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- Translation -

**No. ECF2 018/2022**

August, 11 2022

Subject : The Disclosure of Asset Acquisition of a New Warehouse and the Connected Transaction about Land Lease

To President  
The Stock Exchange of Thailand

In accordance with, East Coast Furnitech Public Company Limited (“the Company”) held the Board of Directors meeting No.6/2022 on Thursday, August 11, 2022, the Meeting has passed the significant resolution regarding the asset acquisition of a new warehouse and the connected transaction about land lease by approving of the Company to enter into the land lease agreement with Mr.Wanlop Suksawad as the Director and Chairman of the Executive Committee, who is the connected person. The lease term is 20 years (including the construction period) and will commence the land lease agreement after the date of receiving the approval from the Board of Directors in the total value of not exceeding Baht 3,200,000 (Three million two hundred thousand) with the objective to be used as the land for a new warehouse. The details of the asset acquisition of a new warehouse and the connected transaction about the land lease are as follows;

**1. Transaction of Asset Acquisition: A New Warehouse**

The Company will construct a new warehouse under the construction budget in the total value of Baht 46,700,000.00 (Forty-six million and seven hundred thousand) which the size of the transaction does not fall under the 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).

If considering the sizes of transactions, the highest transaction value equals 1.11 percent based on a total value of the consideration paid basis and the total value of consideration equals Baht 46,700,000.00 (Forty-six million and seven hundred thousand), calculated from the reviewed consolidated financial statements of the Company for the latest six-month period ended 30 June 2022. In addition, 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.

**2. Connected Transaction: Land Lease**

The above land lease transaction is considered a connected transaction according to the Notification of the Board of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of

Listed Companies Concerning Connected Transactions, B.E. 2546: Type of connected transactions relating to real estate lease. The details of the information are as follows;

1.	Transaction Date	Expected to finish the transaction by August, 31 2022																
2.	Relating Parties	Tenant : East Coast Furnitech Public Company Limited Lessor : Mr.Wanlop Suksawad, as the Director and Chairman of the Executive Committee, who is the connected person																
3.	Nature of Transaction	<p>The Company will lease some parts of land title deeds located at Tambon Thang Kwian, Klaeng District, Rayong Province, totaling 5 plots and the area of approximately 2 rai 1 ngan, 90 square wa (or a total of 990 square wa), which is owned by the lessor so that the land will be used in the construction of the Company's new warehouse.</p> <p>The lease term is 20 years (including the construction period) from the date of signing the land lease agreement unless this contract is terminated before the expiration of the said lease term. The total rental value does not exceed Baht 3,200,000 (Three million two hundred thousand), according to the details of the monthly rental rates in the following table.</p> <table border="1" data-bbox="673 1160 1334 1543"> <thead> <tr> <th>Lease Period</th> <th>Monthly Rental Rates (Baht)</th> </tr> </thead> <tbody> <tr> <td>Year 1 - 3</td> <td>9,900.00</td> </tr> <tr> <td>Year 4 - 6</td> <td>10,890.00</td> </tr> <tr> <td>Year 7 - 9</td> <td>11,979.00</td> </tr> <tr> <td>Year 10 - 12</td> <td>13,176.90</td> </tr> <tr> <td>Year 13 - 15</td> <td>14,494.59</td> </tr> <tr> <td>Year 16 - 18</td> <td>15,944.05</td> </tr> <tr> <td>Year 19 - 20</td> <td>17,538.45</td> </tr> </tbody> </table> <p>During the 6 (Six) months before the maturity date of the lease term, the Company is entitled to request the tenure to extend the lease term or to engage in the new land lease agreement. In this regard, the terms and conditions of the extended term or the new land lease agreement will be in line with the agreement of both parties.</p> <p>Moreover, the reason to determine the lease term of 20 years comes from it is a suitable period when considering the cost of construction and comparing it to the necessity of usage of the Company.</p>	Lease Period	Monthly Rental Rates (Baht)	Year 1 - 3	9,900.00	Year 4 - 6	10,890.00	Year 7 - 9	11,979.00	Year 10 - 12	13,176.90	Year 13 - 15	14,494.59	Year 16 - 18	15,944.05	Year 19 - 20	17,538.45
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		<p>If the Company considers that the warehouse is suitable to be used and accommodated for the business extension in the future, the Company will be entitled to extend the land lease agreement according to the term deemed appropriate at that time.</p>
4.	Total Value and the Criteria used to Determine the Transaction Value	<p>The total value of the land lease agreement for 20 years (including the construction period) does not exceed Baht 3,200,000 (Three million two hundred thousand)</p> <p>The criteria used to determine the value of the transaction or rental expense is referenced from the appraisal reports regarding the rental expenses from two independent appraisers namely, General Valuation and Consultant Co., Ltd. dated July 7, 2022, and the other appraiser is Prefer Appraisal Co., Ltd. dated June 27, 2022., then the Company choose the valuation report given the lower rental expense.</p>
5.	Attendance and Voting at the Meeting	<p>The director, who is the connected person or has a conflict of interest under Clause 2., did not attend the Board of Directors' Meeting and did not vote on the said agenda as well.</p>
6.	Nature and Scope of Conflict of Interest of the Connected Person in Entering into the Transaction	<p>Such connected transaction has a total value of not exceeding Bath 3,200,000 (Three million two hundred thousand), which falls in the middle size of transaction that is more than Bath 1,000,000 but not more than 3 percent of the Company's net tangible assets according to the financial statements as of June 30, 2022, which has a value of Baht 39.83 million.</p> <p>Therefore, it is considered a connected transaction under the Notification of the Stock Exchange of Thailand; Subject: The Disclosure of Information and Practice of Listed Companies Concerning the Connected Transaction Type of Transactions relating to real estate lease, the Company must request the Board of Directors to approve such connected transaction and disclose the information to the Stock Exchange of Thailand.</p>
7.	Opinion of the Board of Directors Relating to the Transaction	<p>The Board of Directors has considered and deemed that entering into the land lease agreement is reasonable and beneficial to the Company because at present the Company has the growth of the manufacturing and distributing furniture which needs to procure the area for keeping more stock and that land is in the nearby area with the factory of the Company so that it will accommodate the usage, time-saving and transportation cost saving.</p> <p>In addition, the counterparty has determined the lease term and rental rate that are evident, and that rate is not higher than the rate</p>

		<p>that the independent appraisers have valued it. However, the rental rate will be increased every 3 years at the rate of 10 percent which is in line with normal practice of land lease agreement.</p> <p>Therefore, entering into the transaction is beneficial, reasonable, and fair pricing to the Company, and passed the consideration of the Audit Committee. Then, the Board of Directors approved such transaction, without the director who has a conflict of interest attending and voting on this agenda.</p>
8.	Opinion of the Audit Committee and/or any Director which are different from the opinion of the Board of Directors under Clause 7	-None-

Please be informed accordingly,

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