



EAST COAST FURNITECH PUBLIC COMPANY LIMITED  
37/9, Moo 10, Banbung-Klaeng Rd, T.Thangkwian  
A.Klaeng, Rayong, 21110, Thailand  
Tel : (66) 038-675-181-4 / Fax : (66) 038-678-220  
WWW.EASTCOAST.CO.TH

บริษัท อีสต์โคสต์เฟอร์นิเทค จำกัด (มหาชน)  
37/9 หมู่ 10 ถนนบ้านบึง-แกลง ต.ทางควียน  
อ.แกลง จ.ระยอง 21110  
โทร : 038-675-181-4 / แฟกซ์ : 038-678-220  
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**No. ECF02 022/2022**

10 November 2022

**Subject:** The Resolution of Approving to Cease the Investment and Dispose the Assets of Cryptocurrency mining business 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. 7/2022, held on 10 November 2022 by approving the ceasing the investment and disposal of the assets of the cryptocurrency mining business of ECF Holdings Co., Ltd. (“**ECFH**” or “**the Subsidiary**”) as the Subsidiary that the Company holds shares in the proportion of 94.44 percent. At present, ECFH engages in the main business of distributing furniture to the Company.

After the Board of Directors’ Meeting No.6/2021 on 16 December 2021, the Board of Directors resolved the approval for ECFH’s investment in the cryptocurrency mining business with a value of 80 million baht. In this regard, from the period up to 30 September 2022, the Company has used the working capital investing in such business equivalent to the net book value of 21.23 million baht according to the information from the financial statements of the Company as of 30 September 2022. The Company has not additionally invested in such business since the first quarter of 2022, and does not have the net value of remaining digital products as of 30 September 2022.

The operating result of the cryptocurrency mining business of the Company occurred during the 9-month period of 2022 has been the figures of ECFH. It was found that ECFH was able to mine 2 kinds of cryptocurrency consisting of Bitcoin and Ethereum. ECFH gained profit from the valuation of the inventory of Bitcoin and Ethereum in the amount of 0.22 million baht and 5.98 million baht respectively. All of the costs of service to cryptocurrency mining, the costs of selling, and the administrative expenses were 9.91 million baht and the loss for the 9-month period of 2022 was 3.71 million baht. However, the Company gained profit plus depreciation expenses (EBITDA) equivalent to 2.90 million baht and the depreciation expenses were 6.61 million baht.

However, after the Board of Directors approved investing in such business, ECFH has engaged in the business of cryptocurrency mining from the end of the year 2021. Then since February 2022, the war between Russia and Ukraine has occurred and has caused problems of inflation, higher oil price, including the electricity price, which is the most important operating cost, has been increasing significantly. At present, it cannot foresee the trend in the short term that the electricity price will be declined together with the volatility of cryptocurrency price that has high volatility and the price has dropped dramatically. Therefore, these have an impact on the rate of return to the investment of cryptocurrency mining to be declined. With reference to the above reasons, the management team has considered that the trend of return on this investment may not be worth investing in the long term. Therefore, this agenda was proposed to the Board of Directors’ Meeting in order to consider and approve the cessation of the investment and the disposal of the cryptocurrency mining machines and other related equipment. In this regard, this solution would be able to help mitigate the risks of cost fluctuation, expenses, and volatility of cryptocurrency price and also help reduce the impact in the long term that may have on the overview of the operating result of the



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Company, which is better than the continuing expansion of investment in cryptocurrency mining business in the future.

The important details of disposal of the cryptocurrency mining machines and other related equipment are as follows:

Expected Date of Entering Into the Contract	30 November 2022
Seller	ECF Holdings Co., Ltd. (ECFH)
Buyer	General Construction Co., Ltd. which is not a connected person with ECFH
Resale Price of cryptocurrency mining and related equipment	20 million baht under the important principle that the costs of machines of the Company are valued as of 30 September 2022 (the Company has calculated that the net book value on such date will be 19.65 million baht) plus the cost of machine demolition.
Conditions for repayment to ECFH	The buyer will pay in installments for a period of 1 year, with the first installment on 31 January 2023 and the last installment on 31 December 2023 without interest payment, and will pay every month about 1.66 million baht.

In this regard, 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 (2008) 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).

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 Clause 3. (17), because the Listed Company or its Subsidiary has significantly changed in investment project.

Please be informed accordingly,

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