



EAST COAST FURNITECH PUBLIC COMPANY LIMITED  
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บริษัท อีสต์โคสต์เฟอร์นิเทค จำกัด (มหาชน)  
37/9 หมู่ 10 ถนนบ้านบึง-แกลง ต.ทางควียน  
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**No. ECF02 028/2021**

16 December 2021

Subject: Notification of Newly Additional Investment of the Subsidiary

To: President

The Stock Exchange of Thailand

East Coast Furnitech Public Company Limited (the “Company”) would like to inform the resolutions of the Board of Directors’ Meeting No. 6/2021, held on 16 December 2021. The significant resolutions is the approval for entering into the newly additional business of the Subsidiary by resolving to enter into the newly additional business of ECF Holdings Company Limited (“ECFH” or “the Subsidiary”) as the Subsidiary with the shares held by the Company 94.44 percent, which is additional business from currently main business as a furniture distributor of the Company by entering into cryptocurrency mining business and the mined cryptocurrency will be sold after that. Moreover, the management team has been studying and testing such business for a while and considers the business can generate satisfactory results and will be beneficial to the operating performance including can control some risks in order not to have an impact on the overall operating business. In addition, this business will help add a channel of generating income to the group of companies.

The important details of entering into cryptocurrency mining business of the Subsidiary are as follows:

Type of currently main business	Furniture distributor of the Company
Type of newly additional business	Cryptocurrency mining business
Registration of one additional objective of the Subsidiary	“No.56. To engage in the business as cryptocurrency exchange, digital token exchange, digital token broker, cryptocurrency trader, digital token dealer, provider of advice and recommendations on cryptocurrency and digital token for interested business operators and people in general; in addition to offering digital currency exchange or sale service, digital asset investment service, including but not limited to mining, trading, exchanging of digital assets, plus investment or provision of other services in relation to cryptocurrency and digital token transactions (after being granted permission by relevant agency in the case whereby the activity needs the permission), information storage, processing, verification and validation on the decentralized blockchain network service; including conducting researches, development and collection of information in connection with Information Technology business for the enhancement of knowledge, skill and expertise both in academic and technological areas.”
The investment value of new business	Baht 80 million

Source of fund	Working capital of the Company and according to the consolidated financial statements of the Company as of September 30, 2021, the Company had cash and cash equivalents equal to Baht 26.44 million.
Main equipment invested by the Subsidiary	Cryptocurrency mining machines and relevant equipment will be considered regarding types and the market situation at that time, in order to make the ultimate benefit from the investment.
Time period of the investment	The investment of main equipment for the cryptocurrency mining will be significantly considered by the situation and fluctuation of cryptocurrency price at that time in order to be ultimately beneficial from the investment and in line with the principles of mitigating risks. However, it is expected that it will be able to gradually invest until the total investment value is reached within the end of 2023 with terms of payment in full according to the number of devices that have already been delivered and accepted.
Team and human resources	The Subsidiary has people and a team who are knowledgeable, skillful, and experienced in cryptocurrency mining business and they will directly manage this business.
Operation related to accounting standards	The company will strictly implement the accounting policy for recording the digital assets that occur in accordance with the specified accounting standards.  However, the company focuses on selling mining-derived digital assets in order to obtain cash flow for liquidity benefits and to mitigate risks against the volatility of prices.  Thus, the Group adopts the digital assets obtained from mining as a type of inventories that is held for sales, not for any other purposes, of the subsidiary. Related valuation on initial recognition and as at the period-end shall be marked to market or at fair value.

However, the size of transaction does not fall under criterion which is required to comply with Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and 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 and Disposition of Assets, B.E. 2547 (2004).

This transaction is not classified as a connected transaction and asset acquisition value does not cause the Company to fall under the disclosure requirement under the Notification of the Capital Market Supervisory Board No.TorChor. 20/2551 regarding Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets.

However, this disclosure is in accordance with the Regulations of the Stock Exchange of Thailand. Re: Rules, conditions, and procedures relating to information disclosure and any other operations of listed companies No.3 because the Subsidiary has entered into the newly additional business.

To operate a cryptocurrency mining business (Cryptocurrency Mining), the Company will receive money in digital form as the reward of mining by excavating which is to the solving of



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algorithm equation that has been invented by the blockchain system. The principle of blockchain works is that everyone in the system helps to verify the accuracy of the data by checking if there is a matching and then miners will be rewarded in the form of digital coins. To be able to solve the above equations, It is necessary to use computers to operate. Such computers are primarily designed for the purpose of solving the above equations, known as cryptocurrency miners.

At present, cryptocurrency mining business is not obliged to request permission from any agencies because cryptocurrency has not yet been considered as a currency in Thailand, and it is not under the regulations on currency exchange, then it does not need permission from the Bank of Thailand.

The Company is well aware of the success factors of cryptocurrency mining business that come from the provision cost of machines and equipment to execute the mining transaction which will generate the depreciation expense as the fixed cost in the future, the cost of electricity, and the fluctuation of cryptocurrency price happening at any moment. Moreover, cryptocurrency business has risks, pertaining to certification, both by law and future regulatory agencies, and risk of cryptocurrency exchange rate that is highly volatile all the time. The Company realizes all mentioned factors and will surveillance to mitigate these risks which may occur with discreet and ultimate caution, and will take importantly the benefit of the Company and the shareholders into consideration.

In addition, if there will be the expansion of capacity in cryptocurrency mining business of the Subsidiary in the future, the management team will propose the details to the Board of Directors' consideration for the first priority. In the case that the transaction size falls regarding Rules on Entering into Material Transactions Deemed as Acquisition of Assets, the Company will comply with that criteria and inform the SET accordingly.

Moreover, if considering the size of transactions, the highest transaction value equals to 2.20 percent based on a total value of the consideration paid basis and the total value of consideration equals Baht 80 million, calculated from the reviewed consolidated financial statements of the Company for the latest nine-month period ended 30 September 2021. And the Company has not had any asset acquisition transaction occurring over the past six months prior to the date on which the Board of Directors' Meeting resolved to approve this transaction.

Please be informed accordingly,

Yours sincerely,

East Coast Furnitech Public Company Limited

(-Signature-)

Mr.Arak Suksawad

Managing Director