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No. ECF2 019/2024

May 15, 2024

Subject: Management Discussion and Analysis of the First quarter of 2024

To President
The Stock Exchange of Thailand

East Coast Furnitech Public Company Limited (“the Company”) would like to report on Management Discussion and Analysis from the Consolidated Financial Statements of the first quarter ended March 31, 2024. Since the Company has its main revenue from the furniture business, the information between the Consolidated Financial Statements and Separate Financial Statements does not differ significantly.

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

Revenue from sales of the 1st quarter of 2024 increased by 20.43 percent from the same period of previous year. Revenue from sales equaled 377.36 million baht, however, the direction of sales revenue of the Company has been increasing trend since the 3rd quarter of 2023, resulting from the growth of domestic customers. Furthermore, the export sales have started to recover again.

The cost of goods sold, the cost of sales, and financial costs have continuously increased; except administrative expenses that have been decreasing from the expense-controlling policy. The other costs arise from the impact of the fire accident such as the Company having to hire overtime labor, using outsourcing to produce some products, the cost of repairing the damaged area, the economic situation, interest rate of debentures, including other deterioration expenses according to the accounting standard. Such the costs and expenses, resulted in the operating performance for the 1st quarter of 2024 getting a loss (Owners of the parent) of 16.85 million baht.

Operating Results: Consolidated

1. Revenues

Unit: million baht

Revenue Structure	Consolidated			
	Amount		Change	
	Q1.2024	Q1.2023	Amount	%
Revenue from sales – net	377.36	313.35	64.01	20.43%
Others income	6.96	6.60	0.36	5.45%
Gain on exchange rate	2.14	-0.37	2.50	-680.41%
Total Revenue	386.45	319.58	66.87	20.92%
Share of gain from investment value of the associates	9.11	4.61	4.49	97.33%

For the 1st quarter of 2024, the Company had income from the business of the Company and its subsidiaries at a value of 377.36 million baht and the total revenues were 386.45 million baht, significantly increasing when compared to the same quarter of the last year equivalent to 20.43 percent and 20.92 percent respectively because of the significant increase of domestic sales and export sales.

Moreover, it has grown continuously from the 4th quarter had the Revenue from sales – net of 365.47 million baht.

The Company had a proportion of export sales and domestic sales in the 1st quarter of 2024 representing 37.77 percent and 62.33 percent respectively, and the export sales increased by 9.67 percent which shows the recovery sign of these customers. As for the revenue from domestic sales, it increased by 28.05 percent and has been a good sign of growth since the middle of 2022.

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

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

The sharing of gain from the investment value of GEP for the 1st quarter of 2024 amounted to 9.11 million baht increasing from the same quarter of the last year which was 4.49 million baht. That resulted from the increase of better power plant performance that is taken care of and well maintained by the GEP Myanmar’s team.

2. Cost of Goods Sold and Significant Expenses

Unit: million baht

Structure of Costs and Expenses	Consolidated					
	Amount		Change		Compared to Total Income	
	Q1.2024	Q1.2023	Amount	%	Q1.2024	Q1.2023
Cost of goods sold	316.64	226.50	90.14	39.80%	81.93%	70.87%
Cost of sales	26.53	17.81	8.72	48.96%	6.87%	5.57%
Administrative expenses	30.18	34.44	-4.26	-12.37%	7.81%	10.78%
Financial cost	46.38	41.14	5.24	12.74%	12.00%	12.87%
Total cost and expenses	419.73	319.89	99.84	31.21%	108.61%	100.10%

The significant costs or expenses occurred during the 1st quarter of 2024

The overview of the cost of goods sold, cost of sales, and financial costs, except administrative expenses, still increased from the causes of overtime-labor cost, electric cost, and other production costs, the repairing expenses of the damaged area from the impact of fire accident, transportation cost, fuel, rent of warehouse, sales promotion expenses that increased in line with the growth of domestic sales.

As for the financial cost, it occurred from the offering and issuance of debentures valued at 1,199.97 million baht as of March 31, 2024, when compared to as of December 31, 2023, which was 1,196.91 million baht. Furthermore, the costs also came from borrowing from financial institutions and obtaining loans of various types.

This caused the increase of financial cost from the 1st quarter of the year 2023 at the amount of 41.14 million baht to 46.38 million baht of this quarter.

3. Profit for the period

Unit: million baht

Profit Information	Consolidated			
	Amount		Change	
	Q1.2024	Q1.2023	Amount	%
Gross Profit	60.72	86.85	-26.13	-30.09%
Loss (Owners of the parent)	-16.85	9.49	-26.34	-277.50%
Loss for the period	-16.91	9.65	-26.56	-275.34%
Loss ratio for the period (Owners of the parent) to total revenue (%)	-4.36%	2.97%		
Loss ratio for the period to total revenue (%)	-4.38%	3.02%		

The overview of profit for the 1st quarter of the year 2024, the Company had gross profit to the net sales decreasing from the reasons of costs and expenses as explained above, it caused a loss (Owners of the parent) equivalent to 16.85 million baht and the proportion of Loss (Owners of the parent) was 4.36 percent. This proportion is better when comparing the performance of the year 2023, in which such proportion was 10.19 percent.

Financial Position: Consolidated Financial Statements

1. Total Assets

Unit: million baht

Statement of Financial Position	As of March 31, 2024		As of December 31, 2023		Increased / (Decreased)	
	MB	%	MB	%	MB	%
Current Assets	1,900.38	46.08%	1,877.65	46.55%	22.74	1.21%
Non-Current Assets	2,223.41	53.92%	2,156.28	53.45%	67.13	3.11%
Total Assets	4,123.79	100.00%	4,033.92	100.00%	89.87	2.23%

The Company had total assets as of March 31, 2024, which equaled 4,123.79 million baht increasing from December 31, 2023, equivalent to 89.87 million baht. This came from the increase in land, buildings, and equipment and investment is associates that increased by the exchange rate.

2. Total Liabilities and Shareholder's Equity

Unit: million baht

Statement of Financial Position	As of March 31, 2024		As of December 31, 2023		Increased / (Decreased)	
	MB	%	MB	%	MB	%
Current Liabilities	2,202.81	53.42%	2,126.20	52.71%	76.61	3.60%
Non-Current Liabilities	718.72	17.43%	727.98	18.05%	- 9.25	-1.27%
Total Liabilities	2,921.53	70.85%	2,854.17	70.75%	67.35	2.36%
Shareholder's Equity	1,202.26	29.15%	1,179.75	29.25%	22.51	1.91%
Total Liabilities and Shareholder's Equity	4,033.92	100.00%	3,988.10	100.00%	45.82	1.15%



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As of March 31, 2024, the Company's total liabilities were 2,921.53 million baht increasing by 67.35 million baht from December 31, 2023. This was caused by the increase of bank overdrafts and short-term borrowing from financial institutions and accounts payable.

The shareholder's equities as of March 31, 2024, amounted to 1,202.26 million baht, which increased by the profit sharing of the comprehensive income.

As of March 31, 2024, the Company had a debt to equity ratio equivalent to 2.43 times, slightly increasing when compared to as of December 31, 2023, which was 2.42 times.

Please be informed accordingly,

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