



EAST COAST FURNITECH PUBLIC COMPANY LIMITED
37/9 Moo 10, Banbung-Klaeng Rd, T.Thangkwan
A.Klaeng Rayong 21110 Thailand.
Tel : (66) 038-886-372-4 Fax : (66) 038-678-220
WWW.ECF-FURNITURE.COM

บริษัท อีสต์โคสต์เฟอร์นิเทค จำกัด (มหาชน)
37/9 หมู่ 10 ถนนบ้านบึง-แกลง ตำบลทางเกวียน
อำเภอแกลง จังหวัดระยอง 21110
โทร : 038-886-372-4 แฟกซ์ : 038-678-220
WWW.ELEGATHAI.COM

-Translation-

No. ECF2 046/2562

24 December 2019

Subject: Report of Resolution of Board of Directors' Meeting Re: (1) Disposal of Rights under Loan Agreement, Pledge Agreement and Memorandum of Understanding re: the Feasibility Study on the Acquisition of CR Solar Company Limited and (2) Related Parties Transaction.

Attn: Director and Manager
The Stock Exchange of Thailand

Enclosure: 1. Information Memorandum in relation to Related Parties Transaction Re: the Disposal of Rights under Loan Agreement, Share Pledge Agreement and Memorandum of Understanding re: the Feasibility Study for the Solar Power Plant Project Investment

East Coast Furnitech Public Company Limited (the "**Company**") would like to notify the resolution of Board of Directors' meeting No. 11/2019 held on 24 December 2019, which have considered and approved the following important matters:

1. Approve the disposal of rights under the Loan Agreement including the Pledge Agreement and the Memorandum of Understanding re: the feasibility study on the acquisition of CR Solar Co., Ltd.

As the Company has lent the money in the amount of Baht 50,000,000 (Fifty Million) to Inter Far East Energy Corporation Public Company Limited ("**IFEC**") pursuant to the Loan Agreement dated 26 December 2016 ("**Loan Agreement**"), whereby IFEC has pledged shares of Inter Far East Industrial Power Company Limited ("**IFECTP**") in the amount of 5,000,000 (Five Million) shares to the Company as a security for the repayment of the said Loan Agreement in accordance with the Share Pledge Agreement dated 26 December 2016 ("**Share Pledge Agreement**"). Subsequently, the Company and CR Solar Co., Ltd. (a subsidiary of IFEC) entered into the Memorandum of Understanding re: the Feasibility Study on the Acquisition of CR Solar Co., Ltd., dated 22 December 2017 ("**MOU**") in order to negotiate and to conduct due diligence of the purpose of the acquisition of a 1 MW solar power plant of CR Solar Co., Ltd., located in Lampang province. At present, the due diligence process still has not been completed.

As of 24 December 2019, the Company is a creditor under the Loan Agreement to IFEC in the total amount of Baht 58,304,246.58, consisting of the principal of Baht 50,000,000 and accrued interest of Baht 8,304,246.58. The Company agreed to dispose the rights under the Loan Agreement, the Pledge Agreement and the MOU to the 2 purchasers, i.e. Mr. Khomwit Boontumrongkit at the purchase price of Baht 38,869,497.33 and Mr. Arak Suksawad at the purchase price of Baht 19,434,749.25, details of which are as follows:

1.1 The disposal of rights under the Loan Agreement, the Pledge Agreement and the MOU to Mr. Khomwit Boontumrongkit is detailed as follows:

Buyer	Rights to be Disposed	Purchase Price (Baht)
Mr. Khomwit Boontumrongkit	1. Rights under the Loan Agreement in two-thirds proportion (calculated as of 24 December 2019, in the amount of Baht 38,869,497.33, consisting of principal of	38,869,497.33



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	<p>Baht 33,333,333 and accrued interest of the said principal of Baht 5,536,164.33)</p> <p>2. Rights under the Shares Pledge Agreement in two-thirds proportion (which equals to 3,333,333 of the pledged IFECTP's shares)</p> <p>3. Rights under the MOU in two-thirds proportion (for the negotiation of the purchase of two-thirds of the solar power plant project)</p>	
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For the payment of the purchase price, Mr. Khomwit Boontumrongkit will pay the purchase price to the Company, divided into 7 installments, with the interest rate charged at 6 percent per annum as follows:

Instalment No.	Payment Date	Amount of Money (Baht)
1	Agreement Date	5,550,000.00
2	30 June 2020	5,550,000.00
3	31 December 2020	5,550,000.00
4	30 June 2021	5,550,000.00
5	31 December 2021	5,550,000.00
6	30 June 2022	5,550,000.00
7	31 December 2022	5,569,497.33
	Total	38,869,497.33

The interest calculated at the rate of 6 percent per annum until the full payment date, equals to Baht 3,370,841.28, resulting in the total payment amount of Baht 42,240,338.61.

In the event that Mr. Khomwit Boontumrongkit is unable to collect debt from IFEC or does not receive the full amount of payment or is unable to successfully purchase the solar power plant project from CR Solar Co., Ltd., the Company will not be responsible for such event to Mr. Khomwit Boontumrongkit. Mr. Khomwit Bunthamrakit will still have to pay the full purchase price of such rights to the Company.

On 24 December 2019, the Company has entered into the Sale and Purchase Agreement of Rights under Loan Agreement, Pledge Agreement and MOU with Mr. Khomwit Boontumrongkit and has already received the first instalment payment of Baht 5,550,000 from Mr. Khomwit Boontumrongkit.

In this regard, Mr. Khomwit Boontumrongkit is not a related party with the Company.

1.2 The disposal of rights under the Loan Agreement, the Pledge Agreement and the MOU to Mr. Arak Suksawad is detailed as follows:

Buyer	Rights to be Disposed	Purchase Price (Baht)
Mr. Arak Suksawad	1. Rights under the Loan Agreement in one-third proportion (calculated as of 24 December 2019, in the amount of Baht 19,434,749.25, consisting of principal of Baht 16,666,667 and accrued interest of the said principal of Baht 2,768,082.25)	19,434,749.25



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	<p>2. Rights under the Shares Pledge Agreement in one-thirds proportion (which equals to 1,666,667 of IFECTP shares pledged)</p> <p>3. Rights under the MOU in one-third (for the negotiation of the purchase of one-third of the solar power plant project)</p>	
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For the payment of the purchase price, Mr. Arak Suksawad will pay the purchase price to the Company, divided into 7 installments, with the interest rate charged at 6 percent per annum as follows:

Instalment No.	Payment Date	Amount of Money (Baht)
1	Agreement 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

The interest calculated at the rate of 6 percent per annum until the full payment date equals to Baht 1,685,420.74, resulting in the total payment amount of Baht 21,120,169.99.

In the event that Mr. Arak Suksawad is unable to collect debt from IFEC or does not receive full amount or is unable to successfully purchase the solar power plant project from CR Solar Co., Ltd., the Company will not be responsible for such event to Mr. Arak Suksawad. Mr. Arak Suksawad will still have to pay the full purchase price of such rights to the Company.

On 24 December 2019, the Company has entered into the Sale and Purchase Agreement of Rights under Loan Agreement, Pledge Agreement and MOU with Mr. Arak Suksawad and has already received the first instalment payment of Baht 2,775,000 from Mr. Arak Suksawad.

Due to the fact that, Mr. Arak Suksawad is a director, an authorized director and a major shareholder of the Company, when calculating the transaction size of the disposal of rights to Mr. Arak Suksawad, the transaction size is less than 3 percent of the net tangible assets. Therefore, it is required to be approved by the board of directors and to disclose such information according to the Notification of the Capital Market Supervisory Board No. Tor.Jor. 21/2551 Re: Rules on Related Parties Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Related Parties Transactions B.E. 2546, whereby the Board of Directors has already approved such related parties transaction.

In this regard, the disposal of rights under the Loan Agreement, the Pledge Agreement and the MOU to the said 2 purchasers is not required to be disclosed under the Notification of the Capital Market Supervisory Board No. Tor.Jor. 20/2551 Re: Rules for the Transaction with Significant Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposal of Assets B.E. 2547.

As a result of this transaction, on 24 December 2019, the Company no longer has any right to claim against nor any outstanding agreement with IFEC and does not wish to proceed further with the purchase of solar power plant of CR Solar Co., Ltd.



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2. Approve the related parties transaction regarding the disposal of rights under Loan Agreement including Pledge Agreement and MOU re: the feasibility study on the acquisition of CR Solar Co., Ltd.

As the Board of Directors has approved the entering into the Sale and Purchase Agreement of Rights under Loan Agreement, Pledge Agreement and MOU with Mr. Arak Suksawad at the purchase price of Baht 19,434,749.25 as mentioned above, the Board of Directors has also approved the said related parties transaction. Details of which are shown in the Information Memorandum in relation to related parties transaction Re: the Disposal of Rights under Loan Agreement, Share Pledge Agreement and MOU re: the feasibility study for the solar power plant projects investment, attached to this document.

Please be informed accordingly.

Sincerely yours,
East Coast Furnitech Public Company Limited
-Signature-
(Mr. Arak Suksawad)
Managing Director

**Information Memorandum in relation to the Related Parties Transaction of
East Coast Furnitech Public Company Limited**
**Re: Disposal of Rights under Loan Agreement, Share Pledge Agreement and Memorandum of
Understanding re: Feasibility Study for Solar Power Plant Project Investment**

1. Transaction Date

The Board of Directors' meeting of East Coast Furnitech Public Company Limited (the "**Company**") No. 11/2019 held on 24 December 2019, resolved to approve the entering into this transaction:

2. Relevant Parties and Scope of Interest of Related Parties

Purchaser: Mr. Arak Suksawad and Mr. Khomwit Boontumrongkit

Seller: The Company

Relationship: Mr. Arak Suksawad is a director, an authorized director and a major shareholder of the Company, holding 150,412,750 shares in the Company, equivalent to 15.68 percent of the total shares in the Company as of 30 April 2019.

3. General Details of the Transactions

The Company agreed to dispose the rights under the agreements to Mr. Arak Suksawad as follows:

3.1 Rights under the Loan Agreement dated 26 December 2016 between the Company as a lender and Inter Far East Energy Corporation Public Company Limited ("**IFEC**") as a borrower ("**Loan Agreement**") in the proportion of one-third, which calculated as of 24 December 2019, is in the amount of Baht 19,434,749, consisting of principal of Baht 16,666,667 and accrued interest of the said principal of Baht 2,768,082.25.

3.2 Rights under the Share Pledge Agreement dated 26 December 2016 ("**Share Pledge Agreement**") in the proportion of one-third which equals to 1,666,667 shares of Inter Far East Thermal Power Company Limited ("**IFECTP**") which are pledged as security of the Loan Agreement.

3.3 Rights under the Memorandum of Understanding re: feasibility study on the acquisition of CR Solar Company Limited, dated 22 December 2017, between the Company and CR Solar Co., Ltd. (a subsidiary of IFEC) ("**MOU**") in the proportion of one-third for the purpose of negotiating and conducting due diligence on the acquisition of a 1 MW solar power plant of CR Solar Co., Ltd. located in Lampang province.

Note: In the Board of Directors' meeting No. 11/2019 on 24 December 2019, the Board of Directors of the Company approved the disposal of the rights in the proportion of two-thirds under the Loan Agreement, the Share Pledge Agreement and the MOU to Mr. Khomwit Boontumrongkit, who is not the related party to the Company. As a result of the transaction, the Company therefore has no rights to claim against nor any outstanding agreement with IFEC and does not wish to proceed further with the purchase of the solar power plant from CR Solar Co., Ltd.

4. Total Value and Transaction Size

4.1 Purchase Price

Purchase price is Baht 19,434,749.25.

4.2 Payment Installments

The buyer will pay the purchase price to the Company, divided into 7 installments with the interest rate charged at 6 percent per annum as follows:

Instalment No.	Payment Date	Amount of Money (Baht)
1	Agreement 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

The interest calculated at the rate of 6 percent per annum until the full payment date equals to Baht 1,685,420.74, resulting in the total payment of Baht 21,120,169.99.

On December 24, 2019, the Company has entered into the Sale and Purchase Agreement of Rights under Loan Agreement, Pledge Agreement and MOU with Mr. Arak Suksawad and has already received the first instalment payment of Baht 2,775,000 from Mr. Arak Suksawad.

5. Transaction Size

This transaction is a related parties transaction in the category of assets or services with the total value of the transaction equals to Baht 21,120,169.99¹ or equivalent to 1.38 percent of the net tangible assets according to the audited financial statements of the Company as of 30 September 2019, which is more than 0.03 percent but not exceeding 3 percent of the net tangible asset value of the Company. In this regard, the Company has no related parties transactions in the past 6 months. The method of calculation is as follows:

Method of calculation the Company's net tangible asset (Net Tangible Asset: NTA) (Unit : Million Baht)

NTA = Total Asset - Intangible Assets – Deferred Costs - Total Debt - Non-Controlling Shareholders

= 3,587.49 – 0.47 – 5.19 – 2,150.76 – 20.99

Transaction Size = Value of consideration/NTA

= 21.12 / 1,410.08

= 1.50%

6. Meeting Attendance and Voting in the Board of Directors' Meeting of Stakeholders

Mr. Arak Suksawad, a director who is the related party with the Company, did not attend the meeting and did not vote on the agenda of approving this related parties transaction in the Board of Directors meeting No. 11/2019 on 24 December 2019.

¹ Calculated from the purchase price at Baht 19,434,749.25 plus interest at the rate of 6 percent per annum up to the full payment date of Baht 1,685,420.74.



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7. The Opinion of the Board of Directors Relating to the Entering into the Related Parties Transaction

Currently, IFEC is under the rehabilitation process of the Central Bankruptcy Court, Black Case No. For. 14/2561, Red Case No. For 25/2561. The negotiation for the purchase of a 1 MW solar power plant of CR Solar Co., Ltd, located in Lampang province, is expected to be inevitably undertaken under the rehabilitation of IFEC, which would be a time consuming process. In addition, the enforcement of the pledge of IFECTP's shares is uncertain whether there will be sufficient funds to repay all outstanding loans due to the fact that IFECTP has not submitted a financial statement since 2017.

The Board of Directors has considered that this transaction is reasonable and beneficial to the Company as the purchase price of the rights under this transaction is not less than the principal value including interest calculated until the transaction date, and the interest rate of 6 percent per annum for the purchase price, paid by instalments is an appropriate rate. The Company can use the proceeds from the disposal of rights in the business operation of the Company, which will be more beneficial comparing to the negotiation of the purchase of 1 MW solar power plant of CR Solar Co., Ltd. located in Lampang province, under the rehabilitation of IFEC. The Board of Directors has considered the financial information of both buyers and viewed that both buyers are financially able to make the payments of purchase prices in compliance with the scheduled payment dates.

8. The Opinions of the Audit Committee and/or the Directors which are Different from the Opinions of the Board of Directors

None

Please be informed accordingly.

Sincerely yours,
East Coast Furnitech Public Company Limited
-Signatures-
(Mr.Chalee Suksawad) (Mr.Arak Suksawad)
Authorized Director