



UMS./EXS./018-22

August 11, 2022

Subject : Report on the acquisition of asset for investment in Bitcoin Mining Project

To : President

The Stock Exchange of Thailand

The Board of Directors No. 04/2022 held on August 11th, 2022 of Unique Mining Services Public Company Limited has resolved to approve as below details:

1) The Company invest in Bitcoin Mining Project because of the price of bitcoin miners which had earlier purchased for sale has dropped. The sale of the bitcoin miners now will cause the Company substantial losses so that, the Company has to change to the new plan by turning those miners for sale to operate bitcoin mining instead. Although the price of bitcoin has dropped considerably from the past, the investment at this moment for bitcoin mining is to collect bitcoin during the down period. Once the price of bitcoin increases, the Company will be able to sell bitcoin at a reasonable price.

In this regard, the Board of Directors No. 03/2022 dated May 10, 2022 approved the Company to put the deposit for the purchase of a bitcoin mining equipment of which the initial purpose was for trading business. However, the Company received the bitcoin mining equipment later than the schedule (presently the Company has received all the bitcoin mining equipment as per ordered), coupled with the unfavorable situation for the sale of the bitcoin mining equipment, the Company therefore changes the plan to operate bitcoin mining with those miners instead.

In the past, bitcoin mining business has been a potential business to generate a good return on investment. The Company decided to purchase 315 bitcoin mining machines. To operate bitcoin mining, the Company has to make additional arrangements such as location and supporting equipment, as well as the electrical system utilized in the mining of the bitcoin. The total investment value of the project is approximately THB 180 million of which the fund of the investment will come from the loan from related Company.

The investment in the bitcoin mining business is considered an asset acquisition transaction according to the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules on Significant Transactions Qualified as Acquisition or Disposition of Assets dated August 31, 2008 (including amended) and

the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Actions of the Listed Company on Acquisition or Disposition of Assets B.E. 2547 dated October 29, 2004 (including any amendments). ("Announcement of Acquisition or Disposal of Transactions") with the highest transaction size according to the Total Value of Consideration Criteria Not more than 21.67%, which is calculated compared to the total assets of the Company as of June 30, 2022. During the past 6 months prior to the date the Board of Directors resolved that the Company Invest in bitcoin mining business as follows:

1) Investment in 3 solar rooftop projects to sell electricity to customers by starting to sell electricity to customers. As of now, one project has already been completed, while the other 2 projects are still under construction which is expected to be completed within the third quarter. The Company has invested in these 3 projects at the total amount of THB 45.57 million or 5.49% of total assets.

The above items included 1 project investment that the Company has previously informed the Stock Exchange of Thailand on October 6, 2021 with an investment of approximately THB 24.70 million. However the extension of the project delayed the project and it is expected to start selling electricity by September.

(2) The acquisition of machinery and equipment from repairing/modifying damaged machinery caused by the fire incident last year of which the Company has received compensation from the insurance company. The Company has replaced/repared damaged assets incurring a new accounting entry in the amount of THB 23.41 million or equivalent to 2.82% of the total assets.

When taking the list of assets acquired during the past 6 months together with the investment in this bitcoin mining project resulting in the maximum transaction size of not more than 29.97 percent and falls into the category 2 the transaction according to the Acquisition or Disposition Notification, which the Company is obliged to disclose information in accordance with Schedule (1) at the end of the Acquisition or Disposition Notification. and must submit a circular letter to the shareholders of the Company within 21 days from the date of disclosure of the information memorandum of entering into the transaction to the Stock Exchange of Thailand ("SET").

The Company therefore would like to inform the details of the acquisition of such assets as specified in List (1) attached to the announcement of the acquisition or disposition of assets. with details as follows:



**Information Memorandum on Acquisition of Assets under List (1) attached to the Notification of
Acquisition or Disposition of Assets**

Subject: Investment in digital asset business Bitcoin Mining

1. Date, month, year of the transaction

The Board of Directors Meeting No. 04/2022 held on August 11, 2022 resolved to approve the Company to change its previous plan of trading bitcoin mining equipment to the new plan to operate the bitcoin mining business including procurement of electrical systems, other equipment and solar rooftop for using in this bitcoin mining project. The Company will arrange procurement of electrical systems and other equipment to support bitcoin mining after the Board of Directors has approved the operation.

In this regard, the Board of Directors No. 03/2022 dated May 10, 2022 approved the Company to put the deposit for the purchase of a bitcoin mining equipment of which the initial purpose was for trading business. However, the Company received the bitcoin mining equipment later than the schedule (presently the Company has received all the bitcoin mining equipment as per ordered), coupled with the unfavorable situation for the sale of the bitcoin mining equipment, the Company therefore changes the plan to operate bitcoin mining with those equipment instead.

2. Parties involved and their relationship with the listed Company

Buyer : Unique Mining Services Public Company Limited

Seller : Prompt Now Company Limited/Bitcoin Mining Miner Distributor

: Systematic contractor and other supporting equipment vendors

Relationship : Supplier, contractor and vendors which are not connected persons with the Company According to the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules for Connected Transactions dated August 31, 2008 (including any amendments) and the Notification of the Board of Governors of the Stock Exchange of Thailand. Subject Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546 dated 19 November 2003 (including amendments) ("Notification of Connected Transactions")

3. General characteristics of the transaction

The transaction

The Company considers to invest in the bitcoin mining business because it is a business that has the potential to generate returns. The Company has purchased newly-produced bitcoin miners, model ANTMINER S19 Pro

Hashrate, amounting to 315 machines, totaling 31,200 Th/s (totaling THB 96 million), including electrical systems and other equipment for the operation of bitcoin mining. The total investment value of the project is not more than of which the fund of THB 180 million will come from the loan from related party.

Since the operation of bitcoin mining requires the electricity, the Company will buy the electricity from government agency. The Company also has a plan to use renewable energy from solar rooftops. This will help to reduce the pollution, reduce costs and be more environmentally friendly.

The loan from related party mentioned earlier is under the amount approved by the Company's shareholders. In the Extraordinary General Meeting of Shareholders No. 1/2017 held on October 19, 2017. At present, the Company still has sufficient undrawn credit line.

Item type and size

Investing in bitcoin mining project classified as an asset acquisition transaction according to the announcement of the acquisition or disposition when calculating the size of the transaction by referring to the consolidated financial statements of the Company for the quarter ended June 30, 2022, the calculation details are as follows:

Assessment			
(A) SET Rule of Acquisition of Assets		Transaction size	Transaction size (incl. passed 6-month trasaction)
A1	<u>Project NTA X % Acquired Stack</u> UMS NTA (as of 30 Jun. 2022)	NA	NA
A2	<u>Project Profit X % Acquired Stack</u> UMS Net Profit (as of 30 Jun. 2022)	NA	NA
A3	<u>Value of aquired asset X 100</u> UMS Total Asset (as of 30 Jun. 2022)	21.67%	29.97%
A4	<u>No. of the Company's shares issued to compensate for asset X 100</u> No. of the Company's issued and paid-up shares	NA	NA
UMS Total Asset (as of 30 Jun. 2022) = THB 830.73 million			

This investment has the highest transaction size when calculated based on the total value of consideration criteria equal to 21.67% and when combined with the transaction size of the acquisition of assets of the Company and subsidiaries based on the total value of consideration incurred during the past 6 months prior to the date of the Board of Directors' resolution to allow the Company to invest in the Bitcoin mining business that causing the total transaction size to be 29.97% and fall into the category 2 according to the Acquisition or Disposition Notification. Therefore, the Company is obliged to disclose information in accordance with schedule (1) attached to the Acquisition or Disposition Notification and send a circular letter to the shareholders of the Company within 21 days from the date of disclosure of the information memorandum of the transaction to the Stock Exchange of Thailand.

4. Details of the assets and the value of the acquired assets

The Company must procure electrical systems and other related systems/equipment including solar rooftop system to complete the installation of 315 bitcoin mining equipment which have been delivered of which the total investment will be THB 180 million. The Company expects to be able to start the operation by September 2022.

In bitcoin mining operation, the Company will receive bitcoin as a reward for mining. The mining will use the algorithm to solve the equation that was invented by the blockchain system. The principle of blockchain works is for everyone in the system to help verify the accuracy of the information by checking to see if there is a match , the investigator will receive a reward in the form of bitcoins in which to solve the above equation. The computer is required to operate. The computer was designed primarily for the purpose of solving the above equation. It is also known as a bitcoin miner.

5. The total value of the acquired assets and terms of payment

The Company will also procure electrical systems and other related equipment to be used for all 315 bitcoin mining equipment, with a total investment value of THB 180 million. Bitcoin mining equipment have been already delivered. However, the electrical system and other related equipment are still in the process of procurement.

6. Criteria used to determine the value of consideration

The valuation of the asset is determined by the cost of the purchased bitcoin miner with the ordinary trading conditions whilst the valuation of electrical system and related equipment is determined by their estimated value with ordinary trading conditions.

7. Expected benefits to the Company

The Company expects investment in the bitcoin mining business will help the Company to have a steady income. In the long run, it will help the Company to have a better performance as well as increase of business investment opportunities.

8. Source of funds used to purchase assets

The fund for this bitcoin mining business will come from the loan from related party amounting to THB180 million which the Company's shareholders have already been approved.

9. Conditions of transactions that affect the rights of shareholders

None

10. Opinion of the Board of Directors regarding the entering into the transaction

The Board of Directors Meeting No. 04/2022 held on August 11th, 2022 opined that the investment in bitcoin mining business is reasonable and likely to benefit the Company. This is because the investment in bitcoin mining business will help the Company generate steady income. In the long run, it will help the Company to have a better performance as well as increase of business investment opportunities.

11. Opinions of the Audit Committee and/or Directors of the Company that are different from the opinions of the Board of Directors

None

12. Other information that may significantly affect investor decision-making (if any)

Since bitcoin mining business is a new business, investors may not have sufficient information. Therefore, the Company would like to clarify the risk factors of the bitcoin mining business to investors. The key risk factors are as follows:

1. Risk from energy costs and other costs

Since computer is a primary device to operate the bitcoin mining, the electric power is required for the operation. Modern bitcoin miners have more efficiency (mining power) but use less power. The Company also plans to invest in solar rooftop power generation for bitcoin mining. This will help the Company save energy and be more environmentally friendly.

Apart from solar rooftop as part of the energy source, which is clean energy, the Company also has a plan to plant trees around the factory to help increase oxygen supply to the surrounding area.

2. Bitcoin miner risks

There are many models of bitcoin mining equipment, brands and prices. The Company's decision to purchase miners was mainly based on mining capacity (mining power) and easy maintenance, as well as modern bitcoin miners in order to obtain the most efficient and energy saving miners. In the past, the price of bitcoin miners has been changed according to the increase or decrease of the price of bitcoin.

3. Risk from bitcoin price fluctuation

Since price of bitcoin changes all the time and it is traded 24 hours a day, the Company decided to mine only one digital currency, bitcoin. Bitcoin itself has a limited number and the block reward given to bitcoin miners for processing transactions is cut in half every 4 years (Bitcoin Halving). As a result, the value trend of bitcoin increases from the increase of demand.

4. Security of bitcoin saving

Retention of Private Keys

The Company has set a policy to store obtained bitcoin in the Company's Private Key both in Cold Wallet and Hardware Wallet by storing it in the Company's safe. The disbursement can be executed only by the approval of the chairman or assigned authorize user.

Bitcoin Wallet

The Company may apply the use of Multi-Signature Wallet (Multi Sign) for the authorized persons to be able to make transactions from such wallet.

Backup system

The Company will define the security passwords (seed phase) as a backup to be kept in Company's safe whilst the custodian will be nominated separately.

Project Directors

The Company has assigned knowledgeable and experienced executives to be project directors to manage bitcoin in the account. The balance of bitcoin in the account will be reviewed weekly or a period specified by the Company by the 2 executives whilst the accounting department will record the bitcoin balance at the end of every month.

5. Changes to the rules and regulations of government agencies or regulatory agencies

Due to bitcoin is classified as digital asset, which is new to Thailand. As a result, the relevant agencies may not have clearly defined rules/regulations that apply, and digital assets are not classified as legal currency.

However, it is considered to be asset for investment that causing agencies responsible for supervision/regulation such as the Securities and Exchange Commission, Bank of Thailand will proceed to issue / improve various rules and regulations to be appropriate. Therefore, the Company has assigned a supervisor to closely monitor the matter in order to properly comply with the rules and regulations.

13. Opinion of the Board of Directors on the sufficiency of working capital in case there is insufficient, specify the source of funds that will be required for this purpose.

The Board of Directors has the opinion that the Company has sufficient funds for project implementation due to the sale of obtained bitcoins from the mining given the price reaches the Company's target. This will allow the Company to generate fund for its working capital. In case the Company is unable to sell the coin causing insufficient working capital to operate the project, the Company still has the ability to obtain another source of working capital funding.



It is to be noted that this project investment is subject to the results of the loan approval from the Board of Directors of the related party.

Please be informed accordingly

Yours faithfully

Mr. Dome Liewlomviboon
Acting Chief Executive Officer /
Acting Chief Financial Officer