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No. ECF02 051/2017

June 16, 2017

Subject: Notification about the resolution of the Board of Directors for approving the investment in
2 Projects (SAFE Biomass Co.,Ltd. and Bina Puri Power (Thailand) Co.,Ltd.) ([Additional](#))

To: President
The Stock Exchange of Thailand

East Coast Furnitech Public Company Limited (**"The Company"**) would like to inform the resolution of the Board of Directors Meeting No.8/2017 held on June 15, 2017 that has significantly resolved for asset acquisition of 2 projects by share purchase via ECF Power Co.,Ltd. as the subsidiary held by the Company 99.99 percent and SAFE Energy Holdings Co.,Ltd. (**"SAFE"**) as the associate which the subsidiary holds 33.37 percent. The value investment of these 2 projects is Baht 50.62 million.

Such investment cause the Company fall within the disclosure requirement under the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551, Re: Rules on Entering into Material Transactions Deemed an Acquisition or Disposal of Assets dated August 31, 2008 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 and Disposal of Assets B.E/2547 (2004) dated October 29, 2004 (**"Notification on Acquisition or Disposition of Assets"**). The above-mentioned investment is calculated regarding to the criteria of the total value of consideration paid, compared with the value of total assets equivalent to 2.26 percent highest value based on the Company's consolidated financial statements as of March 31, 2017. (In this regard, for other transactions entered into by the Company in the past six months has already passed by the resolution of the Extraordinary General Meeting of Shareholders No.1/2017 held on May 31, 2017. Such transaction size is considered insignificant and no need to disclose according to the Notification on Acquisition or Disposition of Assets and this investment is not a connected transaction as well

The significant details of entering into the investment of such 2 projects are as follows;

1. Entering into 100 percent share purchase of Safe Biomass Co.,Ltd. by SAFE Energy Holdings Co.,Ltd. as the associates. The details are as follows;

SAFE Biomass Co.,Ltd.	
Type of Business	Wood chips factory which is located at Wang District, Narathiwat Province
Purchaser	SAFE Energy Holdings Co.,Ltd. as the associate which is

	held by the subsidiary 33.37 percent
Seller	The existing shareholders of SAFE Biomass Co.,Ltd., which is not categorized as relevant parties and has no any relationship with the Company
The Total Value of Consideration	Baht 33.37 million (According to the proportion of shareholding of SAFE 33.37 percent), that the investment value is Baht 100 million for land 5 rai approximately, plant 8,700 sqm., machines and all relevant permits of the business.
Transaction Size of Asset Acquisition	The transaction size is calculated regarding to the criteria of the total value of consideration, equivalent to 1.49 percent highest value of total asset as of March 31, 2017.
Value of Acquired Assets	SAFE will acquire common stocks of SAFE Biomass Co.,Ltd equivalent to 100 percent.
Criteria Used for Determining the Price of Shares to Purchase	According to the agreed price between the purchaser and the seller by consideration of reasonable value and the rate of return from investment by Discounted Cash Flow Model. The return of investment is 15.41 percent.
Expected Benefits	<p>This wood chips factory will help reduce cost of material used to production process of Prize of Wood Green Energy Co.,Ltd. (“PWGE”), operating biomass power plant.</p> <p>According to the resolution of the Board of Directors that approved for the investment in PWGE as of February 13, 2017, by assigning SAFE as the associate of the Company to be the investor for 100 percent shareholding of PWGE</p> <p>At the present is on the process of share purchase of PWGE and is expected to start commercial operation within 2nd quarter of this year.</p>
Source of Fund	Internal cash flow of the Company and/or loan from bank
Expected Timeframe of Completed Transaction	<p>Within 3rd quarter of this year.</p> <p>In this regard, between the process of share purchase transaction of SAFE Biomass Co.,Ltd. that is not finished now, PWGE, biomass power plant, will purchase raw material from other sources.</p>
Condition of Approval	The Board of Directors has assigned the Managing Director or the authorized person from the Managing Director to be the person who enters into negotiations,

	agreements, and related agreements for the completed conditions of the business.
General Information of SAFE Biomass Co.,Ltd.	
Establishment date	July 5, 2016
Registered Capital and Paid-up Capital	Baht 100 million, divided into 10,000,000 shares at the par value of Baht 10 each
Shareholders' structure before and after the transaction	<p><u>Before the transaction</u></p> <ol style="list-style-type: none"> Prize of Wood Holdings Co.,Ltd. ("PWH") holds 9,900,000 shares (PWH is held by Mr. Khomwit Boonthamrongkij, as the ultimate shareholders, No.1 of the most shareholding 33,090 shares or equivalent to 33.09 of total shares) Mr.Khomwit Boonthamrongkij holds 33,090 shares Mr.Somboon Boonthamrongkij holds 23,680 shares Mrs.Saowaluck Boonthamrongkij holds 15,440 shares Mr.Wichai Boonthamrongkij holds 12,350 shares Ms.Yewly Boonthamrongkij holds 15,440 shares <p><u>After the transaction</u></p> <ol style="list-style-type: none"> <u>SAFE Energy Holdings Co.,Ltd. will hold approximately 10,000,000 shares</u>
Financial Information since the company establishment	
Unit : Baht million	As of December 31, 2015
Assets	1.13
Liabilities	0.90
Share Equity	0.23
Revenue	Not yet starting commercial operation
Net Loss	(0.02)

2. Entering into 49 percent share purchase of Bina Puri Power (Thailand) Co.,Ltd. by SAFE Energy Holdings Co.,Ltd. as the associates. The details are as follows;

Bina Puri Power (Thailand) Co.,Ltd.	
Type of Business	Power plant with gasification technology system, 2 MW by divided into 2 projects at 1 MW each. These 2 projects are located at Long District, Phrae Province and Soong Men District, Phrae Province.
Purchaser	SAFE Energy Holdings Co.,Ltd. <u>as the associate which is held by the subsidiary 33.37 percent</u>
Seller	The existing shareholders of Bina Puri Power (Thailand)

	Co.,Ltd. is Mr.Pichit Roongruangduayboon , which is not categorized as relevant parties and has no any relationship with the Company
The Total Value of Consideration	Baht 17.25 million (According to the proportion of shareholding of SAFE 33.37 percent) with the totaling investment value Baht 105.495 million as follows; <ol style="list-style-type: none"> 1. Long District project, Phrae Province total investment value is Baht 45.495 million for land 5 rai approximately, plant, machines and all relevant permits of the business. 2. Soong Men District project, Phrae Province total investment value is Baht 60 million for land 5 rai approximately, plant, machines and all relevant permits of the business.
Transaction Size of Asset Acquisition	The transaction size is calculated regarding to the criteria of the total value of consideration, equivalent to 0.77 percent highest value of total asset as of March 31, 2017.
Value of Acquired Assets	SAFE will acquire common stocks of Bina Puri Power (Thailand) Co.,Ltd equivalent to 49 percent.
Criteria Used for Determining the Price of Shares to Purchase	According to the agreed price between the purchaser and the seller by consideration of reasonable value and the rate of return from investment by Discounted Cash Flow Model. The return of investment is 33.40 percent and 26.20 percent for Long District project and Soong Men District project respectively.
Expected Benefits	The Company will obtain the rate of return from investment and will be the starting point for any alternative investment type of power plant business which differs from biomass power plant or solar power plant. In this regard, the expected timeframe for commercial operation date will be within 1 st quarter of Y2018 for both projects.
Source of Fund	Internal cash flow of the Company and/or loan from bank
Expected timeframe of completed transaction	Within 3 rd quarter of this year.
Condition of Approval	The Board of Directors has assigned the Managing Director or the authorized person from the Managing Director to be the person who enters into negotiations, agreements, and related agreements for the completed conditions of the business.

Key Information of Power Purchase Agreement	<ul style="list-style-type: none"> - Party : Between Bina Puri Power (Thailand) Co.,Ltd. (“Bina”) And Provincial Electricity Authority (PEA) - PEA agrees to buy the electricity and will sell electricity at a maximum capacity of 0.92 MW per project. - Period 20 years to sell electricity to PEA - Bina has granted to sell electricity at rated of Baht 5.84 per unit for 8 years and then will be Baht 5.34 per unit until the maturity date of PPA under Feed-in tariff (FIT) system. 		
General Information of Bina Puri Power (Thailand) Co.,Ltd.			
Establishment date	December 11, 2012		
Registered Capital and Paid-up Capital	Baht 1 million, divided into 100,000 shares at the par value of Baht 10 each		
Shareholders' structure before and after the transaction	<p><u>Before the transaction</u></p> <ol style="list-style-type: none"> 1. Mr.Pichit Roongrueangduayboon holds 49,000 shares 2. Mr.Chakkapun Ariyawong holds 37,997 shares 3. Mr.Suparek Kanasuk holds 13,000 shares 4. Bina Puri Holdings (Thailand) Co.,Ltd. holds 3 shares <p><u>After the transaction</u></p> <ol style="list-style-type: none"> 1. <u>SAFE Energy Holdings Co.,Ltd will hold 49,000 shares</u> 2. Mr.Chakkapun Ariyawong holds 37,997 shares 3. Mr.Suparek Kanasuk holds 13,000 shares 4. Bina Puri Holdings (Thailand) Co.,Ltd. holds 3 shares. 		
Financial Information : For the last 3 Years			
Unit : Baht million	As of Dec.31, 2016	As of Dec.31, 2015	As of Dec.31, 2014
Assets	1.97	1.97	3.54
Liabilities	4.90	4.81	6.24
Share Equity	(2.93)	(2.84)	(2.70)
Revenue	Not yet starting commercial operation		
Net Loss	(0.09)	(0.14)	(0.42)

- Opinion of the Board of Directors

The Board of Directors Meeting has considered that these investments is reasonable and will be the benefit to the Company and shareholders. These asset acquisitions will be the significant opportunity to the renewable business.

- Opinion of the Audit Committee which differs from the Board of Directors

The three people of Audit Committees have no any different opinions from the Board of Directors.

Please be informed accordingly,

Yours sincerely,

East Coast Furnitech Public Company Limited.

-Signature-

(Mr.Arak Suksawad)

Managing Director