



EAST COAST FURNITECH PUBLIC COMPANY LIMITED
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Subject: Management Discussion and Analysis of the year ended 31 December 2021

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 year 2021 ended 31 December 2021. Since the Company has main revenue from furniture business, hence the information between the Consolidated Financial Statements and Separate Financial Statements does not differ materially.

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

Operating Performance : Consolidated

1. Revenues

Unit: Million Baht

12-month period for the Year 2021 comparing to 2020	Consolidated			
	Amount		Change	
	Y2021	Y2020	Amount	%
Revenue from sale – net	1,549.41	1,384.49	164.92	11.91%
Others income	42.78	30.58	12.20	39.90%
Profit (loss) from exchange rate	8.62	0.56	8.05	1436.29%
Total Revenue	1,600.80	1,415.63	185.18	13.08%
Profit from the sale of claims on accounts receivable and brand rights	-	18.80	-18.80	-100.00%
Sharing of gain (loss) from investment amount of the associate	32.42	35.14	-2.73	-7.75%

In the year 2021, the Company has income from the business of the Company and the Subsidiary's income was 1,549.41 million baht, an increase of 11.91%YoY, and total revenue was 1,600.80 million baht, an increase of 13.08%YoY. Under the epidemic situation of the Coronavirus Disease 2019 (COVID-19), the Company was able to maintain sales growth, which was mainly caused by the revenue from the selling of furniture products both domestic and export, which grew 16.37%YoY and 9.27%YoY,

respectively. There was a proportion of domestic sales and export sales accounted for 61% and 39%, respectively. When the economic situation has begun to recover, it can be seen that domestic sales in the past year grew higher than export sales. At the same time, the company could sell products to India and the United States which increased significantly in the past year as well.

The sharing of gain from investment value of the associates has come from the realization of gain from investment in Green Earth Power (Thailand) Company Limited (GEP), that is the investor of 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 total shares of GEP. At present, the project has operated 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.

The sharing of gain from investment value of the associates for the year 2021 was profit 32.42 million baht.

2. Cost of goods sold and expenses

Unit: Million Baht

The 12-month period for the Year 2021 comparing to 2020	Consolidated					
	Amount		Change		Compare to total income	
	Y2021	Y2020	Amount	%	Y2021	Y2020
Cost of goods sold	1,237.05	1,077.23	159.82	14.84%	77.28%	76.10%
Cost of sales	62.21	61.61	0.60	0.97%	3.89%	4.35%
Administrative expenses	133.97	136.64	-2.68	-1.96%	8.37%	9.65%
Other expense	-	18.13	-18.13	-100.00%	0.00%	1.28%
Financial cost	134.92	132.92	2.01	1.51%	8.43%	9.39%
Corporate income tax	1.67	13.80	-12.13	-87.90%	0.10%	0.97%
Total cost and expenses	1,569.82	1,440.32	129.50	8.99%	98.06%	101.74%

As for the overview of costs and expenses incurred during the year 2021, the Company's proportion of the cost of sales compared to total revenue increased from 76.10% to 77.28%, mainly due to the rising raw material prices. However, such a situation at present is starting to unravel due to the constant cost of raw materials together with finding ways to reduce the company's production costs in order to result in the least loss in the production process.

However, the cost of distribution and administrative expenses in proportion compared to total revenue, there was a continuous decreasing trend for the year 2021.

For the financial costs in the past year, the value was 134.92 million baht, which increased about 2 million baht or 1.51% compared to the previous year. However, if considering by comparing with total revenue,

it would be found that the proportion of financial cost has started to decline from 9.39% to 8.43% which is in line with the Company's policy to solve the problem of the financial costs to reduce continuously.

3. Profit for the period

Unit: Million Baht

The 12-month period for the Year 2021 comparing to 2020	Consolidated			
	Amount		Change	
	Y2021	Y2020	Amount	%
Gross Profit	312.36	307.26	5.10	1.66%
Profit (Owners of the parent)	50.85	41.16	9.69	23.54%
Profit for the period	50.92	31.65	19.27	60.87%
Total Comprehensive Income for the Period	93.88	17.70	76.18	430.45%
Profit ratio for the period to total revenue (%)	3.18%	2.24%		
Profit ratio for the period (Owners of the parent) to total revenue (%)	3.18%	2.91%		
Total comprehensive income ratio for the period to total revenue (%)	5.86%	1.25%		
Total comprehensive income ratio for the period (Owners of the parent) to total revenue (%)	5.86%	1.92%		

Overall of profits arising during the year 2021 in the consolidated financial statements, if considering the gross profit, it rose slightly at 1.66%. The company had a profit (owners of the parent) of 50.85 million baht increasing of 23.54% from the previous year that had such profit of 41.16 million baht. In addition, the margin of profit (owner of the parent) to total revenue accounted for the profit margin of 3.18% for 2021, compared to 2.91% for 2020.

Moreover, during the year 2021, the company was able to generate cash flow from operating activities equal to 128.22 million baht decreasing from the previous year which was 153.58 million baht, mainly caused by the higher value of accounts receivable under the COVID-19 situation whereas there were a lot of orders coming in the past year.

Financial Position: Consolidated Financial Statements

1. Total Assets

Statement of Financial Position	As of 31/12/2021		As of 31/12/2020		Increased / (Decreased)	
	MB	%	MB	%	MB	%
Current Assets	2,020.63	53.79%	2,035.77	57.43%	-15.13	-0.74%
Non-Current Assets	1,735.57	46.21%	1,508.96	42.57%	226.61	15.02%
Total Assets	3,756.20	100.00%	3,544.72	100.00%	211.48	5.97%

The Company had total assets as of 31 December 2021, equal to 3,756.20 million baht increasing from as of 31 December 2020, equal to 211.48 million baht. This was caused by an increase of accounts receivable from 331.31 million baht as of 31 December 2020, to 454.42 million baht, such an increase also included the investments in associated companies that resulted from the injection of equity capital of ECF Power Company Limited (ECF-Power) as a subsidiary of the Company that invests in the solar power plant project at Minbu city, Myanmar under the management by Green Earth Power (Thailand) Co., Ltd. (GEP), in which ECF-Power holds a 20% stake. In the year 2021, ECF-P has made additional investments in GEP in the amount of 151.75 million baht.

2. Total Liabilities and Shareholder's Equity

Statement of Financial Position	As of 31/12/2021		As of 31/12/2020		Increased / (Decreased)	
	MB	%	MB	%	MB	%
Current Liabilities	1,693.65	45.09%	1,673.05	47.20%	20.60	1.23%
Non-Current Liabilities	735.94	19.59%	631.89	17.83%	104.05	16.47%
Total Liabilities	2,429.59	64.68%	2,304.94	65.02%	124.65	5.41%
Shareholder's Equity	1,326.61	35.32%	1,239.78	34.98%	86.83	7.00%
Total Liabilities and Shareholder's Equity	3,756.20	100.00%	3,544.72	100.00%	211.48	5.97%

As of 31 December 2021, the Company's total liabilities were 2,429.59 million baht increasing by 124.65 million from as of 31 December 2020. This was caused by the increase in the outstanding balance of loans from financial institutions.

Shareholder's equities as of 31 December 2021 were 1,326.61 million baht increasing 86.83 million baht which resulted from the increase of profit from the operation of the Company.

Kindly be informed accordingly,



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Yours sincerely,

East Coast Furnitech Public Company Limited

-Signature-

(Arak Suksawad)

Managing Director