : Starting from 1 January 2020, the Company has changed its accounting policy related to the value presentation of lands, buildings and machineries from revaluation method to be cost method (being approved by the Board of Directors' Meeting on 30 March 2020), which can be performed under the Notification of the Federation of Accounting Professions No. 18/2554 dated 12 April 2011, RE: "Accounting for Revaluation". The main reasons for this change in accounting policy are related to: (1) to make it feasible in practice and eliminate the difficulties and substantial unnecessary costs for closing the account with the same accounting policy of the entities in the group; and (2) the Company's Management deems that the bookkeeping with cost method is consistent with the practices in the same industry and also reflects the Company's management ability and performance with more clarity and appropriateness than the revaluation method. The Company has retroactively restated the previous financial statements taken for presentation in comparison as if the Company has constantly recorded and presented the value of lands, buildings, and machineries using cost method from the beginning.

However, the Company presented the comparative information for 2019 by adjusting the figures in financial statements as if the entity has used the said accounting policy from the beginning for benefits in comparison with the information occurred in 2020 and 2021 for the users of financial statements information.

Table showing Key Financial Ratios

Key Financial Ratios	Consolidated Financial Statement (Restated)	Consolidated Financial Statement	Consolidated Financial Statement
	Year 2019	Year 2020	Year 2021
LIQUIDITY RATIO			
Current Ratio (Time)	1.10	1.22	1.19
Quick Ratio (Time)	0.23	0.31	0.28
Cash Ratio (Time)	(0.04)	0.09	0.08
Trade Receivable Turnover (Time)	3.92	4.31	3.84
Average Collection Period (Day)	91.81	83.59	93.86
Inventory Turnover (Time)	2.39	2.31	2.29
Average Holding Period (Day)	150.87	155.65	157.53
Receivable Turnover (Time)	4.97	5.85	5.73
Payment Period (Time)	72.39	61.53	62.84
CASH CYCLE (Day)	170.29	177.71	188.55
PROFITABILITY RATIO			
Gross Profit Margin (%)	32.10	22.19	20.16
Operating Profit Margin (%)	14.43	14.24	12.10
Cash to Profit Margin (%)	(32.53)	77.90	68.38
Net Profit Margin (%)	5.33	2.24	3.18
Return on Equity (%)	5.63	2.55	3.97
EFFICIENCY RATIO			
Return on Asset (%)	2.13	0.92	1.39
Fixed Asset Turnover (%)	23.12	15.09	16.79
Asset Turnover (Time)	0.40	0.41	0.44
FINANCIAL POLICY RATIO			
Debt to Equity Ratio (Time)	1.70	1.86	1.83
Net Debt to EBITDA Ratio (Time) ^{1/}	1.43	1.54	1.54
Interest Coverage Ratio (ICR) (Time) ^{2/}	6.87	6.68	7.21
Times Interest Earned (TIE) Ratio (cash basis) ^{3/}	2.01	1.67	1.72
Leverage Ratio (Time) ^{4/}	N.A.	2.26	1.96
Debt Service Coverage Ratio (cash basis) ^{5/}	0.17	0.17	0.17
BE Size to Interest Bearing Debt Ratio ^{6/}	N.A.	0.14	0.11
Current Portion of Interest Bearing Debt to Total Interest Bearing Debts Ratio ^{7/}	0.24	0.20	0.25
	0.76	0.68	0.65
Loans from Financial Institutions to Total Debts Ratio ^{8/}	0.28	0.30	0.39
Dividend Payout (%) ^{9/}	40.81	37.89	29.62

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. According to the information as at 31 December 2021, the Company could maintain the said ratio at 1.83 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	:	Country Group Securities Public Company Limited
Office Location	:	132, Sindhorn Tower 1 Floor 3 and Sindhorn Tower 3 Floor 18, 20 Witthayu Road, Lumpini Subdistrict, Pathum Wan District, Bangkok 10330
Telephone Number	:	+662-205-7000
Website	:	https://www.cgsec.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 advisor

Name	:	Mr.Thanun Jaroenrit
Office Location	:	Krittatham 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	:	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 2021 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
Head Office Location	:	No. 9 Ratchadaphisek Road, Chatuchak, Chatuchak, Bangkok, 10900
Telephone Number	:	+662-777-7777
E-Mail	:	https://www.scb.co.th/th

2

PART 2

**CORPORATE
GOVERNANCE**

■ 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 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 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.

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. Learn more about the full version of policies and practices on corporate governance in the attachment prepared by the Company, or on website. www.eastcoast.co.th

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, and the need for funding sources to be spent for the future expansion of investments in energy business and other businesses.

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 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 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.

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.

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, and responsibility to all shareholders and stakeholders, being beneficial to society and environmental development or impact.

One of significant practices is to consider the business operation with ethics, respecting the rights, and responsibility to all shareholders and stakeholders, by determining and documenting the ethical policy of business operations, and the policy of sustainable business development, the Company has believed that the business operation with integrity, ethics, respecting the rights of others and equally and fairly treating all stakeholders will be the significant foundation for sustainable business practices.

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, dividend allocation, amendment of the Company's regulations, objectives or memorandum of association, etc., including the promotion and facilitation in exercising the rights of shareholders, analysts, and interested institutional investors, 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 opportunity for inquiries on important issues as detailed in each agenda, etc.

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 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

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. 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

The Company prepared its Business Ethics to demonstrate the details of responsibilities to stakeholders, to link the practice with the vision, operational strategy, corporate values, and goals, including fair business practices, conflict of interest prevention policy, respect of human rights, not advocating for infringement of the intellectual property or copyright of others 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.

Moreover, 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 Business Ethics 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. Learn more about the full version of Business Ethics in the attachment prepared by the Company, or on 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 to comply with the Company's vision, objectives, strategies in operations, corporate values, and goals, which are annual established.

6.3.2 Principles of Good Corporate Governance for Listed Companies (CG Code) 2017 not yet complied by the Company




In 2021, 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
At least one member of the Audit Committee must graduate in accounting.	At present, the Audit Committee can effectively and appropriately perform the duties in giving opinions to the agenda related to the Company's financial statements. However, the Company will consider the guidelines for recruiting a person who directly graduated in accounting and assigning as a member of the Audit Committee.
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.
The Company should provide employees with trainings to educate them on anti-corruption policies and practices, and disclose details of annual trainings for acknowledgement.	The Company will continue to implement within 2022.
The Board of Directors should clearly state that the term of office of an independent director is maximum 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 hold the position .

However, the Company will plan the development and monitoring for further actions.

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 2021 Corporate Governance Report Project, under the collaboration of the Thai Institute of Directors (IOD) and the Stock Exchange of Thailand.

Year	Level	Symbol
2021	Excellent	
2020	Excellent	
2019	Excellent	

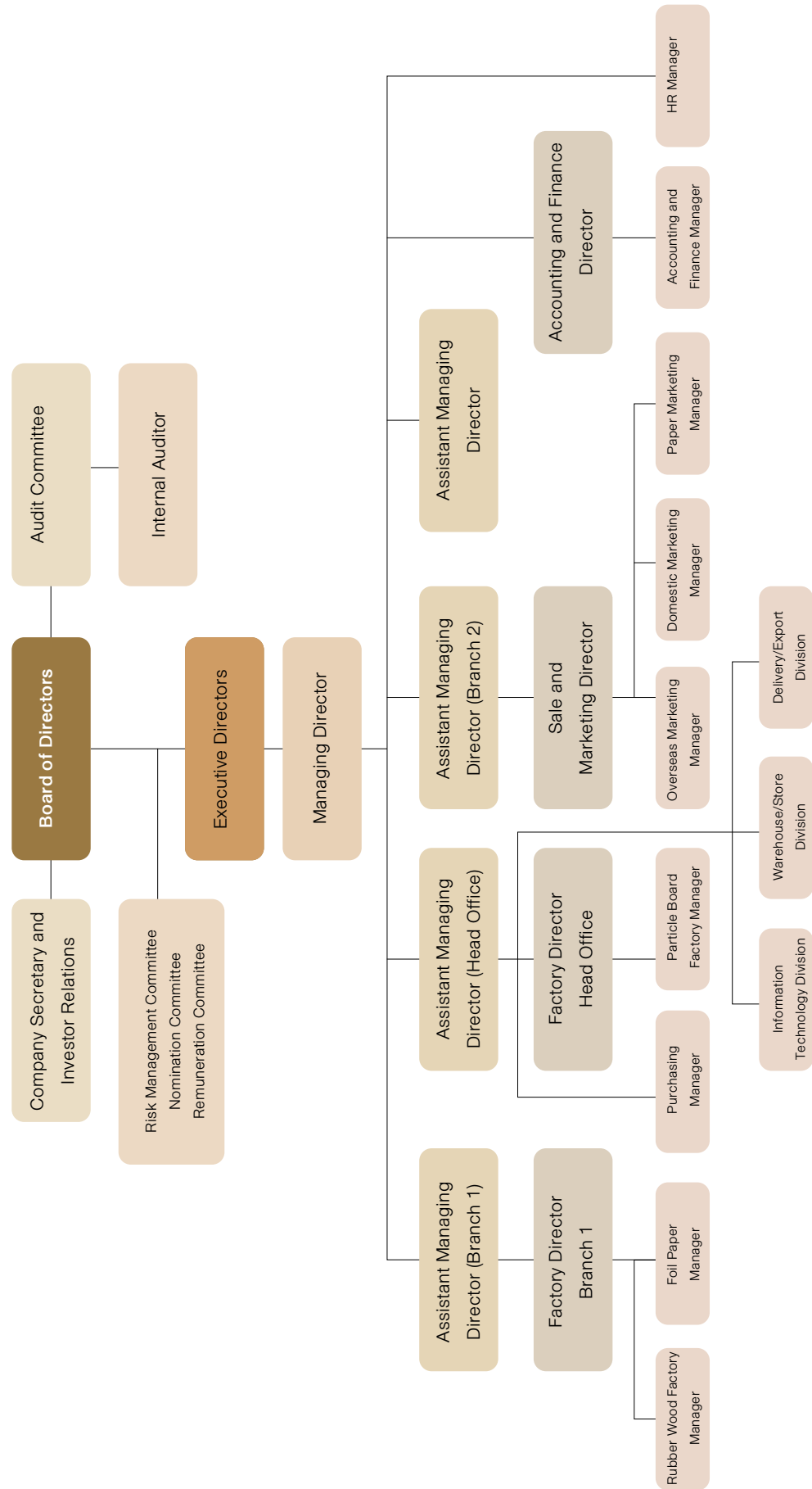
- The Company participates in the Annual General Meeting of Shareholders Quality Assessment Program annually organized by the Thai Investors Association, the Company earned full score of 100 points from the 2021 and Annual General Meeting of Shareholders (AGM) Quality Assessment Program by the Thai Investors Association.

2021	Get 100 points From the full score of 100 points Arranged in an excellent level.
2020	Get 100 points From the full score of 100 points Arranged in an excellent level.
2019	Get 100 points From the full score of 100 points Arranged in an excellent level.

The results of above-mentioned surveys have reflected that the Company’s commitment to operate business under good corporate governance principles and all of these will not be happened if lacking the cooperation or attentions and adherence of everyone in the Company.

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 of business, taking into account 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 five (5) independent directors 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.

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

The Company's Board of Directors consisting 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	Socatiyanurak	Chairman of the Audit Committee/ Independent Director
3.	Assoc. Prof. Songklod	Jarusombat	Audit Committee Member/ Independent Director
4.	Dr. Ekarin	Vasanasong	Independent Director
5.	Mr. Paiboon	Aroonprasopsuk	Independent Director
6.	Mr. Chalee	Suksawad	Vice President / Authorized Director
7.	Mr. Wanlop	Suksawad	Director / Authorized Director
8.	Mr. Arak	Suksawad	Director / Authorized Director

The names and number of directors authorized to sign on behalf of the Company, are Mr. Wanlop Suksawad, Mr. Chalee Suksawad, and Mr. Arak 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 the 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 8 members, consisting of 5 independent & non-executive directors and executive directors, and 3 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. Structure of the Board of Directors consists of 5 non-executive directors, representing 62.50 % of the total number of directors.

There are 5 independent directors in 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 wood furniture business of the company. Additionally, there is 1 more independent director named Dr. Ekarin Vasanasong who is knowledgeable and specializing in electrical and power engineering which is related to the business of renewable energy that the Company is investing to expand its business operation. In addition, Mr. Paiboon Aroonprasopsuk, 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 in voting 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, reduces 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.

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 controlling the meeting to be effective according to the Company's regulations 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 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 good relations between executive directors and non-executive directors and between the Board of Directors and management.

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.
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 Managing Director has a conflict of interest or may have a conflict of interest in any manner with the Company in using such power.

The approval authorization of Managing Director is in accordance with the scope as determined and mentioned in the documented approval authority of the Company.

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/}	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. Credit limit from financial institutions both in the country and abroad	exceeding the limit of Baht 100,000,000	Not exceeding the limit of Baht 100,000,000	-
4. Approval of the sale of real estate assets ^{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 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.
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.

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.
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.

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 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. In the event that 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

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.

1. 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 in order to increase the potential of the Company's Board of Directors and executives.
2. Prepare the development plan for Managing Director and top executives (Succession Plan) in order 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.
3. 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 persons who help the Company's works successful.

- 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 Managing Director's performance and present 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

At present, The Company has three Audit Committee members consisting of

1. Assoc. Prof. Dr. Montree Socatyanurak 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 the knowledge and experience in reviewing the reliability of financial statement is Associate Professor Dr. Montree Socatyanurak, for his experience in financial statement review, he is currently the Chairman of the Audit Committee in other two listed companies, and had been the Chairman of the Audit Committee in many companies.

2. Executive Committee

At present, The Company has 3 Executive Committee members consisting of:

1. Mr. Wanlop Suksawad Chairman of Executive Committee
2. Mr. Chalee Suksawad Executive Committee Member
3. Mr. Arak Suksawad Executive Committee Member

3. Risk Management Committee

At present, The Company has four Risk Management Committee members consisting of:

1. Assoc. Prof. Dr. Montree Socatyanurak Chairman of Risk Management Committee and Independent Director
2. Assoc. Prof. Songklod Jarusombat Risk Management Committee Member and Independent Director
3. Mr. Chalee Suksawad Risk Management Committee Member
4. Mr. Arak Suksawad Risk Management Committee Member

4. Nomination Committee

At present, The company appointed 3 Nomination Committee members as follows:

1. Assoc. Prof. Songklod Jarusombat Chairman of the Nomination Committee and Independent Director
2. Mr. Chalee Suksawad Nomination Committee Member
3. Mr. Arak Suksawad Nomination Committee Member

5. Remuneration Committee

At present, The company appointed 3 Remuneration Committee members as follows.

1. Assoc.Prof.Dr. Montree Socatyanurak Chairman of Remuneration Committee and Independent Director
2. Mr. Chalee Suksawad Remuneration Committee Member
3. Mr. Arak 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

At present, there are six directors as the names are shown below:

1. Mr. Arak Suksawad Managing Director
2. Mr. Racha Pojariya Assistant Managing Director (Head Office)
3. Ms. Supak Toaphonganan Assistant Managing Director (Branch 1)
4. Mr. Sittichoke Chinnurat Assistant Managing Director (Branch 2)
5. Ms. Pachanan Singphu Assistant Managing Director
6. Mr. Pongpan Suriya-Amporn 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 for 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.

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 executive compensation

Compensation in monetary form

Remuneration for Executives	2019		2020		2021	
	No. of Persons	Amount	No. of Persons	Amount	No. of Persons	Amount
	(Persons)	(Baht)	(Persons)	(Baht)	(Persons)	(Baht)
Salary	8	11,934,720	8	14,927,907	8	14,206,360
Bonus	8	0	8	540,000	8	1,543,000
Provident Fund	8	263,270	8	75,844	8	34,200
Total	8	12,197,990	8	15,543,747	8	15,783,560

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 2019-2021) as shown below.

Employee Category	As of 31 December 2019	As of 31 December 2020	As of 31 December 2021
	No. of persons	No. of persons	No. of persons
Full time employees	268	206	202
1. Management	17	13	12
2. Marketing	66	36	42
3. Factory/Production	64	69	63
4. Accounting and Finance	26	18	20
5. Purchasing	9	7	10
6. HR/Administrative	42	37	36
7. Store/Warehouse	27	15	7
8. Delivery / Export	13	6	7
9. IT	4	5	5
Part time employees (daily)	1,074	1,056	954
Total	1,342	1,262	1,156

Note : In 2021, there is 82.53 percent of part-time employees (daily) are factory/production division's employees and 73.62 percent of part-time employees are migrant workers.

In previous year, the number of the Company's workforce is fit for its business operation and there was no risk of labor shortage in key functions, and there was no significant change in the number of employees during the past 3 years.

- Remuneration for Staff and Employees and type of compensation**

Unit : Baht	2019	2020	2021
Salary, Bonus and Provident Fund for full time employees	88,555,614	73,060,312	81,001,327.36
Wage for part time employees	173,473,636	166,274,937	181,114,497
Seminar attendance fee	438,636.55	403,519.35	485,000
Total	262,467,613	239,738,769	262,164,324

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**

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	197	-
VV-Decor Company Limited	None	None	None
ECF Holdings Company Limited	Start on 2022	-	-
ECF Power Company Limited	Start on 2022	-	-
Planet Board Company Limited	None	None	None
SOMEWA Plaza Company Limited	None	None	None
V V RICH Company Limited	None	None	None

Note : At present, Planet Board Company Limited , SOMEWA Plaza Company Limited and V V RICH 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 the remuneration for employees and workers both in 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.

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 the corporate success in line with economic conditions and also compare to other companies in the same industry. Every year, the Company will provide long-term service award 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.

Mr. Pongpun Suriyamporn 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 Report (Form 56-1)
8. To perform other tasks as assigned by the Board of Directors and the Capital Market Supervisory Board

In addition, should the Company Secretary be unable to perform her duty, Board of Directors shall appoint a new Company Secretary within 90 days after the position is vacant. 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 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

25/28, Moo 12, Buengkamproi, Lumlukka, Pathumthani 12150

Tel. 02-152-7301-4 Ext. 212

Fax. 02-152-7305

E-mail: sarisa@eastcoast.co.th

7.6.3 Auditor's Remuneration, Auditing Office and 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 2021, the Company hired Mr. Akadet Pliansakul, certified public accountant registration No. 5389 from M.R. & ASSOCIATES Co., Ltd. to be the auditor of the Company and its subsidiaries for 2020. The annual auditor fee is 1,850,000 Baht (One Million Eight Hundred Fifty Thousand Baht only).

In 2021, 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 Fee

Amount 840,000 Baht (Eight Hundred Fourty Thousand Baht Only).

3. Non Audit Service

-None-

The total amount of auditor's remuneration Auditing Office and and affiliated for the year 2021 was 2,690,000 Baht (Two Million Six Hundred Ninety Thousand Baht Only).

7.6.4 The Company's Compliance Unit

Duties and responsibilities of the Company's Compliance Unit include:

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 evidences 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 for 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 advices 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 for 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 2021, the Board of Directors' Meeting No. 1/2021 held on 25 February 2021, had a resolution to consider and review the Company's Vision, Mission, Objective and Long-term target according to the details of Corporate Governance Policy of East Coast Furnitech Public Company Limited for the year 2021. 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.

In addition, in previous year, the Board of Directors played a role in considering the investments, restructuring and operations of the Company Group. In the past year 2021, there has been a resolution to approve the registration of the establishment of 2 new subsidiaries. The first one is Somewa Plaza Co., Ltd. in order to create a business opportunity in the online platform and set a direction to strengthen the business of being a furniture manufacturer and distributor to grow continuously. The other company is VV Rich Company Limited which operates a business as a planter and distributor of agricultural crops but this company is still in the process of registration and establishment. In addition, the Company has also increased the business model of ECF Holdings Company Limited as a subsidiary from the current distributor of furniture products of the Company by increasing the scope of business operation in cryptocurrency mining. Such adjustment and increase of the operating structure to the group of companies are in line with the vision of the business that would like to extend to other businesses that have the opportunities to create growth and sustainability to the organization.

In 2021, 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. 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 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 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. 1/2021 dated 25 February 2021, 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.

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.

(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, 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. 1/2021 was held to consider and approve the proposed name list of directors to replace the directors who

shall retire by rotation for the year 2021 and then proposed it to the Board of Directors' meeting for approval, and shall propose it to the 2021 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 2, 2020 - December 31, 2020 but there are no any minor shareholders to propose the names of qualified candidates.

Based on the opinion of the Nomination Committee, the Nomination Committee with the exception of the director who has conflicts of interest in this agenda 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 1992 (2535), Securities and Exchange Act B.E. 1992 (2535), 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.

In addition, Asso.Prof.Dr. Montree Socratyanuruk 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 a conflict of interest and make 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 Nomination Committee proposed to the Board of Directors meeting and got approval to propose to the 2021 Annual General Meeting of Shareholders for the rights of retail investors to appoint the directors using the method that shareholders can appoint each director, requiring that director must get 'agreed' voting more than half of the total votes of shareholders attending the meeting and having voting right. The Company shall use ballots to vote for the election of each director by allowing shareholders to cast all their votes to select the person nominated as director one by one.

The name list of independent directors and directors approved by the said shareholders' meeting consists of following names and positions:

- | | |
|--|---|
| 1) Asso.Prof.Dr. Montree Socratyanuruk | President of the Audit Committee / Director /
Independent Director / President of Risk management Committee
and President of Remuneration Committee |
| 2) Mr. Chalee Suksawad | Vice President of the Board Committee /
Authorized Signatory Director / Executive Committee /
Nomination Committee/
Remuneration Committee and Risk management Committee |
| 3) Mr. Arak Suksawad | Director/ Authorized Signatory Director /
Executive Committee / Managing Director /
Nomination Committee / Remuneration
Committee and Risk management 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.

Performance of the nomination and appointment of top management

The Nomination Committee considered and appointed 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 evaluation results and guidelines for development and improvement of operational efficiency 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 Nominating 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. The increase of remuneration in each year will be based on performance primarily. 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 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.

- Identify those with the potential to assume greater responsibility in the organization to prepare them in higher position.
- Assign the junior executives with potential to be the successors.
- 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.
- Develop the junior executives to present his plan and performance to top executives.

Performance related to the evaluation of directors and 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 2021 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	98.81	100.00
3. Risk Management Committee	100.00	100.00
4. Nomination Committee	100.00	100.00
5. Remuneration Committee	98.33	100.00

Board skill Matrix

No.**	Age	Gender	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	86	M	35		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓			
2	64	M	15		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓		✓
3	58	M	10	✓	✓			✓	✓	✓	✓	✓	✓	✓		✓	✓	✓		✓	✓	✓	
4	50	M	8		✓		✓	✓				✓	✓			✓	✓	✓					
5	48	M	15		✓	✓	✓	✓	✓	✓		✓		✓		✓	✓	✓					
6	80	M	22	✓	✓	✓	✓	✓				✓				✓			✓				
7	54	M	22	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓			✓		✓	✓	✓
8	51	M	22	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓		✓	✓	✓

Note: No.**

- | | |
|---------------------------------------|-----------------------|
| 1. General Terdsak Marom | 6. Mr.Wanlop Suksawad |
| 2. Assoc.Prof.Dr.Montree Socatiyanuak | 7. Mr.Chalee Suksawad |
| 3. Assoc.Prof.Songklod Jarusombat | 8. Mr.Arak Suksawad |
| 4. Dr.Ekarin Vasanasong | |
| 5. Mr.Paiboon Aroonprasobsuk | |

Summary on the performance evaluation of Managing Director (MD) for 2021

No.	Topic	Total Score	Average Score (Point)	Average Score (Percentage)
1	Leadership	24	23.80	99.17
2	Strategy Determination	24	23.80	99.17
3	Compliance with Strategy	24	24.00	100.00
4	Planning and Financial Performance	24	24.00	100.00
5	Relationship with the Board of Directors	24	24.00	100.00
6	Relationship with External Parties	20	19.80	99.00
7	Management and Relationship with Personnel	24	24.00	100.00
8	Succession	12	11.80	98.33
9	Product and Service Knowledge	16	16.00	100.00
10	Personal Characteristics	24	24.00	100.00
Total Score		216	215.20	99.63

In addition, the Board of Directors has established guidelines for overseeing personnel management and development. In 2021, the Company's director and executives attended the training programs and study tours to increase knowledge and use for the Company's business as follows:

- Assoc. Prof. Songklod Jarusombat Chairman of Nomination Committee, Audit Committee and Independent Director attended training in various courses and study visits as follows:**
 - "TFCC CoC Consultant" course organized by TFCC ONLINE between 18 and 26 October 2021.
- Dr.Ekarin Vasanasang Independent Director attended training in various courses and study visits as follows:**
 - Program "Management Science for High-Level Executives (Class 6)" organized by the National Institute of Development Administration From October 1, 2020 - February 17, 2021. Due to the epidemic situation of the Coronavirus Disease 2019 (COVID-19), teaching had to be temporarily closed in January 2021 and had started teaching and organizing the final orientation was completed in April 2021.
 - Course for corporate technology leadership by learning about the key principles for leadership in innovation and technology (Road 2 CTO), Class 1, organized by Durian Corporation (DURIAN) Co., Ltd. from July 31 to September 4, 2021.
- Mr.Chalee Suksawad Vice President attended training in course as follow:**
 - Program "Management Science for High-Level Executives (Class 6)" organized by the National Institute of Development Administration From October 1, 2020 - February 17, 2021. Due to the epidemic situation of the Coronavirus Disease 2019 (COVID-19), teaching had to be temporarily closed in January 2021 and had started teaching and organizing the final orientation was completed in April 2021.
- Ms.Pachanan Singphu Assistant Managing Director attended training in course as follows:**
 - The course "How to manage business finance that accountants should know" organized by Accounting Coach (Thailand) Co., Ltd. on December 28, 2021.

5. Mr.Pongpan Suriya-Amporn Accounting and Finance Director attended training in course as follows:

- CFO Refresher Course, Class 2/2564 under the topic “Preparing for Economic Factors, Finance and Accounting Issues affecting listed companies” organized by the Federation of Accounting Professions Under the Royal Patronage, 16 - 17 December 2021

Three directors from totally 8 directors, and some executives attended the training courses or seminars for knowledge enhancement in work operations.

For the year 2021, with the epidemic situation of coronavirus disease 2019, training to increase the knowledge of the directors and executives will be trained through courses that are mostly offered online.

8.1.2 Meeting attendance and remuneration of individual committee

In 2021, the Company has set the schedule for the Board's meeting for the whole year of 2021 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	25 February 2021	25 February 2021
2	14 May 2021	14 May 2021
3	14 August 2021	14 August 2021
4	11 November 2021	11 November 2021

The number of meetings must not be less than 4 times a year, in previous year, the number of meetings annually held was 7 times to compliance with the obligations 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 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. In 2021, the Company organized the aforementioned meeting for 1 time. On December 16, 2021, the management has been informed of the conclusion of the aforementioned meeting. The important topics were that many non-executive directors appreciate the management team, having the intention to drive the company to grow and pay attention to management by noticing from the growing furniture business sales including trying to find new businesses to support the company's continuous growth.

In addition, the Board of Directors has also participated in holding the 2021 Annual General Meeting of Shareholders which is pre-scheduled on 22 April 2021; however, in 2021, 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 2019 - 2021 and the annual general meeting of shareholders, is as follows:

Board of Directors

Name of Directors	2019		2020		2021		
	Number of meeting	Number of attendance	Number of meeting	Number of attendance	Number of meeting	Number of attendance	Percentage of attendance
1. General Terdsak Marom	11	11	13	13	7	7	100
2. Assoc.Prof.Dr. Montree Socratyanurak	11	11	13	13	7	7	100
3. Assoc. Prof. Songklod Jarusombat	11	10	13	12	7	7	100
4. Dr. Ekarin Vasanasong	11	11	13	12	7	7	100
5. Mr. Suphan Setthapanich	7	6	-	-	-	-	-
6. Mr. Chalee Suksawad	11	11	13	13	7	7	100
7. Mr. Wanlop Suksawad	11	10	13	11	7	7	100
8. Mr. Arak Suksawad	11	10	13	12	7	7	100
9. Ms. Tippawan Suksawad	11	10	8	8	-	-	-
10. Mr.Paiboon Aroonprasobsuk	-	-	5	5	7	7	100

Note :

- Mr. Suphan Settapanich was appointed as a director and independent director according to the resolution of the Board of Directors Meeting No. 1/2019 on 11 January 2019 to replace the resigned director, and later, he resigned from these two positions on 13 September 2019.
- Miss Tippawan Suksawad was appointed as a director according to the resolution of the 2019 Annual General Meeting of Shareholders on 22 April 2019 and resigned from this position on 13 July 2020.
- Mr. Paiboon Arunprasobsuk was appointed as a director and independent director according to the resolution of the Board of Directors Meeting No. 8/2020 on 14 July 2020 to replace the resigned director.

Below shows the details of remuneration for the Company's directors and each sub-committee in 2019 - 2021, 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.

Compensation in monetary form

In the 2021 Annual General Meeting of Shareholders held on 22 April, 2021, the meeting approved and determined the 2021 remuneration for directors as follow:

1. Monthly Compensation :

- Chairman of the Board 39,000 Baht per month
- Directors 29,000 Baht per month
- Chairman of the Audit Committee 34,000 Baht per month

- Audit Committee Members 29,000 Baht per month

By increasing 5,000 Baht from the rate in 2018 2019 and 2020 per person and per month

2. Meeting Allowance for Board of Directors and all sub committees: THB 9,000 / person / time (Still the same rate as 2020) 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. The remuneration in the form of other benefit, such as health insurance, membership fee for golf club, sport club or any member club for relaxation or recreation, and 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 2019 and 2020.

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 case of other remunerations over 1,000,000 Baht/person/ year, it must be proposed to the Audit Committee's meeting for the approval and declared the reason for such remuneration payment.

Board's Remuneration and all sub-committees for the year 2019 - 2021 as shown below;

Board of Directors

Unit : Baht

Name	2019			2020			2021		
	Salary and Bonus	Meeting Allowance	Total	Salary and Bonus	Meeting Allowance	Total	Salary and Bonus	Meeting Allowance	Total
1. General Terdsak Marom	528,000	77,000	605,000	558,000	110,000	668,000	648,000	72,000	720,000
2. Assoc.Prof.Dr. Montree Socratyanurak	408,000	77,000	485,000	438,000	110,000	548,000	548,000	72,000	600,000
3. Assoc. Prof. Songklod Jarusombat	348,000	70,000	418,000	363,000	101,000	464,000	438,000	72,000	510,000
4. Dr. Ekarin Vasanasong	348,000	77,000	425,000	363,000	103,000	466,000	438,000	72,000	510,000
5. Mr. Suphan Setthapanich	216,000	42,000	258,000	-	-	-	-	-	-
6. Mr.Chalee Suksawad	288,000	77,000	365,000	288,000	110,000	398,000	348,000	72,000	420,000
7. Mr. Wanlop Suksawad	288,000	70,000	358,000	288,000	96,000	377,000	348,000	72,000	420,000
8. Mr.Arak Suksawad	288,000	70,000	358,000	288,000	103,000	391,000	348,000	72,000	420,000
9. Ms. Tippawan Suksawad	288,000	70,000	358,000	168,000	49,000	217,000	-	-	-
10. Mr.Paiboon Aroonprasobsuk	-	-	-	195,000	52,000	247,000	438,000	72,000	510,000
Total	3,000,000	630,000	3,630,000	2,949,000	827,000	3,776,000	3,534,000	576,000	4,110,000

Note :

- Mr. Suphan Setthapanich was appointed as a director and independent director according to the resolution of the Board of Directors Meeting No. 1/2019 on 11 January 2019 to replace the resigned director, and later, he resigned from these two positions on 13 September 2019.
- Miss Tippawan Suksawat was appointed as a director according to the resolution of the 2019 Annual General Meeting of Shareholders on 22 April 2019 and resigned from this position on 13 July 2020.
- Mr. Paiboon Arunprasobsuk was appointed as a director and independent director according to the resolution of the Board of Directors Meeting No. 8/2020 on 14 July 2020 to replace the resigned director.

Audit Committee

Name	2019				2020				2021			
	Salary	Meeting Allowance	Bonus	Total	Salary	Meeting Allowance	Bonus	Total	Salary	Meeting Allowance	Bonus	Total
1. Assoc.Prof.Dr. Montree Socratyanurak	348,000	28,000	Nil	376,000	348,000	32,000	None	380,000	408,000	36,000	None	444,000
2. General Terdsak Marom	288,000	28,000	Nil	316,000	288,000	32,000	None	320,000	348,000	36,000	None	384,000
3. Assoc. Prof. Songklod Jarusombat	288,000	28,000	Nil	316,000	288,000	32,000	None	320,000	348,000	36,000	None	384,000
Total	924,000	84,000	Nil	1,008,000	924,000	96,000	None	1,020,000	1,104,000	108,000	None	1,212,000

Risk Management Committee

Name	2019		2020		2021	
	Meeting Allowance		Meeting Allowance		Meeting Allowance	
1. Assoc.Prof.Dr. Montree Socratyanurak	14,000		16,000		18,000	
2. Assoc. Prof. Songklod Jarusombat	14,000		16,000		18,000	
3. Mr.Chalee Suksawad	14,000		16,000		18,000	
4. Mr.Arak Suksawad	14,000		16,000		18,000	
Total	56,000		64,000		72,000	

Nomination Committee

Name	2019	2020	2021
	Meeting Allowance	Meeting Allowance	Meeting Allowance
1. Assoc. Prof. Songklod Jarusombat	14,000	25,000	18,000
2. Mr.Chalee Suksawad	14,000	25,000	18,000
3. Mr.Arak Suksawad	14,000	25,000	18,000
Total	42,000	75,000	54,000

Remuneration Committee

Name	2019	2020	2021
	Meeting Allowance	Meeting Allowance	Meeting Allowance
1.Assoc.Prof. Dr. Montree Socratyanurak	14,000	16,000	18,000
2. Mr. Chalee Suksawad	14,000	16,000	18,000
3. Mr. Arak Suksawad	14,000	16,000	18,000
Total	42,000	48,000	54,000

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 6 subsidiaries and associated companies as follows:

Limited in which the Company holds

Subsidiaries

1. V.V. Decor Company Limited	in which the Company	holds 99.50% 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% of total shares
5. SOMEWA Plaza Company Limited	in which the Company	holds 75% of total shares
6. V V RICH Company Limited	in which the Company	holds 99.97% 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 6 and 1 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 prior written consent from Group B shareholders or Noble Planet Pte. Ltd.

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.

In previous year, the Company has monitored to ensure the compliance with good corporate governance covering the anti-Corruption. In 2021, the Company has participated in the coalition of action by signing a declaration of intent and already submitted to the Thai Institute of Directors (IOD), the secretary of the project committee, The Board of Directors shall supervise the submission of documents for certification to be completed within the specified period. The Company completed the preparation of the anti-corruption policy and the Corruption Risk Management Handbook on the anti-corruption.

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 previous year, the Company has improved the form on reporting stakeholding and information of persons who may have conflict of interest for directors, executives and persons with control power as the revised edition to cover more details. The Company's directors and executives shall annually report their own interests and the interests of those who may have conflicts with the Company.

Regarding the connected transactions between the Company and persons who may have conflicts of interest in 2021, 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 shall sign 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 declared its intention to be a member of Collective Action Coalition of Thai private sector, and is under the filing process to enter into the certification process. 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, the meetings and communications shall be continuously organized for employees in all functions for their awareness of this anti-corruption policy and practical guideline.

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 2021, 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 previous year, there is no complaint about corruption behavior, illegal behavior, and unethical corruption that significantly affects the organization.

4. 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.

In 2021, no complaint about corruption, violation of rights, or non-compliance with laws, rules, regulations and code of conduct was received, or there was no event negatively affecting the Company's reputation. This is due to the management of the Board of Directors and executives, in addition, there was no case of resignation of director or executive owing to the lack of good corporate governance policy, or inadequate and inappropriate internal control system, and no legal dispute in terms of labor and business-related operation 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	2019		2020		2021	
	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 Socratyanurak	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 Socratyanurak | 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 2021, 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 evidences 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 2021 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 2021, 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 2021 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 2021, 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 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 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 2021, 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 2021, the Company focused on 9 areas of risk management as follows:
 1. Operational Risk
 2. Risk of Finance and Exchange Rate
 3. Production Risk
 4. Risk of New Customers and Reliance on Existing Customers
 5. Risk of Fire Inside the Factory and Application for Insurance
 6. Compliance Risk
 7. Risk of Investment and Business Operations of Subsidiaries and Associated Companies
 8. Risks from anti-corruption
 9. Information Technology Risk

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 2021, 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 5 years in total.

- In 2021, 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.

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	2019		2020		2021	
	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.Chalee Suksawad	2	2	2	2	2	2
4. Mr.Arak Suksawad	2	2	2	2	2	2

Nomination Committee

Name of Members	2019		2020		2021	
	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.Chalee Suksawad	3	3	2	2	2	2
3. Mr.Arak Suksawad	3	3	2	2	2	2

Remuneration Committee

Name of Members	2019		2020		2021	
	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.Chalee Suksawad	2	2	2	2	2	2
3. Mr.Arak 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 Socratyanurak | Chairman of Risk Management Committee/ Independent Director |
| 2. | Assoc. Prof. Songklod Jarusombat | Risk Management Committee |
| 3. | Mr. Chalee Suksawad | Risk Management Committee |
| 4. | Mr. Arak Suksawad | Risk Management Committee |

In 2021, 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 2021, the Company focused on the risk management as following summary:
 1. Operational risk: At present, the Company could adequately and appropriately manage the risks that may arise from operations. However, the ways to prevent risks that may occur in the purchasing process are required for more cautiousness.
 2. Risk of Finance and Exchange Rate: in terms of debtor management, since the Company has continuously expanded its operations, the responsible functions are requested to expedite the amendment of the debt collection management system to be prudent, concise and grasp the situations that happen to each customer to enter the correct and appropriate system. The objective is to reduce the period of debt collection and continuously and rapidly decrease the amount of long overdue debts. 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: The Company is constantly developing and improving production efficiency, including expanding the investment in machinery and setting up new production lines, and also emphasizing the policy to continuously reduce costs and production cost.
 4. Risk of New Customers and Reliance on Existing Customers: Presently, the Company's Marketing Department could expand its customer base by getting more customers in the United States, India, the Middle East and China, thereby reducing the reliance on customers in Japan, which currently accounts for the largest proportion of overseas customers.
 5. Risk of Fire Inside the Factory and Application for Insurance: the plan is followed.
 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.
 8. The Company has considered the importance of providing guidelines for preventing IT risks that may occur inside the organization. In 2021, the Company has established the policy for this risk and communicated to relevant agencies for acknowledgement and actual implementation.
- For 2021, 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 Nomination Committee of the Company consists of 3 directors, 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 2021, the Nominating 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 drive 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 2021, 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 2021 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 / Independent Director |
| 2. | Mr. Chalee | Suksawad | Remuneration Committee |
| 3. | Mr. Arak | Suksawad | Remuneration Committee |

In 2021, 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 2021 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 2020, and the report was issued in December 2020. 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 2021. 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.
3. Consider the framework and principles of annual bonus payment for executives and employees of the Company.
4. Consider the compliance with the Corporate Governance Policy regarding the determination of guidelines for the approval of the Board of Directors, consisting of:
 - 4.1 Remuneration for executive director
 - 4.2 Remuneration for Managing Director
 - 4.3 Determination on the framework of the annual special remuneration payment (bonus) to the Company's executives and employees

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/ 2021 on 25 February 2021, 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 the best interests of the Company, and the said transactions were regarded as if the transactions with 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

The important audited issues for 2021 highly emphasized by the Board of Directors are receipt of payment and management of trade receivables, requiring the determination of a guideline for reduction of collection period less than before even though it has been under the novel COVID-19 pandemic situation which has been often encountered by various business sectors with the entity's liquidity problem, as well as the group of some customers of the Company. In addition, the said issues are related to the provision of the guideline for upgrading to hedge the contingent risks in purchasing process so that the Company's payment is efficient and controls the maximum expenses. The Company has been acknowledged and under the corrective action.

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 2021, 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 2021.

9.1.4 Opinions of the Audit Committee on the Office Holder of Chief of Internal Audit

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 detail of the related party transactions of the company and the persons who may have a conflict of interest occurring in 2019, 2020 and 2021 is as follows.

Person who may have a conflict of interest	Nature of Relationship	Nature of Transaction	Value of Related Party Transaction (Million Baht)			Necessity and Reasonableness
			Year 2019	Year 2020	Year 2021	
1. Index Living Mall Co., Ltd.	Director of Index Living Mall is spouse of Mr. Arak Saksawad 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 Index Living Mall since September 2012.	12.33	9.02	12.91	<ul style="list-style-type: none"> The Company sells particle board furniture to Index Living Mall since September 2012. The pricing based on the criteria for considering the pricing of the Company is fair and at arm's length basis. Due to the Company's production of some models of furniture products for Index Living Mall, 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 Index Living Mall. Meanwhile, the Company sells paper foil to ILF 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.
		Trade Receivables: Index Living Mall has the accrued balance of product payment whereas total of the said debt has not yet been due for payment.	2.80	2.69	4.30	
2. Index Interfurn Co., Ltd. (ILF)	Director of ILF is spouse of Mr. Arak Saksawad 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 ILF since 2010.	12.80	12.67	14.44	
		Trade Receivables: ILF 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 ILF.	4.76	3.83	4.14	

Person who may have a conflict of interest	Nature of Relationship	Nature of Transaction	Value of Related Party Transaction (Million Baht)			Necessity and Reasonableness																										
			Year 2019	Year 2020	Year 2021																											
3. Mr. Arak Suksawad	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	19.43 and accrued interest receivable of 0.02 Million Baht	11.11 and accrued interest receivable of 1.08 million Baht	5.96 and accrued interest receivable of 1.07 million Baht
			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																											
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.																																

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.1/2021, held on 25 February 2021, 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 relating 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.

3

PART 3

FINANCIAL STATEMENTS

**For the Year Ended December 31, 2021
and Report of Certified Public Accountant**

M.R. & ASSOCIATES CO., LTD.
Certified Public Accountants

■ REPORT OF CERTIFIED PUBLIC ACCOUNTANT

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, 2021, 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, which comprise the separate statement of financial position as at December 31, 2021, 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, 2021, 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, 2021, 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 issued by the Federation of Accounting Professions together with the ethical requirements 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 such Code. 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 and also increased in 2021 from those in 2020. 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 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, 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 the Annual Registration Statement and the Annual 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 24, 2022

STATEMENTS OF FINANCIAL POSITION

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2021 AND 2020

ASSETS

		In Baht			
		Consolidated		Separate Financial Statements	
	Note	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
CURRENT ASSETS					
Cash and cash equivalents		22,409,668	187,143,750	11,930,436	12,763,230
Trade receivables					
- Related parties	4, 5	8,441,010	7,554,917	52,354,704	38,609,356
- Other parties - net	5	445,983,778	323,753,862	430,131,702	310,157,778
Current portion of receivable from sales of rights	5	37,000,000	36,000,000	37,000,000	36,000,000
Current portion of other installment receivables					
- Related person	4, 7	5,954,749	5,550,000	5,954,749	5,550,000
- Other person	7	11,909,479	11,100,000	11,909,479	11,100,000
Inventories - net	6	1,314,471,404	1,370,207,622	1,312,877,570	1,369,772,706
Short-term loans to and interest receivables from related parties	4	30,000,000	-	13,715,364	189,707,397
Short-term loans to other persons	32	99,000,000	39,000,000	35,000,000	35,000,000
Other current assets					
- Interest receivables	4	11,046,814	5,556,793	8,399,910	5,277,560
- Deposits for purchases of raw materials and inventories		9,988,294	25,611,809	9,988,294	25,611,809
- Prepaid expenses		9,265,932	8,526,146	9,130,438	8,523,864
- Value-added tax receivable		7,924,717	11,076,370	5,578,672	9,556,825
- Others (net of allowance for credit losses of Baht 3,997,141 in 2021 and 2020)		7,238,465	4,687,759	7,139,390	4,597,132
Total Current Assets		2,020,634,310	2,035,769,028	1,951,110,708	2,062,227,657
NON-CURRENT ASSETS					
Receivable from sales of rights - net	5	-	12,000,000	-	12,000,000
Other installment receivables - net					
- Related person	4, 7	-	5,559,749	-	5,559,749
- Other person	7	-	11,119,479	-	11,119,479
Restricted deposits at banks	8	51,950,061	51,822,579	51,950,061	51,822,579
Investment in subsidiaries accounted for using the cost method	9	-	-	961,406,930	703,276,950
Investment in associate accounted for using the equity method	4, 10	823,866,135	672,120,881	-	-
Property, plant and equipment - net	4, 11, 14, 19	613,960,316	521,509,501	591,739,278	517,586,851
Right-of-use assets - net	12	12,158,600	5,334,216	12,158,600	5,334,216
Intangible assets - net	13	1,349,779	1,250,680	1,286,275	1,185,347
Deferred tax assets	24	8,694,960	5,834,932	8,694,960	5,834,932
Other non-current assets					
- Deposit for investment project	34	100,000,000	100,000,000	100,000,000	100,000,000
- Advance for purchase of investment	34	58,000,000	70,000,000	58,000,000	70,000,000
- Deposits and guarantees	4, 10, 19	65,588,845	52,344,904	36,126,645	29,282,595
- Others - net		-	58,374	-	774
Total Non-Current Assets		1,735,568,696	1,508,955,295	1,821,362,749	1,513,003,472
TOTAL ASSETS		3,756,203,006	3,544,724,323	3,772,473,457	3,575,231,129

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2021 AND 2020

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Baht			
		Consolidated		Separate Financial Statements	
	Note	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
CURRENT LIABILITIES					
Bank overdrafts and short-term borrowings from financial institutions	8, 11, 14	704,970,398	601,834,706	704,970,398	601,834,706
Factoring payables	5	77,620,305	87,460,976	77,620,305	87,460,976
Trade payables		216,717,930	215,152,727	216,457,373	212,063,029
Other payables - related party	4	-	-	-	6,726,142
Short-term loans from and interest payable to related parties	4	-	54,178,113	130,332,392	82,746,223
Short-term loans from other parties	15	257,814,881	210,078,200	227,814,881	210,078,200
Current portion of long-term borrowings	11, 19	77,009,939	40,372,434	77,009,939	40,372,434
Current portion of debentures	17	287,424,847	379,024,689	287,424,847	379,024,689
Current portion of lease liabilities	20	2,844,728	2,318,268	2,844,728	2,318,268
Income tax payable		2,323,644	8,032,020	852,117	1,117,341
Accrued expenses and other current liabilities	4, 16	66,926,620	74,601,537	62,854,265	70,283,034
Total Current Liabilities		1,693,653,292	1,673,053,670	1,788,181,245	1,694,025,042
NON-CURRENT LIABILITIES					
Long-term borrowings - net	11, 19	158,501,453	45,599,452	158,501,453	45,599,452
Debentures - net	17	555,272,694	571,163,847	555,272,694	571,163,847
Lease liabilities - net	20	5,273,071	1,289,092	5,273,071	1,289,092
Deferred tax liabilities	24	2,570,492	2,222,293	2,570,492	2,222,293
Liability for post-employment benefits	18	14,320,659	11,614,301	14,320,659	11,614,301
Total Non-Current Liabilities		735,938,369	631,888,985	735,938,369	631,888,985
Total Liabilities		2,429,591,661	2,304,942,655	2,524,119,614	2,325,914,027
SHAREHOLDERS' EQUITY					
Authorized share capital - 1,151,385,108 common shares in 2021 and 1,196,646,188 common shares in 2020, Baht 0.25 par value	21	287,846,277	299,161,547	287,846,277	299,161,547
Issued and paid-up share capital - 959,487,590 common shares in 2021 and 959,487,557 common shares in 2020	21	239,871,897	239,871,889	239,871,897	239,871,889
Premium on shares	21	768,342,356	768,342,199	768,342,356	768,342,199
Retained earnings					
- Appropriated for legal reserve	22	28,950,000	28,950,000	28,950,000	28,950,000
- Unappropriated		468,332,252	430,840,442	428,581,386	429,544,810
Total		1,505,496,505	1,468,004,530	1,465,745,639	1,466,708,898
Other components of equity		(202,268,218)	(235,503,587)	(217,391,796)	(217,391,796)
Equity attributable to Owners of the Parent		1,303,228,287	1,232,500,943	1,248,353,843	1,249,317,102
Non-controlling interests		23,383,058	7,280,725	-	-
Total Shareholders' Equity		1,326,611,345	1,239,781,668	1,248,353,843	1,249,317,102
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,756,203,006	3,544,724,323	3,772,473,457	3,575,231,129

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 YEARS ENDED DECEMBER 31, 2021 AND 2020

		In Baht			
		Consolidated		Separate Financial Statements	
	Note	2021	2020	2021	2020
REVENUES					
Net sales	4, 28	1,549,405,798	1,384,485,110	1,522,979,354	1,363,675,799
Other income					
- Sales of production scraps and supplies		28,639,830	11,994,600	28,639,830	11,994,600
- Interest income	4	7,564,182	7,656,367	6,742,569	12,460,338
- Gain on sales of non-current asset held for sale	10	-	6,171,006	-	-
- Others	4	6,578,318	4,759,768	5,274,546	4,724,423
Gain on exchange rate		8,615,112	560,772	8,618,560	571,460
Total Revenues		1,600,803,240	1,415,627,623	1,572,254,859	1,393,426,620
EXPENSES					
Cost of sales	4, 6, 18	1,237,048,762	1,077,228,060	1,226,971,078	1,069,056,386
Distribution costs		62,208,460	61,608,355	53,820,113	48,549,136
Administrative expenses	4, 11, 13, 18, 23, 35	133,967,511	136,642,753	122,853,320	127,297,890
Other expenses	9	-	18,128,063	-	-
Total Expenses		1,433,224,733	1,293,607,231	1,403,644,511	1,244,903,412
Profit from Operating Activities		167,578,507	122,020,392	168,610,348	148,523,208
Gain on Sales of Rights in Trade Receivables and Product Brand	5	-	18,796,156	-	18,796,156
Finance Costs	4, 20	(134,924,899)	(132,918,147)	(144,518,477)	(134,307,064)
Reversal of Loss (Loss) on Impairment of Trade Receivables	3, 5, 35	(12,483,100)	2,407,766	(11,431,649)	3,052,181
Share of Profit from Investment in Associate	10	32,416,552	35,141,738	-	-
PROFIT BEFORE INCOME TAX EXPENSE		52,587,060	45,447,905	12,660,222	36,064,481
Income Tax Expense	24, 27	(1,668,637)	(13,795,295)	(265,120)	(5,609,640)
PROFIT FOR THE YEAR		50,918,423	31,652,610	12,395,102	30,454,841

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 YEARS ENDED DECEMBER 31, 2021 AND 2020

		In Baht			
		Consolidated		Separate Financial Statements	
	Note	2021	2020	2021	2020
Other Comprehensive Loss for the Year					
<i>Item that will not be reclassified subsequently to profit or loss</i>					
- Actuarial loss on remeasurement of liability for post-employment benefits (net of income tax effect by Baht 341,271 in 2021)	18, 24	(1,365,085)	-	(1,365,085)	-
<i>Item that will be reclassified subsequently to profit or loss</i>					
- Share of other comprehensive income (loss) from associate	10	44,328,702	(13,954,078)	-	-
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		42,963,617	(13,954,078)	(1,365,085)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		93,882,040	17,698,532	11,030,017	30,454,841
Profit (Loss) Attributable to:					
Owners of the parent		50,850,336	41,160,421	12,395,102	30,454,841
Non-controlling interests		68,087	(9,507,811)	-	-
Profit for the Year		50,918,423	31,652,610	12,395,102	30,454,841
Total Comprehensive Income (Loss) Attributable to:					
Owners of the parent		93,813,953	27,206,343	11,030,017	30,454,841
Non-controlling interests		68,087	(9,507,811)	-	-
Total Comprehensive Income for the Year		93,882,040	17,698,532	11,030,017	30,454,841
Basic Earnings per Share	25	0.0530	0.0429	0.0129	0.0317
Diluted Earnings per Share	25	0.0530	0.0429	0.0129	0.0317

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 YEARS ENDED DECEMBER 31, 2021 AND 2020

		In Baht																
		Consolidated																
		Other Components of Equity																
		Retained Earnings			Surplus on Business		Share of Other Comprehensive 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	
Note	Issued and Paid-up Share Capital	Premium on Shares	Appropriated for Legal Reserve	Unappropriated	Combination under Common Control	Loss from Associate	Share of Other Comprehensive Loss from Associate	Share of Other Comprehensive Loss from Associate	Share of Other Comprehensive Loss from Associate	Share of Other Comprehensive Loss from Associate	Share of Other Comprehensive Loss from Associate	Total Other Components of Equity	Equity Attributable to Owners of the Parent	Non-Controlling Interests	Total Shareholders' Equity			
	239,871,889	768,342,199	27,400,000	407,253,316	(217,391,796)	(2,822,000)	(2,822,000)	(2,822,000)	(2,822,000)	(2,822,000)	(1,335,713)	(221,549,509)	1,221,317,895	20,367,032	1,241,684,927			
22	-	-	1,550,000	(1,550,000)	-	-	-	-	-	-	-	-	-	-	-			
26	-	-	-	(16,023,295)	-	-	-	-	-	-	-	-	(16,023,295)	-	(16,023,295)			
9	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,578,496)	(3,578,496)			
	-	-	-	41,160,421	-	(13,954,078)	(13,954,078)	(13,954,078)	(13,954,078)	(13,954,078)	-	(13,954,078)	27,206,343	(9,507,811)	17,698,532			
	239,871,889	768,342,199	28,950,000	430,840,442	(217,391,796)	(16,776,078)	(16,776,078)	(16,776,078)	(16,776,078)	(16,776,078)	(1,335,713)	(235,503,587)	1,232,500,943	7,280,725	1,239,781,668			
21	8	157	-	-	-	-	-	-	-	-	-	-	165	-	165			
26	-	-	-	(11,993,441)	-	-	-	-	-	-	-	-	(11,993,441)	-	(11,993,441)			

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 YEARS ENDED DECEMBER 31, 2021 AND 2020

	In Baht							
	Separate Financial Statements							
	Issued and Paid-up Share Capital		Premium on Shares	Retained Earnings		Other Component of Equity		
				Appropriated for Legal Reserve	Unappropriated	Total	Surplus on Business Combination under Common Control	Total Shareholders' Equity
	Note							
Beginning balance as at January 1, 2020		239,871,889	768,342,199	27,400,000	416,663,264	1,452,277,352	(217,391,796)	1,234,885,556
Appropriation for legal reserve	22	-	-	1,550,000	(1,550,000)	-	-	-
Payment of interim dividends	26	-	-	-	(16,023,295)	(16,023,295)	-	(16,023,295)
Total comprehensive income for the year		-	-	-	30,454,841	30,454,841	-	30,454,841
Ending balance as at December 31, 2020		239,871,889	768,342,199	28,950,000	429,544,810	1,466,708,898	(217,391,796)	1,249,317,102
Proceeds from the exercised warrants	21	8	157	-	-	165	-	165
Payment of dividends	26	-	-	-	(11,993,441)	(11,993,441)	-	(11,993,441)
Total comprehensive income for the year		-	-	-	11,030,017	11,030,017	-	11,030,017
Ending balance as at December 31, 2021		239,871,897	768,342,356	28,950,000	428,581,386	1,465,745,639	(217,391,796)	1,248,353,843

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 YEARS ENDED DECEMBER 31, 2021 AND 2020

	In Baht			
	Consolidated		Separate Financial Statements	
	2021	2020	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the year	50,918,423	31,652,610	12,395,102	30,454,841
Adjustments				
Income tax expense	1,668,637	13,795,295	265,120	5,609,640
Depreciation and amortization	44,426,418	44,046,590	43,567,001	43,885,527
Gain on sales of rights in trade receivables and product brand	-	(18,796,156)	-	(18,796,156)
Loss (reversal of loss) on impairment of trade receivables	12,483,100	(2,407,766)	11,431,649	(3,052,181)
Expenses on post-employment benefits	1,000,002	926,911	1,000,002	926,911
Loss on allowance for diminution in value of inventories	211,018	453,833	162,136	453,833
Loss on written-off inventories for compensation on customer's claims	7,845,431	-	7,845,431	-
Share of profit from investment in associate	(32,416,552)	(31,974,367)	-	-
Loss (gain) on valuation of fair value of derivatives	188,306	4,043	188,306	4,043
Unrealized loss (gain) on exchange rate	361,836	(112,519)	346,181	(124,727)
Gain on sales of equipment	(114,678)	-	(114,678)	-
Gain on sales of non-current asset held for sale	-	(6,171,006)	-	-
Loss on written-off assets	30,898	18,436,272	30,898	70,070
Interest income	(7,564,182)	(7,656,367)	(6,742,569)	(12,460,338)
Intetest expense	134,924,899	132,918,147	144,518,477	134,307,064
Decrease (increase) in operating assets				
Trade receivables	(135,642,023)	(85,027,227)	(145,193,836)	(100,816,312)
Receivable from sales of rights	11,000,000	7,000,000	11,000,000	7,000,000
Inventories	47,679,769	8,711,993	48,887,569	8,618,207
Other current assets	15,551,934	(6,959,863)	16,353,603	(6,147,114)
Other non-current assets	(2,771,875)	(5,653,062)	(2,398,276)	(5,644,953)
Increase (decrease) in operating liabilities				
Trade payables	1,565,203	62,117,380	4,394,345	59,027,682
Other payables - related parties	-	-	(6,726,142)	6,726,142
Accrued expenses and other current liabilities	(13,545,180)	5,803,774	(13,283,377)	2,512,662
Net Cash Flows Provided by Operations	137,801,384	161,108,515	127,926,942	152,554,841
Income tax paid	(9,585,296)	(7,525,215)	(2,700,903)	(6,009,077)
Net Cash Flows Provided by Operating Activities	128,216,088	153,583,300	125,226,039	146,545,764

STATEMENTS OF CASH FLOWS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	In Baht			
	Consolidated		Separate Financial Statements	
	2021	2020	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in restricted deposits at banks	(127,482)	42,058,129	(127,482)	42,058,129
Decrease (increase) in short-term loans to related parties	(30,000,000)	13,760,134	170,400,000	(149,000,000)
Collections on other installment receivables	15,465,000	24,975,018	15,465,000	24,975,018
Increase in short-term loans to other persons	(60,000,000)	(39,000,000)	-	(35,000,000)
Decrease (increase) in current investment	-	9,978,684	-	9,978,684
Increase in investment in subsidiary	-	-	(258,129,980)	-
Increase in non-controlling interests in the new subsidiary	500,000	-	-	-
Increase in investment in associate	(75,000,000)	(230,355,222)	-	-
Decrease in advance for purchase of investment	12,000,000	25,000,000	12,000,000	25,000,000
Decrease (increase) in advances for share subscription	-	-	-	78,375,000
Additions to plant and equipment	(149,949,888)	(99,979,655)	(124,825,220)	(99,979,657)
Additions to intangible assets	(453,840)	-	(453,840)	-
Proceeds from sale of non-current asset held for sale	-	233,882,006	-	-
Dividends received	-	11,393,824	-	-
Interest received	2,074,160	3,798,689	9,212,252	3,725,755
Net Cash Flows Used in Investing Activities	(285,492,050)	(4,488,393)	(176,459,270)	(99,867,071)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in bank overdrafts and short-term borrowings from financial institutions	103,047,422	79,558,387	103,047,422	82,349,516
Decrease in factoring payables	(9,840,671)	(20,738,370)	(9,840,671)	(20,738,370)
Increase (decrease) in short-term loans from other parties	45,000,000	15,346,278	15,000,000	35,346,278
Increase in short-term loans from related parties	(53,500,000)	53,500,000	41,752,000	32,300,000
Increase in lease liabilities	8,139,600	-	8,139,600	-
Payments of lease liabilities	(3,629,161)	(2,779,346)	(3,629,161)	(2,779,346)
Increase in long-term borrowings	205,490,000	50,000,000	205,490,000	50,000,000
Repayments of long-term borrowings	(55,950,493)	(33,484,857)	(55,950,493)	(30,969,268)
Issuance of debentures	565,000,000	581,100,000	565,000,000	581,100,000
Redemption of debentures	(670,750,000)	(609,800,000)	(670,750,000)	(609,800,000)
Debenture issuance costs	(12,591,800)	(14,375,445)	(12,591,800)	(14,375,445)
Proceeds from the exercised warrants	165	-	165	-
Increase (decrease) in non-controlling interests	4,440,914	(3,578,496)	-	-
Dividends and interim dividends paid	(11,993,441)	(16,023,295)	(11,993,441)	(16,023,295)
Interest paid	(120,320,655)	(124,736,566)	(123,273,184)	(125,849,511)
Net Cash Flows Provided by (Used in) Financing Activities	(7,458,120)	(46,011,710)	50,400,437	(39,439,441)

STATEMENTS OF CASH FLOWS

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	In Baht			
	Consolidated		Separate Financial Statements	
	2021	2020	2021	2020
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(164,734,082)	103,083,197	(832,794)	7,239,252
Cash and Cash Equivalents at Beginning of Year	187,143,750	84,060,553	12,763,230	5,523,978
CASH AND CASH EQUIVALENTS AT END OF YEAR	22,409,668	187,143,750	11,930,436	12,763,230
Supplementary disclosures of cash flow information:				
a. Cash and cash equivalents at end of year				
Cash in hand	315,644	420,385	265,644	310,385
Current accounts at banks	14,869,543	176,210,828	6,254,723	2,820,045
Savings deposits at banks	3,063,182	5,966,830	1,248,770	5,087,093
Short-term fixed deposits at banks	4,161,299	4,545,707	4,161,299	4,545,707
Total	22,409,668	187,143,750	11,930,436	12,763,230
b. Non-cash transactions				
Purchases of equipment by means of payables	3,726,900	17,007,738	3,726,900	17,007,738
Transfer of trade receivables to receivables from sales of rights	-	55,000,000	-	55,000,000
Transfer of non-current assets to fixed assets	15,905,000	2,310,000	15,905,000	2,310,000
Transfer of non-current assets to intangible assets	31,309	-	-	-
Transfer of fixed assets to right-of-use assets	11,628,000	4,003,233	11,628,000	4,003,233
Transfer of fixed assets to intangible assets	-	950,000	-	950,000
Transfer of right-of-use assets to fixed assets	1,159,343	-	1,159,343	-
Initial recognition of right-of-use assets and lease liabilities	-	1,873,520	-	1,873,520
Increase in right-of-use assets by new hire purchase agreements	-	2,000,511	-	2,000,511
Transfer of investment in joint venture to non-current asset held for sale	-	227,711,000	-	-
Transfer of advances for share subscription to investment in associate	-	78,750,000	-	-
c. Supplementary disclosures of cash flow information				
Total cash outflow for leases	8,196,828	2,949,564	8,196,828	2,949,564

The accompanying notes are an integral part of these financial statements.

■ NOTES TO FINANCIAL STATEMENTS

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

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 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.

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% (75% in 2020) by the Company, was registered a limited company in Thailand on February 23, 2015 and is engaged in (1) sales of sundry goods imported from abroad and furniture through the local sale agents and (2) mining and sales of cryptocurrency (started in mid of November 2021). 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 set up and arrangement 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 and is engaged in 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.

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. 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.

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

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, 2021 and 2020 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, 2021, the Group has adopted Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), Thai Accounting Interpretation (TSIC) and Thai Financial Reporting Interpretation (TFRIC), revised by TFAC, which became effective from the accounting period starting on or after January 1, 2021. The aforesaid adoption of revised TAS / TFRS / TSIC / TFRIC did not have any material effect to the Group’s financial statements.

In addition, TFAC revised and newly issued certain TAS / TFRS / TSIC / TFRS as well as the accounting guidance which became effective from the accounting period starting on or after January 1, 2022 whereby their significant parts for 2022 relate to (1) the practical expedient relating to COVID-19-related rent concessions for lessee in respect of TFRS 16 and (2) the Interest Rate Benchmark (IBOR) Reform-Phase 2 which relates to certain significant TFRSs e.g. TFRS 4, TFRS 7, TFRS 9 and TFRS 16. Notwithstanding, the Group had not yet adopted them in preparation of the accompanying financial statements and has no policy to early adopt before the effective period. The Group’s management has preliminarily assessed and believed that there will be no material effect to the Group’s financial statements upon adoption of such TAS / TFRS / TSIC / TFRS as well as the accounting guidance.

The Group disclosed information for the year ended December 31, 2020 for being the comparative information in the financial statements for the year ended December 31, 2021 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.

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

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.

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.

Current Investment

Current investment in unit trusts which is held by the Company for trading 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.

Current investment in short-term bill of exchange (debt securities) that is held to maturity is stated at amortized cost net of allowance for impairment (if any).

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

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 as well as 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 renewal option of leases and discount rate of lease liabilities
- Expected periods and amounts that deferred tax assets will be realized
- Assumptions used in calculation and estimate of liability for post-employment benefits
- Fair values and fair value measurements of financial assets, financial liabilities and other financial instruments.

About the pandemic of Coronavirus Disease 2019 (COVID-19), the Group's management has after the situation and continuously assessed the impacts from such matter. However, the COVID-19 situation has been highly uncertain and may affect, whether directly or indirectly, to the environment of business operations of the Group as well as estimates and judgements used for assessing values of assets, liabilities or provisions and contingent liabilities in the financial statements that are changeable depending on the assessment of the COVID-19 situation in each period done by the Group's management.

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 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".

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

Inventories

Inventories (including cryptocurrency held for sale by subsidiary and remained at the period-end - if any) are valued at the lower of cost and net realizable value and net of allowance for diminution in value for obsolete and slow-moving inventories. Cost is calculated and determined using the First-In, First-Out method.

Costs of inventories that are not cryptocurrency 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. Cost of cryptocurrency is discussed in the section of "Revenue recognition".

Net realizable value is the estimated selling price in ordinary course of business less necessary costs to sell. Net realizable value of cryptocurrency is based on fair value (closing price) at the period-end quoted in the central website that summarized information relating to cryptocurrency.

The Group determines the allowance for diminution in value for obsolete and slow-moving inventories based on consideration of inventory condition and estimates derived from past 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:

	<u>No. of Years</u>
Land improvement	5
Building and building improvement	5 and 20
Machinery and equipment (including cryptocurrency-mining equipment)	3 - 15
Electric system	5
Furniture, fixtures and office equipment	3 and 5
Showroom equipment	3
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).

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

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:

	Period
Vehicles and equipment	18 - 60 months

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.

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.

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

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 (if any) 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 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 shall continue to recognize the transferred asset as previously done and account for the lease liability equal to the amount of proceeds from the transfer of that assets.

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.

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

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 or 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 is recognized, at a point in time, when the Group has rendered and transferred the services to customer and on an accrual basis.

Interest income 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.

Other income is recognized on an accrual basis.

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

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.

Financial instruments

Recognition and measurement

The Group initially measures financial assets 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.

The Group initially measures financial liabilities 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.

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

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 current assets)

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 current liabilities)

Impairment

Impairment loss (previously before 2020 was known as provision for doubtful account) from expected credit loss of financial assets shall be recognized under the General approach in the following stages:

- Stage 1 (performing): the 12-month expected credit loss shall be recognized in profit or loss. Interest income (if any) shall be calculated base 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 entity shall recognize the full lifetime expected credit loss in profit or loss. Interest income (if any) shall be 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 entity shall recognize the full lifetime expected credit loss in profit or loss. Interest income (if any) shall be calculated base on gross carrying amount net of the allowance for impairment.

For trade receivables and contract assets (e.g. accrued income), the Group is able to adopt 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 shall be combined with the forward looking information pertaining to the assets and significant factors relating to economic environment.

For receivables and loan receivables, the Group categorized the population by focusing on aging balance information whereby the past records were captured for historical credit loss of approximately one year

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

Notwithstanding, In 2020, the Group exercised certain mitigating measure indicated in the accounting guidance for Temporary Mitigating Policies for Alternative Accounting on the Effects from Pandemic Situation of the Coronavirus 2019 (COVID-19), issued by TFAC in April 2020 (within effective only in 2020). Such mitigating measure related to the exemption from combining forward looking information for the assets adopted the Simplified approach on consideration and measurement of the expected credit loss. The effect on allowance for impairment from the expected credit loss of “Trade receivables”, when forward-looking information is included in consideration and measurement, increased from previously reported balances as at December 31, 2020 of approximately Baht 3.4 million and Baht 4.1 million in the separate and consolidated financial statements, respectively. Such amounts are integral part of loss on impairment that was recognized in 2021.

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, 2021 AND 2020

Deferred tax

Deferred tax 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 per Share

Basic earnings per share is determined by dividing profit for the year, attributable to owners of the Company, by the weighted average number of common shares outstanding during the year whereas diluted earnings per share is determined by dividing the profit 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 the 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
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
Safe Energy Holdings Co., Ltd.	Holding company in energy business	Joint venture (until December 2020)
Prize of Wood Green Energy Co., Ltd.	Manufacturing and sales of electricity generated from biomass fuel	Subsidiary of joint venture and co-directors (until December 2020)
Safe Energy (Phrae) Co., Ltd. Co., Ltd.	Manufacturing and sales of electricity generated from biomass fuel	Subsidiary of joint venture (until December 2020)
Safe Biomass Co., Ltd.	Wood chip plant for use as fuel for biomass power plant	Subsidiary of joint venture (until December 2020)

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

Name of Companies / Persons	Type of Business	Type of Relationship
Prize of Wood Industry Co., Ltd.	Manufacturing and sales of wood-base panel, i.e. wood sheet and rubber wood	Co-shareholders and co-directors with subsidiary of joint venture (until December 2020)
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
B.V. Parawood Co., Ltd.	Manufacturing and sales of furniture and dried sawn lumbers	Co-directors and co-shareholders
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 Chalee Suksawad	-	Shareholder and director (key management)
Khun Arak Suksawad	-	Shareholder and director (key management)
Khun Tippawan 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 Vasanasang	-	Director (key management)
Khun Phaiboon Arunprasobsuk	-	Director (key management)

Key management are persons 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	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
Other service fees and expenses (if any)	Mutually agreed price
Key management's remunerations	Mutually agreed amount
Guarantee of credit facilities by directors	No guarantee charge between parties

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

Transactions with related parties for the years ended December 31, 2021 and 2020 are as follows:

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2021	2020	2021	2020
Sales of inventories				
Subsidiaries	-	-	86,726	76,480
Related companies	27,358	21,688	12,911	16,121
Total	27,358	21,688	99,637	92,601
Interest income				
Subsidiaries	-	-	1,570	5,707
Associate	66	16	-	-
Joint venture	-	624	-	-
Related person	557	888	557	888
Total	623	1,528	2,127	6,595
Other income				
Related company	-	579	-	579
Dividend income (presented as a deduction to investment value)				
Associate	-	11,394	-	-
Purchases of inventories				
Subsidiary	-	-	168	1
Interest expense				
Subsidiaries	-	-	9,733	2,383
Related persons	870	664	764	136
Total	870	664	10,497	2,519
Key management's remunerations				
Short-term benefits	22,697	21,033	18,659	18,513
Post-employment benefits	203	271	203	271
Total	22,900	21,304	18,862	18,784

Outstanding balances with related parties as at December 31, 2021 and 2020 are as follows:

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2021	2020	2021	2020
Trade receivables				
Subsidiaries	-	-	48,050	35,809
Related companies	8,441	7,555	4,305	2,800
Total	8,441	7,555	52,355	38,609
Other installment receivables (see Note 7)				
Related person				
Due for payments within one year	5,955	5,550	5,955	5,550
Due for payments after one year	-	5,560	-	5,560
Total	5,955	11,110	5,955	11,110
Interest receivable (other current assets)	1,069	907	1,069	907
Total	7,024	12,017	7,024	12,017

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2021	2020	2021	2020
Short-term loans and interest receivables				
Interest receivables				
Subsidiaries	-	-	115	5,707
Associate (other current assets)	66	-	-	-
Short-term loans				
Subsidiaries (interest rate at 5.5% p.a. and due at call)		-	13,600	184,000
Associate (interest rate at 10% p.a. and due under mutual agreement that is attributable to percentage of shareholding by ECF-P)	30,000	-	-	-
Total	30,066	-	13,715	189,707
Guarantees on construction of power plant project				
Associate	20,000	20,000	-	-
Other payables				
Subsidiary	-	-	-	6,726
Other payable (other current liabilities)				
Associate	780	780	-	-
Short-term loan and interest payables				
Interest payables				
Subsidiary	-	-	7,580	1,596
Related person	-	678	-	150
Short-term loans				
Subsidiary (interest rate at 5.5% p.a. and due at call)	-	-	122,752	68,500
Related person (interest rate at 5.25% p.a. and due at call)	-	53,500	-	12,500
Total	-	54,178	130,332	82,746

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

	Consolidated (In Thousand Baht)			
	December 31, 2020	Movements during the year		December 31, 2021
		Increase	Decrease	
Short-term loans to				
Green Earth Power (Thailand) Co., Ltd.	-	30,000	-	30,000
	Separate Financial Statement (In Thousand Baht)			
	December 31, 2020	Movements during the year		December 31, 2021
		Increase	Decrease	
ECF-H	35,000	13,600	35,000	13,600
ECF-P	149,000	-	149,000	-
	Consolidated (In Thousand Baht)			
	December 31, 2020	Movements during the year		December 31, 2021
		Increase	Decrease	
Short-term loans from				
Director	53,500	-	53,500	-
Relative of director	-	100,000	100,000	-

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

	Separate Financial Statement (In Thousand Baht)			
	December 31,	Movements during the year		December 31,
	2020	Increase	Decrease	2021
ECF-P	62,500	221,652	173,000	111,152
PNB	6,000	10,600	5,000	11,600
Director	12,500	-	12,500	-
Relative of director	-	100,000	100,000	-

5. TRADE RECEIVABLES

As at December 31, 2021 and 2020, trade receivables classified by outstanding period are as follows:

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2021	2020	2021	2020
<i><u>Related companies</u></i>				
Current	6,793	4,384	19,142	16,285
Overdue :				
Not exceeding 3 months	1,648	3,162	10,334	15,014
Between 3 months - 6 months	-	-	13,178	7,055
Between 6 months - 12 months	-	-	4,242	246
Over 12 months		9	5,459	9
Total	8,441	7,555	52,355	38,609
<i><u>Other companies - net</u></i>				
Current	263,955	230,667	249,989	220,880
Overdue :				
Not exceeding 3 months	79,370	47,051	76,905	43,603
Between 3 months - 6 months	17,791	16,231	17,743	15,921
Between 6 months - 12 months	90,898	24,762	90,648	24,711
Over 12 months	11,313	9,903	8,273	7,037
Total	463,327	328,614	443,558	312,152
Less Allowance for impairment for expected credit loss	(17,343)	(4,860)	(13,426)	(1,994)
Net	445,984	323,754	430,132	310,158

As at December 31, 2021 and 2020, the Company discounted, under factoring, its trade receivables amounting to approximately Baht 83.9 million and Baht 89.7 million with three local financial institutions, respectively, (under credit facilities totalling Baht 150 million in 2021 and Baht 215 million in 2020), whereby such financial institutions can take recourse action on the Company amounting to approximately Baht 77.6 million and Baht 87.5 million, respectively. The Company presented such amounts of obligation under recourse action as “Factoring payables” in statements of financial position.

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

At the Board of Directors' meeting in March 2020, the Board of Directors passed the resolution to approve the Company to sell a portion of trade receivables, incurred from sales through agents, together with the related rights in product brand to a non-related company, whose business is engaged in trading of construction and household decoration materials, at carrying amount of Baht 55 million whereby such trade receivables had carrying amount of approximately Baht 36.2 million and incurred gain on sales of approximately Baht 18.8 million of which mainly is attributable to payment for the related rights in product brand whereby the Company has transferred control in the rights for cash collection on trade receivables and rights in product brand to buyer. Such gain was separately presented in the consolidated and separate statements of comprehensive income for the year ended December 31, 2020. In addition, under the related sale-purchase agreement together with relevant letter compromising the debt, the Company has agreed with buyer to settle the aforesaid price in monthly installments starting from April 2020 to December 2022 with interest charge at the rate 6% p.a. until settlement is completed. As at December 31, 2021, entire balance of such receivable from sales of rights carrying for collection within one year while balance as at December 31, 2020 of such receivable from sales of rights carrying for collection within one year and exceeding one year amounted to Baht 36 million and Baht 12 million, respectively.

6. INVENTORIES - NET

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2021	2020	2021	2020
Finished goods	533,366	549,267	531,724	548,831
Work-in-process	656,015	682,739	656,015	682,739
Raw materials	68,142	80,677	68,142	80,677
Factory supplies	55,587	59,525	55,587	59,525
Inventories in transit	7,682	4,110	7,682	4,110
Total	1,320,792	1,376,318	1,319,150	1,375,882
Less Allowance for diminution in value for obsolete and slow moving inventories	(6,321)	(6,110)	(6,272)	(6,110)
Net	1,314,471	1,370,208	1,312,878	1,369,772

As at December 31, 2021 and 2020, written-down amount of inventory cost (excluding cryptocurrency) 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, 2021 and 2020 amounting to approximately Baht 10.5 million and Baht 13.0 million, respectively.

As at December 31, 2021, the Group had no digital asset (cryptocurrency) outstanding on hand.

7. LOANS TO OTHER PARTIES OF WHICH RIGHTS DISPOSED TO BE OTHER INSTALLMENT RECEIVABLES

Previously, this account represented loan to Inter Far East Energy Corporation Public Company Limited ("IFEC") amounting to Baht 50 million with interest charge at the rate of 6.25% per annum that is secured by common shares of a subsidiary of IFEC and is in the form of deposit for feasibility study of investment in the 1-Megawatt solar power plant project of CR Solar Co., Ltd. ("CRS"), located at Amphur Thern in Lampang province, whereby CRS is other subsidiary of IFEC. On December 22, 2017, the Company, IFEC, and CRS entered into the Memorandum of Understanding ("MOU") for determining the condition that such loan and related interest receivable will be able to use as deposit on future settlement of the price on purchase-sale of the business if the Company is satisfied by outcome of the feasibility study and decides to invest. Such loan had been charged for interest until all conditions under such MOU are fulfilled. The Company and IFEC had negotiated and mutually agreed to extend duration for due diligence process to be within November 30, 2019 as well as duration for entering into purchase-sale agreement of the business to be within December 31, 2019.

NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

However, the due diligence process has been in progress and cannot be assessed for its completion, the Board of Directors' meeting on December 24, 2019, therefore, passed the resolution to approve the Company to dispose the rights under aforesaid loan agreement as well as related pledge agreement and MOU to (1) a non-related person who is shareholder of the venturer and director of the Company's joint venture and (2) a major shareholder and director of the Company at the portion of two-third and one-third, respectively, of the balance of loan principal including interest as at December 24, 2019 (totalling approximately Baht 58.30 million). Such amount is attributable to (1) totalling approximately Baht 38.87 million and (2) totalling approximately Baht 19.43 million. The disposal to (1) and (2) shall be collected in 7 installments, six-month period per installment, starting from December 2019. Installment for (1) and (2) amounted to approximately Baht 5.55 million and Baht 2.78 million, respectively. The Company also charges interest on installments from (1) and (2) at the rate of 6% per annum. Since December 24, 2019, the Company has not had any rights or agreements in connection with IFEC and the Company is no longer have intention to continue the due diligence and purchase-sale of the business with CRS. As at December 31, 2021, current portion of "Other installment receivables" to be collected from (1) and (2) amounted to in total of approximately Baht 17.9 million while current portion and non-current portion as at December 31, 2020 amounted to in total of approximately Baht 16.7 million and Baht 16.7 million, respectively.

8. RESTRICTED DEPOSITS AT BANKS

As at December 31, 2021 and 2020, the Company has collateralized its fixed deposits with three local banks amounting to approximately Baht 52.0 million and Baht 51.8 million, respectively, as guarantees for its short-term loan facilities with such banks.

9. 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)	
	2021	2020	2021	2020	2021	2020
VVD	1,000	1,000	99.95	99.95	1,000	1,000
ECF-H	45,000	10,000	94.44	75.00	42,500	7,500
ECF-P	909,283	687,652	99.99	99.99	909,282	687,652
PNB	50,000	50,000	57.00	57.00	7,125	7,125
SOMEWA	2,000	-	75.00	-	1,500	-
Total					<u>961,407</u>	<u>703,277</u>

During 2021 and 2020, the subsidiaries did not declare any dividends to the shareholders.

Significant financial information of PNB in the financial statements for the years 2021 and 2020 which included non-controlling interests at the proportion of 43% is as follows:

	In Million Baht	
	2021	2020
Current assets	17.7	13.0
Non-current assets	3.9	4.0
Current liabilities	0.6	0.8
Shareholders' equity	21.0	16.2
Other income	0.7	1.6
Profit (Loss) for the year	0.4	(17.1)
Total comprehensive income (loss) for the year	0.4	(17.1)

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

At the Board of Directors' meeting on May 14, 2021, the Board of Directors approved the following significant matters relating to the investing activities:

- Increase in authorized share capital of ECF-H from Baht 10 million to Baht 45 million by issuance of new 350,000 common shares, Baht 100 par value, whereby the Company will wholly invest in these incremental shares of ECF-H and, therefore, the Company's percentage of shareholding in ECF-H will increase from 75% to 94.44%. Increase in authorized share capital of ECF-H was completely registered in July 2021.
- Establishment of the new subsidiary in June 2021, i.e. Somewa Plaza Co., Ltd. ("SOMEWA"), for conducting online platform and e-commerce business with initial authorized share capital of Baht 2 million whereby the Company invests in SOMEWA at the percentage of shareholding of 75%.
- Entering into the Memorandum of Understanding for feasibility study of investment in the business relating to export of dried sawn timbers.

Subsequently, at the Board of Directors' meeting on December 23, 2021, the Board of Director approved (1) ECF-H to invest in the new business with budget of Baht 60 million in addition to the existing business that is being dealer on sales of the Company's furniture products. Such new business is mining for digital currency asset whereby the Company has the specialized personnel and team to oversee and manage this new business and brief direction on operations is that ECF-H will sell its digital currency asset, received from mining, with the digital asset trading centers and (2) establishment of the new subsidiary (the sixth subsidiary, subsequently incorporated on February 10, 2022), i.e. VV Rich Co., Ltd., in order to conduct the business relating to cultivation and sales of agricultural products with initial authorized share capital of Baht 1 million whereby the Company invests in such company at 99.97% of shareholding with the total investment budget of Baht 80 million. Cash flows for this investment will be derived from the Company's working capital and/or borrowings.

Further, during 2021, the Company additionally invests, at the existing percentage of shareholding, in ECF-P with respect to increase in authorized share capital of ECF-P amounting to approximately Baht 221.6 million.

In 2020, ECF-P entered into a plan for sales of its investment in joint venture to a venturer under the sale-purchase agreement, jointly arranged with another venturer, with total price of approximately Baht 233.9 million. The investment value under equity method of the joint venture amounted to approximately Baht 227.7 million whereby the Group transferred such investment to non-current asset held for sale. The Group ceased using the equity method of accounting on valuation of such investment and used such value as a deemed cost of the investment which is less than its fair value less cost to sell of approximately Baht 6.2 million (gain on sales). The aforesaid plan for sales was completed in December 2020. In addition, for reporting of significant financial information disaggregated by operating segment, such item is categorized under segment "Other products".

Further in 2020, PNB had a plan to discontinue its project for manufacturing and sales of MDF board and particle board whereby the Company's management is during consideration for appropriate new project in the future for PNB. A portion of PNB's fixed assets amounting to approximately Baht 18.1 million was accordingly no longer in use and written-off as expense (approved by the Company's director) which was presented as "Other expenses" in the consolidated statement of comprehensive income for the year ended December 31, 2020.

NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
DECEMBER 31, 2021 AND 2020

10. 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	
	2021	2020	2021	2020	2021	2020
<i>Investment in associate</i>						
Green Earth Power (Thailand) Co., Ltd. ("GEP")	20.00	20.00	2,252,716	2,252,716	823,866	672,121
					-	11,394

Share of profit and other comprehensive income from GEP for the year 2021 amounted to approximately Baht 32.4 million and Baht 44.3 million, respectively. In addition, during 2021, the subsidiary additionally paid for investment in GEP amounting to Baht 75 million. Share of profit from GEP for the year 2020 amounted to approximately Baht 35.1 million whereas share of other comprehensive loss for the same year amounted to approximately Baht 13.8 million. In addition, during 2020, ECF-P additionally invested in GEP amounting to approximately Baht 227.2 million and by means of transfer from advance for share subscription amounting to approximately Baht 78.8 million.

In the future, GEP will increase its share capital to support the investment in construction of power plant and production of the electric power for sales of its subsidiary (100% held by GEP), i.e. GEP (Myanmar) Company Limited ("GEPM"), whereby the project will be separated into 4 phases until reaching full capacity of 220 megawatts. According to such increase in share capital, ECF-P shall additionally invest in the future for its portion amounting to approximately Baht 94.5 million within 2021. GEP is engaged as a holding and management company in the 220 megawatt solar power plant project of GEPM which is located in Minbu province, Myanmar.

In 2019, ECF-P has placed 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, 2021 and 2020.

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 matter was made with respect to the payment condition of such project that payments shall be made after the completion of construction works.

NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

Significant financial information of GEP for 2021 and 2020 is as follows:

	In Million Baht	
	2021	2020
Current assets (including other subscription receivables)	242.4	269.8
Non-current assets	3,932.6	3,451.9
Current liabilities	1,838.7	1,765.5
Non-current liabilities	29.0	32.6
Core revenues	380.6	318.7
Profit for the year	162.1	180.0
Total comprehensive income for the year	383.7	110.2
Shareholders' equity (not deducting other subscription receivables)	2,307.3	1,923.6
The Group's interest at the investment proportion	461.5	384.7
Purchase price of investment in excess of the Group's interest	362.4	287.4
Carrying amount of investment in which equity method is applied	823.9	672.1

11. PROPERTY, PLANT AND EQUIPMENT - NET

	Consolidated (In Thousand Baht)				
	Beginning Balance as at January 1, 2021	Movements During the Year			Ending Balance as at December 31, 2021
		Addition	Deduction	Transfer	
Cost					
Land	200,038	6,000	-	11,500	217,538
Land improvement	9,709	-	-	31,388	41,097
Building	189,852	-	-	-	189,852
Building improvement	48,693	28	-	22,187	70,908
Machinery and equipment	388,466	21,821	11,656	21,249	419,880
Electric system	49,145	-	-	890	50,035
Furniture, fixtures and office equipment	18,842	456	272	-	19,026
Vehicle	49,296	-	2,114	7,100	54,282
Utilities	3,897	-	-	-	3,897
Construction in progress and machinery under installation	60,843	99,021	-	(71,309)	88,555
Total Cost	1,018,781	127,326	14,042	23,005	1,155,070
Accumulated Depreciation					
Land improvement	9,189	777	-	-	9,966
Building	70,629	9,043	-	-	79,672
Building improvement	22,798	3,176	-	-	25,974
Machinery and equipment	315,348	19,334	131	-	334,551
Electric system	7,798	5,094	-	-	12,892
Furniture, fixtures and office equipment	15,759	1,335	268	-	16,826
Vehicle	46,394	1,652	2,114	5,941	51,873
Utilities	3,897	-	-	-	3,897
Total Accumulated Depreciation	491,812	40,411	2,513	5,941	535,651

NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

	Consolidated (In Thousand Baht)				
	Beginning Balance as at January 1, 2021	Movements During the Year			Ending Balance as at December 31, 2021
		Addition	Deduction	Transfer	
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	521,510				613,960

	Consolidated (In Thousand Baht)				
	Beginning Balance as at January 1, 2020	Movements During the Year			Ending Balance as at December 31, 2020
		Addition	Deduction	Transfer	
Cost					
Land	162,809	37,229	-	-	200,038
Land improvement	9,709	-	-	-	9,709
Building	184,101	5,684	-	67	189,852
Building improvement	48,053	556	-	84	48,693
Machinery and equipment	365,744	7,629	300	15,393	388,466
Electric system	41,025	2,632	-	5,488	49,145
Furniture, fixtures and office equipment	18,258	549	-	4	18,811
Showroom equipment	31	-	-	-	31
Vehicle	56,396	-	-	(7,100)	49,296
Utilities	3,897	-	-	-	3,897
Construction in progress and machinery under installation	51,439	47,208	18,128	(19,676)	60,843
Total Cost	941,462	101,487	18,428	(5,740)	1,018,781
Accumulated Depreciation					
Land improvement	8,960	229	-	-	9,189
Building	61,270	9,359	-	-	70,629
Building improvement	19,736	3,062	-	-	22,798
Machinery and equipment	296,768	18,804	230	6	315,348
Electric system	3,551	4,247	-	-	7,798
Furniture, fixtures and office equipment	13,888	1,851	-	(6)	15,733
Showroom equipment	20	6	-	-	26
Vehicle	46,021	3,470	-	(3,097)	46,394
Utilities	3,897	-	-	-	3,897
Total Accumulated Depreciation	454,111	41,028	230	(3,097)	491,812
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	481,892				521,510

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

Separate Financial Statements (In Thousand Baht)

	Beginning Balance as at January 1, 2021	Movements During the Year			Ending Balance as at December 31, 2021
		Addition	Deduction	Transfer	
Cost					
Land	200,038	6,000	-	11,500	217,538
Land improvement	9,709	-	-	31,388	41,097
Building	189,852	-	-	-	189,852
Building improvement	48,693	28	-	22,187	70,908
Machinery and equipment	388,466	2,696	11,656	21,249	400,755
Electric system	49,145	-	-	890	50,035
Furniture, fixtures and office equipment	18,253	456	272	-	18,437
Vehicle	49,296	-	2,114	7,100	54,282
Utilities	3,897	-	-	-	3,897
Construction in progress and machinery under installation	56,985	99,021	-	(71,309)	84,697
Total Cost	1,014,334	108,201	14,042	23,005	1,131,498
Accumulated Depreciation					
Land improvement	9,189	777	-	-	9,966
Building	70,629	9,043	-	-	79,672
Building improvement	22,799	3,176	-	-	25,975
Machinery and equipment	315,348	18,565	131	-	333,782
Electric system	7,797	5,094	-	-	12,891
Furniture, fixtures and office equipment	15,235	1,277	268	-	16,244
Vehicle	46,394	1,652	2,114	5,941	51,873
Utilities	3,897	-	-	-	3,897
Total Accumulated Depreciation	491,288	39,584	2,513	5,941	534,300
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	517,587				591,739

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

	Separate Financial Statements (In Thousand Baht)				
	Beginning Balance as at January 1, 2020	Movements During the Year			Ending Balance as at December 31, 2020
		Addition	Deduction	Transfer	
Cost					
Land	162,809	37,229	-	-	200,038
Land improvement	9,709	-	-	-	9,709
Building	184,101	5,684	-	67	189,852
Building improvement	48,053	556	-	84	48,693
Machinery and equipment	365,744	7,629	300	15,393	388,466
Electric system	41,025	2,632	-	5,488	49,145
Furniture, fixtures and office equipment	17,700	549	-	4	18,253
Vehicle	56,396	-	-	(7,100)	49,296
Utilities	3,897	-	-	-	3,897
Construction in progress and machinery under installation	29,453	47,208	-	(19,676)	56,985
Total Cost	918,887	101,487	300	(5,740)	1,014,334
Accumulated Depreciation					
Land improvement	8,960	229	-	-	9,189
Building	61,270	9,359	-	-	70,629
Building improvement	19,737	3,062	-	-	22,799
Machinery and equipment	296,768	18,804	230	6	315,348
Electric system	3,550	4,247	-	-	7,797
Furniture, fixtures and office equipment	13,513	1,728	-	(6)	15,235
Vehicle	46,021	3,470	-	(3,097)	46,394
Utilities	3,897	-	-	-	3,897
Total Accumulated Depreciation	453,716	40,899	230	(3,097)	491,288
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	459,712				517,587

As at December 31, 2021 and 2020, the Company's land, building and building improvement, machinery and equipment of which carrying amount totalling approximately Baht 374.5 million and Baht 357.5 million, respectively, were used as guarantees for the credit facilities with financial institutions as discussed in Notes 14 and 19.

As at December 31, 2021 and 2020, cost of the Company's building and building improvement and equipment which have been fully depreciated but still in use amounting to approximately Baht 338.5 million and Baht 284.3 million, respectively.

Depreciation of building and equipment for 2021 amounted to approximately Baht 40.4 million in the consolidated financial statements and Baht 39.6 million in separate financial statements while for 2020 amounted to approximately Baht 41.0 million in the consolidated financial statements and Baht 40.9 million in separate financial statements.

NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

12. RIGHT-OF-USE ASSETS - NET

Consolidated and Separate Financial Statements (In Thousand Baht)				
	Balance as at January 1, 2021	Movements During the Year		Balance as at December 31, 2021
		Increase	Decrease	
Vehicles and equipment				
Cost	7,877	11,628	(7,115)	12,390
Accumulated depreciation	(2,543)	(3,629)	5,941	(231)
Net	5,334			12,159

Consolidated and Separate Financial Statements (In Thousand Baht)				
	Balance as at January 1, 2020	Movements During the Year		Balance as at December 31, 2020
		Increase	Decrease	
Vehicles and equipment				
Cost	5,877	2,000	-	7,877
Accumulated depreciation	-	(2,543)	-	(2,543)
Net	5,877			5,334

13. INTANGIBLE ASSETS - NET

Consolidated (In Thousand Baht)					
	Beginning Balance as at January 1, 2021	Movements During the Year			Ending Balance as at December 31, 2021
		Addition	Deduction	Transfer	
Cost	10,793	454	-	31	11,278
Accumulated amortization	(9,542)	(386)	-	-	(9,928)
Net	1,251	68	-	31	1,350

Consolidated (In Thousand Baht)					
	Beginning Balance as at January 1, 2020	Movements During the Year			Ending Balance as at December 31, 2020
		Addition	Deduction	Transfer	
Cost	9,843	-	-	950	10,793
Accumulated amortization	(9,067)	(475)	-	-	(9,542)
Net	776	(475)	-	950	1,251

Separate Financial Statements (In Thousand Baht)					
	Beginning Balance as at January 1, 2021	Movements During the Year			Ending Balance as at December 31, 2021
		Addition	Deduction	Transfer	
Cost	10,634	454	-	-	11,088
Accumulated amortization	(9,449)	(353)	-	-	(9,802)
Net	1,185	101	-	-	1,286

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

	Separate Financial Statements (In Thousand Baht)				
	Beginning Balance as at January 1, 2020	Movements During the Year			Ending Balance as at December 31, 2020
		Addition	Deduction	Transfer	
Cost	9,684	-	-	950	10,634
Accumulated amortization	(9,005)	(444)	-	-	(9,449)
Net	679	(444)	-	950	1,185

Amortization for the years ended December 31, 2021 and 2020 amounted to approximately Baht 0.4 million and Baht 0.5 million, respectively, both in the consolidated and separate financial statements, 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	
	2021	2020	2021	2020
Bank overdrafts	53,965	62,863	53,965	62,863
Loans under packing credits	320,584	303,309	320,584	303,309
Loans under promissory notes	323,173	230,000	323,173	230,000
Loans under trust receipts	7,248	5,663	7,248	5,663
Total	704,970	601,835	704,970	601,835

As at December 31, 2021 and 2020, the Company had overdraft lines with four local banks totalling Baht 75 million and Baht 60 million, respectively, which bear interest at Minimum Overdraft Rate.

As at December 31, 2021 and 2020, the Company had packing credit facilities with four and three local banks totalling Baht 350 million and Baht 250 million, respectively, which bear interest rates referenced to Minimum Loan Rate.

As at December 31, 2021 and 2020, the Company had promissory note facilities with four and three local banks totalling Baht 380 million and Baht 330 million, respectively, which bear interest ranging between 4.47% and 5.25% p.a. in 2021 and between 4.25% and 6.25% p.a. in 2020.

As at December 31, 2021 and 2020, the Company had trust receipt facilities with three local banks totalling Baht 113 million and Baht 123 million, respectively, which bear interest rates referenced to Minimum Loan Rate.

The abovementioned credit facilities are guaranteed by certain directors and relative of director of the Company as well as their land and fixed deposits, the Company’s fixed deposits as discussed in Note 8, 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, 2021 AND 2020

15. SHORT-TERM LOANS FROM OTHER PARTIES

As at December 31, 2021, this account represented short-term loans under bill of exchange, unsecured and partially secured by the Company's common shares of totalling 108.1 million held by two directors and a relative of such two directors, issued by the Company and a subsidiary to several non-related persons between April to December 2021. These loans bear interest ranging between 6.5% p.a. and 15.0% p.a. which have maturities not exceeding nine months from the particular issuance dates.

As at December 31, 2020, this account represented short-term loans under bill of exchange, unsecured and partially secured by the Company's common shares of totalling 108.1 million held by two directors and a relative of such two directors, issued by the Company and a subsidiary to several non-related persons between July to December 2020. These loans bear interest ranging between 6.5% p.a. and 15.0% p.a. which have maturities not exceeding nine months from the particular issuance dates.

16. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2021	2020	2021	2020
Other payables	15,586	36,932	13,299	34,168
Accrued advertising and sales promotion expenses	14,124	12,291	14,124	12,291
Advances from customers	9,433	1,522	9,405	1,522
Accrued salary, wage, and welfares	7,938	8,308	7,293	7,226
Accrued interest	7,338	5,613	7,338	5,613
Accrued electricity	3,510	3,629	3,510	3,629
Accrued sales discount	2,729	1,928	2,729	1,928
Others	6,269	4,379	5,156	3,906
Total	66,927	74,602	62,854	70,283

17. DEBENTURES

	Consolidated and Separate Financial Statements (In Thousand Baht)	
	2021	2020
Debentures	855,550	961,300
Less Deferred direct transaction costs on debenture issuance	(12,852)	(11,111)
Net	842,698	950,189
Less Due for payments within one year	(287,425)	(379,025)
Net	555,273	571,164

As at December 31, 2021 and 2020, such debentures had fair values of approximately Baht 855.8 million and Baht 962.8 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).

On March 22, 2019, the Company limitedly issued and offered the registered, unsubordinated, and partially secured debentures to the institutional investors of 200,000 units of which face value per unit is Baht 1,000. Such debentures bear interest rate at 6.75% p.a. whereby interest is payable on a quarterly basis and matured for redemption on March 22, 2021. The abovementioned debentures have significant conditions which include maintaining Debt-to-Equity ratio at the rate not exceeding 4:1.

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

On July 31, 2019, the Company limitedly issued and offered the registered, unsubordinated, and unsecured debentures to the institutional investors of 180,200 units of which face value per unit is Baht 1,000. Such debentures bear interest rate at 6.50% p.a. whereby interest is payable on a quarterly basis and will mature for redemption on July 31, 2021. The abovementioned debentures have significant conditions which include maintaining Debt-to-Equity ratio at the rate not exceeding 4:1.

On June 12, 2020, the Company limitedly issued and offered the registered, unsubordinated, and partially secured debentures to the institutional investors of 581,100 units of which face value per unit is Baht 1,000. Such debentures bear interest rate at 7.25% p.a. whereby interest is payable on a quarterly basis and will mature for redemption on June 12, 2022. Close to the end of 2021, the Company early redeemed these debentures at a half of face value, amounting to Baht 290.55 million. 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 January 29, 2021, the Company limitedly issued and offered the registered, unsubordinated, and secured debentures to the institutional investors of 225,000 units of which face value per unit is Baht 1,000. Such debentures bear interest rate at 7.25% p.a. whereby interest is payable on a quarterly basis and will mature for redemption on January 29, 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 22,023,107 held by the Company.

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.

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.

18. LIABILITY FOR POST-EMPLOYMENT BENEFITS

Movements of liability for post-employment benefits for the years ended December 31, 2021 and 2020 are as follows:

	Consolidated and Separate Financial Statements (In Thousand Baht)	
	2021	2020
Liability for post-employment benefits as at January 1	11,614	10,687
Current service cost	890	731
Interest cost	110	196
Expense recognized as profit or loss in statement of comprehensive income	1,000	927
Actuarial loss on re-measurement	1,706	-
Liability for post-employment benefits as at December 31	14,320	11,614

In the second quarter of 2021, the abovementioned provisions were recalculated and re-measured by the qualified actuary. Thus, actuarial loss on re-measurement in 2021 comprised of (1) loss from experience adjustment of approximately Baht 891 thousand, (2) loss from changes in financial assumptions of approximately Baht 1,221 thousand, and (3) gain from changes in demographic assumptions of approximately Baht 406 thousand.

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

Significant assumptions used in calculation of liability for post-employment benefits are as follows:

- Discount rate 1.17% p.a. in 2021 and 2.66% p.a. in 2020
- Salary escalation rate 3.00% p.a. in 2021 and 2020
- Employee turnover rate 9% - 46% p.a. in 2021 and 8% - 35% p.a. in 2020

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	Liability may increase (decrease) from changes in significant assumptions (In Thousand Baht)	
	If assumption increased	If assumption decreased
Discount rate (increase/decrease by 1%)	(827)	925
Salary escalation rate (increase/decrease by 1%)	1,010	(915)
Employee turnover rate (increase/decrease by 20%)	(1,796)	2,268

As at December 31, 2021 and 2020, the subsidiaries hired only few numbers of employees. Therefore, the subsidiaries have no material obligation to be recognized on post-employment benefits.

19. LONG-TERM BORROWINGS

This account represented long-term borrowings from three local banks and a local leasing company in 2021 and two local banks and a local leasing company in 2020 which comprised of:

	Consolidated and Separate Financial Statements (In Thousand Baht)	
	2021	2020
1) Loans under facilities of Baht 184.6 million, repayable monthly until June 2026, bear interest at 3.5% p.a. and rate referenced to Minimum Loan Rate	90,520	41,745
2) Loans under facilities of Baht 100 million, repayable monthly until June 2026, bear interest at 2% p.a. and rate referenced to Minimum Loan Rate	91,900	20,000
3) Loans under facilities of Baht 30 million, repayable monthly until July 2026, bear interest ranging between 2% and 7% p.a.	30,000	-
4) Loans under facilities of Baht 45.49 million, repayable monthly until September 2023, bear interest at 10.5% and 11.105% p.a.	23,091	24,226
Total	235,511	85,971
Less Current portion	(77,010)	(40,372)
Net	158,501	45,599

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 and Baht 6.00 million, which was presented as part of "Deposits and guarantees" in the consolidated and separate statements of financial position as at December 31, 2021 and 2020, respectively.

In addition, the Company must comply with certain loan covenants and undertakings e.g. maintaining Debt Service Coverage Ratio, Debt-to-Equity Ratio, and Current Ratio, etc.

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

20. LEASE LIABILITIES

Consolidated and Separate Financial Statements (In Thousand Baht)				
	Balance as at	Movements During the Year		Balance as at
	January 1,			December 31,
	2021	Increase	Decrease	2021
Vehicles and equipment	3,607	8,140	3,629	8,118

Consolidated and Separate Financial Statements (In Thousand Baht)				
	Balance as at	Movements During the Year		Balance as at
	January 1,			December 31,
	2020	Increase	Decrease	2020
Vehicles and equipment	4,386	2,000	2,779	3,607

Consolidated and Separate Financial Statements (In Thousand Baht)		
	2021	2020
Lease liabilities		
- Due for payments within one year	3,276	2,439
- Due for payments between 2-5 years	5,748	1,308
Total	9,024	3,747
Less Deferred interest	(906)	(140)
Lease liabilities - net of deferred interest	8,118	3,607
Less Current portion	(2,845)	(2,318)
Net	5,273	1,289

Decrease in lease liabilities during 2021 and 2020 entirely pertained to lease payments as scheduled.

Amortized interest, which was presented as part of “Finance costs” in statements of comprehensive income for years 2021 and 2020, amounted to approximately Baht 0.4 million and Baht 0.2 million, respectively.

In 2017, 2019 and 2020, the Company entered into lease and hire purchase agreements for its vehicles and equipment with four local leasing companies for the periods of 29, 36 and 48 months whereby such agreements will end during 2021 to 2024.

In 2021, the Company entered into a sale and leaseback agreement for its equipment with a local leasing company for a period of 48 months whereby such agreement will end in 2025.

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

21. SHARE CAPITAL, PREMIUM ON SHARES AND WARRANTS

	Par Value (In Baht)	In Thousand Shares / In Thousand Baht			
		2021		2020	
		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	1,196,646	299,162
Issued and paid-up shares					
as at January 1					
- Common shares	0.25	959,488	239,872	959,488	239,872
Exercise of warrants					
(see page 52)	0.25	-	-	-	-
As at December 31					
- Common shares	0.25	959,488	239,872	959,488	239,872

At the general shareholders' meeting on April 22, 2021, the shareholders passed the resolutions to approve (a) decrease in the Company's authorized share capital of Baht 59,289,649.50 (from previously Baht 299,161,547.00 to Baht 239,871,897.50) by eliminating the unissued 237,158,598 common shares, Baht 0.25 par value, and (b) increase in the Company's authorized share capital of Baht 47,974,379.50 (from previously Baht 239,871,879.50 to Baht 287,846,277.00), which is divided into 191,897,518 common shares, Baht 0.25 par value, that shall be appropriated to support issuance of ECF-W4 warrants of 191,897,518 units as discussed in Note 13. The Company registered such decrease and increase in its share capital with the Ministry of Commerce on May 3, 2021 and May 5, 2021, respectively.

At the general shareholders' meeting on July 8, 2020, the shareholders passed the resolutions to approve and acknowledged the following significant matters:

- a. Decrease in the Company's authorized share capital of Baht 40,100,543.75 (from previously Baht 312,462,090.75 to Baht 272,361,547.00) by eliminating the unissued 160,402,175 common shares, Baht 0.25 par value. Such common shares comprised of (1) 53,402,175 common shares that were previously appropriated for the exercise of ECF-W2 warrants whereby the exercise period has ended, (2) 95,000,000 common shares that were previously appropriated for offering under the Private Placement with General Mandate method and (3) 12,000,000 common shares that were previously appropriated to shareholders for adjustment of rights of ECF-W3 warrants. Such decrease in share capital was registered with the Ministry of Commerce on July 21, 2020.
- b. Increase in the Company's authorized share capital of Baht 26,800,000 (from previously Baht 272,361,547 to Baht 299,161,547) which is divided into 107,200,000 common shares, Baht 0.25 par value. Such incremental common shares shall be appropriated by (1) 95,000,000 shares for offering under the Private Placement with General Mandate method and (2) 12,200,000 shares to the existing shareholders for adjustment of rights of ECF-W3 warrants whereby this portion of common shares is included 200,000 shares that must be appropriated with respect to the condition that the Company paid dividends at the portion exceeding 80% of profit for the year 2018. Such increase in share capital was registered with the Ministry of Commerce on July 23, 2020.

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

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 October 20, 2017, the Company issued and offered 129,951,632 units of free warrants (“ECF-W3”) for purchase of incremental shares on the basis of 6 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 (adjusted right in April 2019 to 1 unit to purchase 1.0008 common shares)
Exercise price	Baht 5 per share (adjusted right in April 2019 to Baht 4.9958 per share)
Exercise period	The warrants shall be exercisable with the first exercise date on May 25, 2019 and other 7 times, i.e. the 25th of August and November 2019, February, May, August, November 2020 and the last exercise date is February 20, 2021.
Term of warrants	3 years 4 months from the date on which warrants are issued to shareholders

Later on November 6, 2017, the Stock Exchange of Thailand granted the Company’s 129,951,632 (ECF-W3) units of warrants as listed securities and has permitted such warrants to be traded on the Market for Alternative Investment since November 7, 2017. Detail of the exercised ECF-W3 warrants is 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
February 19, 2021	33	165	8	157	129,951,599	March 1, 2021

Presently, ECF-W3 warrants were no longer the listed securities.

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

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

Later on June 21, 2021, the Stock Exchange of Thailand has granted the Company's 191,894,988 (ECF-W4) units of warrants 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, 2021, no ECF-W3 warrants have been exercised.

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.

23. EXPENSES BY NATURE

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2021	2020	2021	2020
Assemblies, raw materials, and supplies used	923,372	765,168	912,087	757,090
Employee expenses	245,310	238,437	237,481	230,930
Finance costs	134,925	132,918	144,518	134,307
Depreciation and amortization	44,426	44,047	43,567	43,886
Changes in finished goods and work-in-process	42,625	39,856	43,831	39,762
Freight and transportation charges	37,594	36,680	32,553	28,025
Electricity	37,526	35,694	37,526	35,694
Bank charges	15,753	12,873	15,390	11,916
Repair and maintenance expenses	10,912	11,692	10,912	11,692
Customers' claims from abroad	8,682	965	8,682	965
Fuels	4,804	8,683	4,804	8,683
Lease fees attributable to short-term leases	3,159	2,664	3,159	1,584
Loss (reversal of loss) on impairment of trade receivables	12,483	(2,408)	11,432	(3,052)

24. INCOME TAX

Corporate income tax recorded as expense (income) for the years ended December 31, 2021 and 2020 consists of:

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2021	2020	2021	2020
Income tax computed from accounting profit	10,517	8,442	2,532	7,213
Effects from non-deductible expenses	7,228	10,839	6,877	2,698
Effects from additional deductible expenses or non-taxable income	(10,537)	(3,914)	(3,605)	(2,730)
Effects from reduction in income tax rate under investment promotion	(3,368)	(5,658)	(3,368)	(5,658)
Current tax on taxable profit	3,840	9,709	2,436	1,523
Decrease (increase) in deferred tax assets	(2,519)	3,704	(2,519)	3,704
Increase in deferred tax liabilities	348	382	348	382
Income tax presented in statement of comprehensive income	1,669	13,795	265	5,609
Increase in deferred tax assets pertaining to other comprehensive loss (see Note 18)	341	-	341	-

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

As at December 31, 2021, a subsidiary had tax loss carryforward of approximately Baht 56.7 million whereby such loss is able to be used as tax credit during 2022 until 2026.

Deferred tax assets and liabilities presented in the statements of financial position as at December 31, 2021 and 2020 consist of:

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2021	2020	2021	2020
<i>Deferred tax assets</i>				
Effects from temporary non-deductible items or item not yet recognized in accounting				
- Allowance for diminution in value of obsolete and slow moving inventories	1,254	1,222	1,254	1,222
- Allowance for impairment of trade receivables and other receivables	3,485	1,198	3,485	1,198
- Allowance for impairment of building and equipment	1,092	1,092	1,092	1,092
- Liability for post-employment benefits	2,864	2,323	2,864	2,323
Total deferred tax assets	8,695	5,835	8,695	5,835
<i>Deferred tax liabilities</i>				
Effects from temporary non-recognized items as expense in accounting or taxable income:				
- Unamortized debenture issuance costs	2,570	2,222	2,570	2,222
Total deferred tax liabilities	2,570	2,222	2,570	2,222

25. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share for the years ended December 31, 2021 and 2020 are determined by dividing profit for the year, attributable to owners of the Company, by weighted average number of common shares outstanding during the year as follows:

	In Thousand Baht / In Thousand Shares			
	Consolidated		Separate Financial Statements	
	2021	2020	2021	2020
Profit for the year, attributable to owners of the Company	50,850	41,160	12,395	30,455
Basic weighted average number of outstanding common shares	959,488	959,488	959,488	959,488
Basic earnings per share (Baht)	0.0530	0.0429	0.0129	0.0317

Diluted earnings per share

Diluted earnings per share for the years ended December 31, 2021 and 2020 are determined by dividing the profit for the year, attributable to owners of the Company, by the weighted average number of common shares outstanding during the year after adjusting effect from dilutive potential common shares as follows:

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

	In Thousand Baht / In Thousand Shares			
	Consolidated		Separate Financial Statements	
	2021	2020	20201	2020
Profit for the year attributable to owners of the Company	50,850	41,160	12,395	30,455
Basic weighted average number of outstanding common shares	959,488	959,488	959,488	959,488
Effect from the right under the exercise of warrants	-	-	-	-
Diluted weighted average number of outstanding common shares	959,488	959,488	959,488	959,488
Diluted earnings per share (Baht)	0.0530	0.0429	0.0129	0.0317

Diluted earnings per share for the years ended December 31, 2021 and 2020 were the same amount to basic earnings per share because the average market price of the Company's common shares in 2021 and 2020 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 AND INTERIM DIVIDENDS

At the general shareholders' meeting held on April 22, 2021, the shareholders unanimously approved the Company to pay dividends for the 2020 operations at approximately Baht 0.0125 per share, totalling approximately Baht 12.0 million, to the shareholders and scheduled the date for dividend payment was May 21, 2021.

At the Board of Directors' meeting on April 24, 2020, the Company's Board of Directors unanimously passed the resolution to approve the declaration of interim dividends for the 2019 operations at approximately Baht 0.0167 per share, totalling approximately Baht 16.0 million, to the shareholders and scheduled the date for dividend payment on May 22, 2020.

27. PROMOTIONAL PRIVILEGES UNDER INVESTMENT PROMOTION

The Company has been granted promotional privileges pertaining to the promotional certificate on manufacturing and sales of furniture that is made in the plant installed the system for electricity generated from the solar power. 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, 2019.

As a promoted entity, the Company must comply with certain conditions and regulations as specified in the promotional certificates.

Operating results classified by promoted and non-promoted businesses for the year ended December 31, 2021 and 2020 are as follows:

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

	2021 - Consolidated (In Thousand Baht)		
	Promoted Business	Non-Promoted Business	Total
Net sales	905,828	643,578	1,549,406
Other income (including gain on exchange rate)	5,126	46,272	51,398
Share of profit from investment in associate	-	32,416	32,416
Cost of sales	(713,953)	(523,096)	(1,237,049)
Distribution costs	(31,317)	(30,891)	(62,208)
Administrative expenses and others	(78,140)	(68,311)	(146,451)
Finance costs	(84,093)	(50,832)	(134,925)
Income tax expense	-	(1,669)	(1,669)
Profit for the year	3,451	47,467	50,918

	2021 - Separate Financial Statement (In Thousand Baht)		
	Promoted Business	Non-Promoted Business	Total
Net sales	905,828	617,151	1,522,979
Other income (including gain on exchange rate)	5,126	44,149	49,275
Cost of sales	(713,953)	(513,018)	(1,226,971)
Distribution costs	(31,317)	(22,503)	(53,820)
Administrative expenses and others	(78,140)	(56,145)	(134,285)
Finance costs	(84,093)	(60,425)	(144,518)
Income tax expense	-	(265)	(265)
Profit for the year	3,451	8,944	12,395

	2020 - Consolidated (In Thousand Baht)		
	Promoted Business	Non-Promoted Business	Total
Net sales	778,420	606,065	1,384,485
Other income (including gain on exchange rate)	326	49,612	49,938
Share of profit from investment in associate	-	35,142	35,142
Cost of sales	(590,547)	(486,681)	(1,077,228)
Distribution costs	(18,360)	(43,248)	(61,608)
Administrative expenses and others	(70,319)	(82,044)	(152,363)
Finance costs	(74,191)	(58,727)	(132,918)
Income tax expense	-	(13,795)	(13,795)
Profit for the year	25,329	6,324	31,653

	2020 - Separate Financial Statement (In Thousand Baht)		
	Promoted Business	Non-Promoted Business	Total
Net sales	778,420	585,256	1,363,676
Other income (including gain on exchange rate)	326	48,221	48,547
Cost of sales	(590,547)	(478,509)	(1,069,056)
Distribution costs	(18,360)	(30,189)	(48,549)
Administrative expenses and others	(70,319)	(53,927)	(124,246)
Finance costs	(74,191)	(60,116)	(134,307)
Income tax expense	-	(5,610)	(5,610)
Profit for the year	25,329	5,126	30,455

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

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. 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	
	2021	2020
Net sales		
- Wood furniture and particle boards	1,498,179	1,334,006
- Other products	51,227	50,478
Total	1,549,406	1,384,484
Other income		
- Wood furniture and particle boards	39,636	29,286
- Other products (including share of profit from associate)	44,178	55,795
Total	83,814	85,081
Cost of sales		
- Wood furniture and particle boards	1,198,660	1,034,265
- Other products	38,389	42,962
Total	1,237,049	1,077,227
Other expenses		
- Wood furniture and particle boards	335,334	306,952
- Other products	8,250	39,938
Total	343,584	346,890
Profit (loss) before income tax expense		
- Wood furniture and particle boards	3,821	22,075
- Other products (including share of profit from associate)	48,766	23,373
Net	52,587	45,448

The operating results on mining and sales of cryptocurrency business started in the mid of November 2021, which was included as part of Other Products segment, featured profit of approximately Baht 0.53 million. Such profit featured revenues from Bitcoin and Ethereum of approximately Baht 0.14 million and Baht 1.16 million, respectively, and operating expenses of approximately Baht 0.77 million.

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

Information on Geographic Areas

	In Thousand Baht	
	Consolidated	
	2021	2020
Export sales - net		
- Japan	613,917	629,355
- United States of America	154,917	103,053
- India	135,330	79,393
- Kuwait	14,579	4,288
- Philippines	12,603	9,247
- China	7,522	37,517
- Bahrain	6,248	4,202
- Dubai	4,781	1,680
- Malaysia	-	560
Total	949,897	869,295
Domestic sales - net	599,509	515,189
Total sales - net	1,549,406	1,384,484

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	
	2021	2020	2021	2020
At a point in time	28,640	11,995	-	-
Over time	-	-	684	1,107

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	
	2021	2020
Net sales		
- Wood furniture and particle boards	14.65	23.88
- Other products	-	-
- Export	23.10	36.55
- Domestic	-	-
- Total	14.16	22.95

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

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 2021 and 2020.

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 started using forward exchange contracts (buy-sell) to mitigate this risk.

As at December 31, 2021 and 2020, the Company had the outstanding forward exchange contracts (sell) as follows:

	In Thousand			
	Foreign Currency		Fixed Baht	
	2021	2020	2021	2020
Forward exchange contracts - sell				
- U.S. Dollar	1,676	54	55,959	1,623

In addition, the fair values of forward exchange contracts (sell) outstanding as at December 31, 2021 and 2020 were as follows:

	In Thousand Baht	
	2021	2020
Forward exchange contract - sell		
- U.S. Dollar	56,147	1,627

The forward exchange contracts - sell as at December 31, 2021 had maturities between April and July 2022.

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

As at December 31, 2021 and 2020, significant outstanding non-hedged foreign currency assets and liabilities were as follows:

	Consolidated and Separate Financial Statements			
	Foreign Currency Assets		Foreign Currency Liabilities	
	2021	2020	2021	2020
- U.S. Dollar	558,451	1,632,688	336,461	285,106

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 minimal because the Group's deposits at banks, other installment receivables, 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 fixed rate interest approximated or at the 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, short-term investment, 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 the fixed interest rates that approximated or at the 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 as discussed 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 2021 and 2020.

As at December 31, Debt-to-Equity ratio for the consolidated and separate financial statements was 1.83 : 1.00 and 2.02 : 1.00, respectively, in 2021 and 1.86 : 1.00 in 2020.

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 contribution, which was charged as expense for each of the years 2021 and 2020, amounted to approximately Baht 0.2 million.

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

32. LOANS TO OTHER PERSONS

This account in 2021 represented the unsecured loans of the Company and a subsidiary to two non-related persons in consolidated financial statements and a non-related person in separate financial statements (Baht 60 million with interest at 7.5% p.a. and another Baht 39 million with interest at 7% p.a. in consolidated financial statements while interest at 7% p.a. in separate financial statements). These loans were due at call.

This account in 2020 represented the unsecured loans of the Company and a subsidiary to a non-related person (interest at 7% p.a. both in consolidated and separate financial statements). These loans were due at call.

33. SECURITIES TRADING ACCOUNT OF THE COMPANY

The Company was approved by the Board of Directors' meeting on December 20, 2018 to open the securities trading account for debt instruments and equity instruments with two local securities companies whereby the amounts for debt securities amounted to Baht 50 million and for equity securities amounted to Baht 1. The Managing Director or any other persons designated by the Managing Director is authorized to open the account, execute the securities trading, sign the documents to purchase-sale-transfer of the Company's securities, and change the amounts between debt securities and equity securities.

34. OTHERS

As at December 31, 2021;

- a. The Company had letters of guarantee issued by three local banks to four private companies and a government agency totalling approximately Baht 53.6 million;
- b. The Company had commitment on construction of office building, construction of warehouse, and improvements of infrastructure and factory systems amounting to approximately Baht 43.5 million, Baht 34.4 million and Baht 9.2 million, respectively;
- c. The Company had advance amounting to Baht 58.0 million for purchase of investment in common shares of a local company, whose business is engaged in electricity generated from wind power, from shareholder of such company who is non-related person to the Company. Such purchase of investment was approved in the Company's Board of Directors' meeting on September 10, 2019 in total amount of not exceeding Baht 200.0 million;
- d. The Company had unused letter of credit with a local bank amounting to approximately Baht 3.4 million;
- e. 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);

■ NOTES TO FINANCIAL STATEMENTS (Continued)

EAST COAST FURNITECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2021 AND 2020

- f. A subsidiary (ECF-H) had commitment on purchase of digital currency mining devices amounting to approximately Baht 5.5 million under cryptocurrency mining business project. In addition, at the Board of Directors' meeting of ECF-H on September 24, 2021, ECF-H was approved to open accounts in order to receive the financial services with a private company and with digital asset trading centers which are two private companies;
- g. A subsidiary (SOMEWA) had commitment on purchase of computer software and related services for supporting its e-commerce business amounting to approximately Baht 1.2 million.

35. RECLASSIFICATION OF ACCOUNTS

The Group reclassified certain accounts in the 2020 statements of comprehensive income in order to conform to and be comparable with presentation of the 2021 statements of comprehensive income without effect to previously reported profit or shareholders' equity. Such reclassification is as follows:

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	Reclassified Balance	Previously Reported Balance	Reclassified Balance	Previously Reported Balance
Administrative expenses	136,643	134,235	127,298	124,246
Reversal of loss on impairment of trade receivables	(2,408)	-	(3,052)	-

36. EVENT AFTER THE REPORTING PERIOD

At the Board of Directors' meeting on February 24, 2022, the Company's Board of Directors unanimously passed the resolution approving 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 15.064 million, to shareholders and scheduled the date for dividends payment on May 20, 2022. This matter will be proposed for approval in the upcoming shareholders' meeting.

37. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements have been approved for issuance by the Company's Board of Directors' meeting on February 24, 2022.

GRI Content Index

Indication	Description	Page
General Disclosures		
102-1	Name of organization	26
102-2	Activities, brands, products and services	29
102-3	Location of headquarters	26
102-4	Location operations	26
102-5	Ownership and legal form	56
102-6	Markets served	29
102-7	Scale of the organization	153
102-8	Information on employees and other workers	98-101
102-9	Supply chain	86
102-10	Significant change to the organization and its supply chain	22-23
102-11	Precautionary Principle or approach	188-189
102-12	External initiatives	114
102-13	Membership of associations	112-114
102-14	Statement from senior decision-maker	5,7
102-15	Key impacts, risk and opportunities	69-77
102-16	Values, principle, standards and norms of behavior	21
102-17	Mechanisms for advice and concerns about ethics	188-189
102-18	Governance structure	159
102-19	Delegating authority	153
102-20	Executive-level responsibility for economic, environmental, and social topics	79-81
102-21	Consulting stakeholders on economic, environmental, and social topics	82-84
102-22	Composition of the highest governance body and its committees	153
102-23	Chair of the highest governance body	159
102-24	Nominating and selecting the highest governance body	172
102-25	Conflicts of interest	187
102-26	Role of highest governance body in setting purpose, values, and strategy	21
102-27	Collective knowledge of highest governance body	174-178
102-28	Evaluating the highest governance body's performance	159
102-29	Identifying and managing economic, environmental, and social impacts	74-75
102-30	Effectiveness of risk management processes	-
102-31	Review of economic, environmental, and social topics	181-183
102-32	Highest governance body's role in sustainability reporting	181-183
102-33	Communicating critical concerns	-
102-34	Nature and total number of critical concerns	85
102-35	Remuneration policies	179-182
102-36	Process for determining remuneration	179
102-37	Stakeholders' involvement in remuneration	179
102-38	Annual total compensation ratio	180-182
102-39	Percentage increase in annual total compensation ratio	180-182
102-40	List of stakeholder groups	82-84
102-41	Collective bargaining agreements	82-84
102-42	Identifying and selecting stakeholders	82-84
102-43	Approach to stakeholder engagement	82-84
102-44	Key topics and concerns raised	17-20
102-45	Entities included in the consolidated financial statements	56
102-46	Defining report content and topic Boundaries	17-20
102-47	List of material topics	17-20
102-48	Restatements of information	-
102-49	Changes in reporting	-
102-50	Reporting period	-
102-51	Date of most recent report	-
102-52	Reporting cycle	-
102-53	Contact point for questions regarding the report	168, Back Cover
102-54	Claims of reporting in accordance with the GRI Standards	257
102-55	GRI content index	257
102-56	External assurance	-



EAST COAST FURNITECH PUBLIC COMPANY LIMITED

Head Office Location

37/9 Moo 10 Banbueng - Klaeng Road, Thang Kwian Subdistrict,
Klaeng District, Rayong Province 21110
Telephone Number : +66 3867 5181-4
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
Fax Number : +66 2152 7305

Attachment

The background features a soft, golden-yellow gradient. In the bottom right corner, a series of thin, parallel lines radiate upwards and to the left, creating a sense of depth and movement. The lines are closely spaced and vary slightly in brightness, contributing to the overall abstract aesthetic.

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	86	<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	64	- <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
						2013 – 2017	- Chairman of the Board Ocean Commerce Pcl.	- Manufacturer and Distributor of Faucet
						2013 - Present	- Independent Director Union Auction Pcl.	- Service Business as Intermediary in Asset Auction Management
						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

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
	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 (Cont.)					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 – Present	- Audit Committee / Independent Director Baan Souy Group (Suratthaini) Plc.	- Real Estate Development
						2020 - Present	- Chairman of Audit Committee / Independent Director Clover Power Plc.	- Power Plant

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. Songkhlod 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	58	- <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 Vasanang - Director - Independent Director (Old Name-Surname) - None – The First Appointment Date as Director on 28 April 2017	50	<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
						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 – Present	- Director Risk Management Committee The Krungthep Thanakom Co., Ltd.	- Enterprise of Bangkok Metropolitan Administration, implementing infrastructure system
						2009-2017	- Power Plant Project Manager Navanakorn Electric Co., Ltd.	- Private Electricity Manufacturer
						2018-2019	- Audit Committee, Independent Committee and Nomination and Remuneration Committee Thai Eastern Group Holdings Co.,Ltd.	- Rubber and Rubber Products and Palm oil and palm oil Products
						2017 - Present	- Executive Vice President The Krungthep Thanakom Co., Ltd.	- Enterprise of Bangkok Metropolitan Administration, implementing infrastructure system

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	48	<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	<u>Listed Companies</u>		
						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 – Presen	- Director Thai Plastic Industrial (1994) Pcl.	- Manufacturer and distributor of plastic products
						<u>Non-Listed Companies</u>		
						1999 – Present	- Director Asset Pro Mangement Co.,Ltd.	- Financial Advisor - Solar Power Plant, Myanmar
						2020 - Present	- Director Green Earth Power (Thailand) Co.,Ltd.	

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. Chalee Suksawad - Vice Chairman of the Board - Executive Committee - Risk Management Committee - Remuneration Committee - Nomination Committee (Old Name-Surname) - None – The First Appointment Date as Director on 26 October 2012	54	- <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. Arak	15.6315% 15.6317% (including immature children) No change in shareholding proportion when compared between the years	<u>Listed Companies</u>		
						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
						<u>Non-Listed Companies</u>		
						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 (There is no commercial income)
						2021	- SOMEWA Plaza Co.,Ltd.	- Online Platform

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	80	- <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. Chalee and Mr. Arak	2.4533% 3.1081% (including spouse) No change in shareholding proportion when compared between the years	<u>Listed Companies</u>		
						1999 – Present	- Director and Chairman of Executive Directors East Coast Furnitech Pcl.	- Manufacturer and Distributor of Furniture
						<u>Non-Listed Companies</u>		
						2017 – 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. Arak Suksawad - Director - Executive Committee - Managing Director (Old Name-Surname) - None – The First Appointment Date as Director on 26 October 2012	51	<ul style="list-style-type: none"> - <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 ● 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) 	The son of Mr. Wanlop and the younger brother of Mr. Chalee	15.8040% 15.9291% (including spouse) No change in shareholding proportion when compared between the years	<u>Listed Companies</u>		
						1999 – Present	- Director / Executive Committee / Managing Director / Risk Management Committee / Remuneration Committee / Nomination Committee East Coast Furnitech Pcl.	- Manufacturer and Distributor of Furniture
						<u>Non-Listed Companies</u>		
						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.	- MDF wood production and distribution plant (There is no commercial income)
						2021	- Director SOMEWA Plaza Co.,Ltd.	- Online Platform

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. Arak Suksawad - Director - Executive Director - Managing Director (Old Name-Surname) - None – The First Appointment Date as Director on 26 October 2012 (Cont.)		<ul style="list-style-type: none"> CHIEF TRANSFORMER OFFICER (CTO Course) organized by Mai Listed Company Association Digital Transformation for CEO organized by Nation Broadcasting Corporation Plc. 			2007 – Present 2012 – 2016	<u>Agencies and Others Organizations</u> - Director Council of Asia Furniture Associations (CAFA) - President of Thai Furniture Industries Association	
9.	Mrs. Suphak Toaponganan Assistant Managing Director (Branch 1) (Old Name-Surname) Miss Nittaya Toaponganan	49	- <u>Bachelor's Degree</u> 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. Sitthichoke Chinnurat Assistant Managing Director (Branch 2) (Old Name-Surname) - None -	49	- <u>Bachelor's Degree</u> Bachelor of Laws Ramkhamhaeng University	The spouse of Miss Tippawan The daughter of Mr. Wanlop and younger sister of Mr. Chalee and Mr.Arak	0.0001% 15.5878% 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. Racha Pojariya Assistant Managing Director (Head Office) (Old Name-Surname) - None	51	- <u>Master's Degree</u> Master of Business Administration, Ramkhamhaeng University - <u>Bachelor's Degree</u> Bachelor of Business Administration Ramkhamhaeng University	None	None No change in shareholding proportion when compared between the years	2010 – 2020 2020 - 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 (Old Name-Surname) Miss Namthip Singphu	45	- <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.	Mr. Pongpan Suriya-Amporn Director of Finance and Accounting (The Ultimate responsible person of finance and accounting, and accounting controller) (Old Name-Surname) - None	53	- <u>Master's Degree</u> Master of Business Administration (Management of Accounting) Thammasat University - <u>Bachelor's Degree</u> Bachelor of Accountancy Thammasat University	None	- No change in shareholding proportion when compared between the years	2019 – Present 2016 – 2017	<u>Listed Company</u> - Director of Finance and Accounting East Coast Furnitech Pcl. - Vice President (Accounting) Eastern Polymer Group Pcl.	- Manufacturer and Distributor of Furniture - Holding Company for innovative polymer and plastic convertor companies.

[illegible]

Report of changes in shareholding in the company of directors and executives for the year 2021

Information as of 31 December 2021

No.	Name / Position	Shareholding data as of December 31, 2020	Shareholding data as of December 31, 2021	The number of shares changed increased / (decreased) in the year 2021	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. Chalee Suksawad - Vice Chairman of the Board - Executive Director	149,982,750	149,982,750	-None-	15.6315
	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-	2.4533
	Spouse and Underage children	6,283,100	6,283,100	-None-	0.6548
8	Mr. Arak Suksawad - Director - Executive Director - Managing Director	151,637,750	151,637,750	-None-	15.8040

	Spouse and Underage children	1,200,000	1,200,000	-None-	0.1251
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. Sitthichoke Chinnurat - Assistant Managing Director (Branch 2)	600	600	-None-	0.0001
	Spouse and Underage children	149,560,550	149,560,550	-None-	15.5877
11	Mr. Racha Pojariya - Assistant Managing Director (Headquarter Part)	-None-	-None-	-None-	-None-
	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
13	Mr. Pongpan Suriya-Amporn - Director of Finance and Accounting	-None-	-None-	-None-	0.00
	Spouse and Underage children	-None-	-None-	-None-	0.00

Attachment 2

Details of Directors in Subsidiaries and Joint Ventures

Name– Surname	ECF	VV-Decor	ECFH	ECF-P	PNB	SOMEWA	VV RICH	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. Chalee Suksawad	2, 4	2, 4	2, 4	2, 4	2, 4	2	2	
8. Mr. Arak Suksawad	2, 4	2, 4	2, 4	2, 4	2, 4	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
- GEP Green Earth Power (Thailand) Co., Ltd. is the joint venture which ECF-P holds 20% of company shares

Attachment 3

Detail 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.	52	<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 			Present	Independent Director and Chairman of the Audit Committee	Dimet (Siam) PCL.
					2018 – Present	Director	Siam Biomass Supply Co., Ltd.
					2016-2018	Chairman of the Board	Ocean Commerce PCL.

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	39	- 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.

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, 2021	
				(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 -	31.13	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.	107.65	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, 2021	
				(Million Baht)	
4. Improvement of Building		Owner	- None -	44.93	For factory / office use
5. Machines and Equipments of the Factory		Owner	Some parts of machines are collateral of credit facility with the creditors which are financial institutions	82.40	For factory use
6. Electrical System		Owner	- None -	37.14	For factory / office use
7. Furniture and Fixtures and Office Equipments		Owner	- None -	2.20	For factory / office use
8. Vehicle		Asset under hire-purchase agreement	- None -	2.41	For contact and transportation use
9. Work in Construction and Machines under Installation		Owner	- None -	88.55	On the process of construction and installation, all of which are machines for the manufacture of furniture.
Total				613.96	

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 2020 (Million Baht)	Asset Utilization
Ordinary shares of ECF Power Company Limited (ECF-Power)	Totally 68,765,250 ordinary shares with a par value of 10 Baht	The Company holds 99.99% of total shares in ECF-Power.	As of 31 December 2021, the Company has used 90,589,796 ordinary shares of ECF-Power from the total number of 90,928,250 shares as a collateral for the issuance and offering of debentures in the outstanding amount of 842.69 million baht issued and offered during August 2020, January and December 2021 past.	1,101.90 -1,172.47 million baht with the value appraised by an independent financial advisor at 12.12-12.89 baht per share The date of the assessment report is November 8, 2021	Used as a collateral for the issuance and offering of debentures for the Company

Intangible Assets Used for Business Operation

As of December 31, 2021 the Company's intangible asset transaction of 1.35 million baht has been computer program and the right-to-use assets are the machinery that the Company leases for 12.16 million baht.

Investment Policy in Subsidiaries and Associates

As of December 31, 2021, four 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

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 2021, 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

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.

-
- 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 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 baed 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" base 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, evaluated 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 in 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, since 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 forms 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

advice 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 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, as 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 6

Audit Committee Report 2021

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 2021, 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 2021 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 2021, 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 2021 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 2021, 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 2021, 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 2021, 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 2021, 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 5 years in total.
- In 2021, 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