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No. ECF2 014/2017

April 7, 2017

Subject Notification about the resolution of the Board of Directors for approving to investment in proportion of 20 percent of solar power plant of Green Earth Power (Thailand) Co.,Ltd., and schedule for the No.1/2017 Extraordinary General Meeting of Shareholders (additional on the resolution of BODs and Information Memorandum on the Acquisition of Assets)

To President
The Stock Exchange of Thailand

Enclosure 1. Information Memorandum on the Acquisition of Assets
Re: The share purchase of Green Earth Power (Thailand) Co.,Ltd. in proportion of 20 percent of solar power plant in Minbu, the Republic of the Union of Myanmar

East Coast Furnitech Public Company Limited ("The Company" or "ECF") would like to inform the resolution of the Board of Directors Meeting No.6/2017 convened on April 3, 2017 that has resolved importantly as follows;

1. To approve the Company's investment in solar power plant project of Green Earth Power (Thailand) Co.,Ltd. ("**Project**" or "**GEP**") located in Minbu District, Magway Region, the Republic of the Union of Myanmar ("**Myanmar**") with installed capacity 220 MW, by assignment to ECF Power Co.,Ltd. ("**ECF-Power**"), as the subsidiary held by the Company 99.99 percent of total shares, to invest in the project for the proportion of 20 percent. For more details kindly consider the Enclosure.
2. To propose to the extraordinary general meeting of shareholders for consideration and approval to purchase the shares of GEP in proportion of 20% for investment in solar power plant, Myanmar by determining ECF-Power as the purchaser. 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 50.79 percent highest value based on the Company's consolidated financial statements as of December 31, 2016. Also when aggregating the above calculation with other transactions entered into by the Company in the past six months, the size of asset acquisition is equivalent to 57.90 percent of total assets, the cumulative transaction size is considered to be class 1 transaction according to Notification on Acquisition or Disposition of Assets. For more details kindly consider the Enclosure.

3. To approve the appointment of I V Global Securities Public Company Limited to be the independent financial advisor for providing an opinion on the transaction regarding the share purchase of GEP.
4. To approve the increase of capital of ECF-Power as the subsidiary not exceeding USD 1,006.49 million within 5 years to be used for share purchase from GEP and also for subscription of new shares from increasing registered capital of each phase total 4 phases of solar power plant by assignment to Managing Director or the authorized person is empowered to proceed after the extraordinary general meeting has already approved entering into the transaction regarding the share purchase in solar power plant 220 MW of GEP. For more details kindly consider the Enclosure.
5. To approve to hold the No.1/2017 Extraordinary General Shareholder Meeting ("EGM") on May 31, 2017 at 2.00 pm. at Srinakarin 2, 9th Floor, The Grand Fourwings Convention Hotel 333 Srinakarin Road, Hua Mark, Bangkapi, Bangkok. The agendas of the meeting will be as follows;

No.	Agenda
1.	To certify the minutes of the 2017 Annual General Shareholder Meeting on April 28, 2017
2.	To consider and approve the purchase of 20 percent shares in Green Earth Power (Thailand) Co.,Ltd. by the subsidiary, ECF Power Co.,Ltd. as the purchaser for joint investment in solar power plant project, Myanmar
3.	Other matters. (If any)

6. To approve the record date for determining shareholder's name for the rights to attend the EGM on the date of April 18, 2017 and gather name list of shareholders according to the section 225 of the Securities and Exchange Act B.E.2535 (B.C.1992) by closing registered book on the date of April 19, 2017.

Please be informed accordingly,

Yours sincerely,



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East Coast Furnitech Public Company Limited

-Signature-

(Mr.Arak Suksawad)

Managing Director

-Translation-

Information Memorandum on the Acquisition of Assets (Schedule 1)

Re : The purchase of shares in Green Earth Power (Thailand) Co.,Ltd. to jointly invest in proportion of 20 percent of solar power plant 220 MW in Minbu, the Republic of the Union of Myanmar

Reference is made to the fact that the Board of Directors' Meeting No. 6/2017 of East Coast Furnitech Public Company Limited (**the "Company" or "ECF"**) which was convened on 3 April 2017 has resolved to approve ECF Power Company Ltd. ("ECF-Power"), in which the Company herein holding a proportion of 99.99 percent in this subsidiary, of entering into the asset acquisition transaction by means of acquiring 20.00 percent of the total issued shares of Green Earth Power (Thailand) Co.,Ltd. ("**GEP**") from Noble Planet Pte. Ltd. and Planet Energy Holdings Pte. Ltd. (collectively referred as **the "Sellers"**). In this regard, there were procedures, conditions precedent and conditions subsequent under the draft share purchase agreement dated 3 April 2017 to which each party are required to comply, as detailed in Clause 3.1 and 3.3 Summary of the Draft of Share Purchase Agreement dated 3 April 2017. [In addition, all shareholders in GEP including ECF-Power and the sellers will enter into the shareholders' agreement to agree on the relationship between each shareholder in GEP, key details of which are set out in Clause 3.4 Key summary of the Draft of Shareholders' Agreement dated 3 April 2017.](#)

Furthermore, the Board of Directors' Meeting has resolved to propose that the shareholders' meeting further consider the asset acquisition transaction.

In this regard, the entering in to such transaction constitutes and asset acquisition transaction subject to the Notification of the Capital Market Supervisory Board No.TorChor. 20/2551 Re : Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (as amended), 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 or Disposal of Assets, 2004 (as amended) (collectively, the "**Notifications on Acquisition or Disposal**"), having the highest transaction value equivalent to 50.79 percent of the total assets of the Company and its subsidiaries combined together, whereby the transaction value was calculated based on the Consolidate Financial Statements of the Company ending 31 December 2016 (calculated based on the total value of consideration basis pursuant to the Notifications on Acquisition or Disposal). Furthermore, when taking into account other acquisition transactions in the past six months prior to this transaction, the combined transaction amount to 57.90 percent of the total assets of the Company. The transaction, therefore, is classified as Type 1 Transaction pursuant to the Notifications on Acquisition with the transaction value equivalent to 50 percent or more but less than 100 percent.

The Company, therefore, has the duty to prepare a report and disclose the information memorandum on such transaction to submit to the Stock Exchange of Thailand (the "**Stock Exchange**"), as well as to

convene the shareholders' meeting in order to seek approval on entering into the transaction, provided that the approval must be granted with the vote of no less than three-quarters of the total votes cast by the shareholders attending the meeting and eligible to vote, without counting the votes cast by the interested shareholders. In this regard, the Company will deliver to the shareholders the notice convening the shareholders' meeting with the information memorandum as required by the Notifications on Acquisition or Disposal and the opinions of the independent financial advisor, in advance within the period of 14 days prior to the date of the shareholders' meeting. The Board of Directors' Meeting No. 6/2017 which was convened on 3 April 2017 has resolved to propose that the shareholders' meeting consider and approve the entering into such transaction, whereby the No.1/2017 Extraordinary General Shareholder Meeting ("EGM") will be convened on 31 May 2017 to consider and approve the entering into such transaction.

The Company would like to disclose the information memorandum on the entering into such transaction as follows:

(1) Transaction Date :

ECF-Power will purchase ordinary shares of GEP from Noble Plant Pte. Ltd. and Planet Energy Holdings Pte. Ltd. and will make payment to GEP in cash, after No.1/2017 Extraordinary General Shareholder Meeting which will be convened on 31 May 2017 resolves to approve the entering into the asset acquisition transaction and after conditions precedent specified under the draft share purchase agreement dated 31 March 2017 to be entered into by and between the Company and the sellers are satisfied. In this regard, the Company expected that the transaction should be completed within the second quarter of 2017.

(2) Related Parties and Their Relationship with the Listed Company :

Seller	: Noble Planet Pte. Ltd. and Planet Energy Holdings Pte. Ltd. as the sellers, where by each of the sellers has Mr.Aung Thiha and Mr.Supasit Pokinjaruras as the ultimate major shareholder, holding 50% of shares each.
Purchaser	: ECF Power Company Limited as the subsidiary of the Company
Relationship with the listed company	: The Company and ECF-Power have no any prior relationships between each other.

Information of Green Earth Power (Thailand) Co.,Ltd. ("GEP") :

GEP was incorporated on 30 April 1985, [registered number 0105528015200](#) with its principal office locating at No. 63 Athenee Tower, 30th Floor suite 3006, Wireless Road, Lumpini Subdistrict, Pathum Wan District, Bangkok, having the paid-up registered capital of Baht 25,755,800, divided into

257,558 ordinary shares, with the par value of Baht 100 per share. GEP is a holding company, having the core objective to invest into companies which engage in the business of development and management of power plant project from alternative energy. Currently, GEP is planning to construct and develop the solar power plant project with the installed capacity of 220 MW in Myanmar ("**Solar power plant 220MW**") which has the total investment value of USD 292.62 million or equivalent to Baht 10,080.76 million at the exchange rate of Baht 34.45 per USD which is referred from weighted-average exchange rate between the financial substitutions according to the notice of Bank of Thailand ("**The exchange rate of BOT**") as of 31 March 2017.

At present, GEP owns one subsidiary named GEP (Myanmar) Co., Ltd. ("**GEP-Myanmar**") that only holds shares in GEP-Myanmar and does not hold share in any other company. GEP-Myanmar was incorporated in 16 February 2016 under Myanmar Companies Act. The principal office is located at Suite 213, 2nd floor, Peral Condo, Kabar Aye Pagoda Road, Bahan Township Yangon, Myanmar, having the registered capital of USD 500 million (equivalent to Baht 17,725 million at the exchange rate of BOT), divided into 500,000,000 ordinary shares, with the par value of USD 1 per share. Currently, the paid-up registered capital is USD 3.365 million (equivalent to THB 119.29 million at the exchange rate of BOT). GEP has 100 percent of the paid-up registered capital in GEP-Myanmar and business's objective is to develop and operate the solar power plant in Myanmar with the installed capacity of 220 MW and contracted capacity of 170 MW.

Subsequently, on 20 March 2016, GEP-MYANMAR has entered into the Power Purchase Agreement ("**PPA**") with Electric Power Generation Enterprise ("**EPGE**"), which was formerly known as Myanmar Electric Power Enterprise, and is under the Ministry of Electricity and Energy in Myanmar. The main purposes within the agreement are to develop, construct, seek for sources of funds, operate, maintain, and transfer the business. Meanwhile, EPGE agrees to purchase the electricity generated from solar power with the capacity of 220 MW which is located in Minbu, Magway Region, Myanmar or with the maximum amount of purchasing at 170 MW for 30 years since the commercial operation date ("**COD**") of phase 1 from total 4 phases (In the event that the project commences its COD of phase 1 within 1st quarter of the year 2018, the term of the PPA will end in the 1st quarter of the year 2048.) at USD 0.1275 per 1 unit of electricity. The purchasing will be done throughout the contract period of PPA, in which the PPA can be extended. The purchase of electricity is divided into 4 phases based on the maximum electricity generated in each phase as follows:

Phase 1: Maximum purchase of 40 MW from the capacity of 50 MW

Phase 2: Maximum purchase of 80 MW from the capacity of 100 MW

Phase 3: Maximum purchase of 120 MW from the capacity of 150 MW

Phase 4: Maximum purchase of 170 MW from the capacity of 220 MW

In this regard, after starting commercial operation date (“COD”) for phase 1, the next phase will be expected to start COD within every 360 days until completion all of 4 phases.

The condition of termination is to if GEP-Myanmar fails to comply with any provision under the PPA within a period of 90 days (except the non-compliance in relation to the COD, such period shall be extended to 240 days), EPGE may give a notice in writing to GEP-Myanmar to remedy such default. If GEP-Myanmar fails to remedy within the specified period, EPGE may terminate the PPA. Currently, GEP-Myanmar has not breached any provision under the PPA and has not received any notice notifying the breach of the PPA from EPGE.

However, before the construction of the power plant, GEP and GEP-MYANMAR shall enter into a number of relating agreements and obtain permits from the government or relevant agencies namely 700 acres long-term land lease agreement from AVA Capital Trading Limited and land lease from the Ministry of Natural Resources and Environmental and Conservation, Myanmar and also relating permits before the construction process of the solar power plant regarding the rules and obligations of Myanmar such as permit from Myanmar Investment Commission (MIC permit).

GEP and GEP-Myanmar expect to enter into the long term land lease agreement and also obtain all relevant permit regarding the project development of 220 MW solar power plant within 2nd quarter of 2017 including commence the commercial operation date within 1st quarter of 2018.

However, the directors and shareholders of GEP possess knowledge and experience in connection with the power generation and energy business, as well as experience in developing businesses in relation to the solar power plant project with the leading company in Japan.

Current structure of the company

GEP holds GEP-MYANMAR as the subsidiary, located in Myanmar to operate in the solar power plant business with the capacity of 220 MW. GEP has shareholding proportion of 100.00 percent in GEP-MYANMAR.

List of shareholders of GEP comparing between pre-transaction and post-transaction

Shareholders	Pre-transaction		Post-transaction	
	No. of Shares (Shares)	Shareholding Proportion per with Paid-up Capital (%)	No. of Shares (Shares)	Shareholding Proportion per with Paid-up Capital (%)
1. Noble Plant PTE. Ltd. (Singapore company)	103,022	40.00	136,504	53.00

Shareholders	Pre-transaction		Post-transaction	
	No. of Shares (Shares)	Shareholding Proportion per with Paid-up Capital (%)	No. of Shares (Shares)	Shareholding Proportion per with Paid-up Capital (%)
2. Planet Energy Holding PTE. Ltd. (Singapore company)	123,628	48.00		
3. Vintage Engineering Public Company Ltd. (Thailand company) ("VTE")	30,908	12.00	30,908	12.00
4. QTC Global Power Co.,Ltd. (Thailand company) ("QTCGP")	-	-	38,634	15.00
5. ECF-Power	-	-	51,512	20.00
Total	257,558	100.00	257,558	100.00

List of directors of GEP comparing between pre-transaction and post-transaction

Name	Pre-transaction	Post-transaction
1. Mr. Supasit Pokinjaruras (Thai nationality)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2. Mr. Aung Thiha (Myanmar nationality)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3. Mr. David Wiliam Yang (American nationality)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4. Mr. Soraj Rojanabenjakul (Thai nationality)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
5. Mr. Foong Sai Kong (Malaysian nationality)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
6. Pol.Maj.Gen Mongkol Hrungerngjai (Thai nationality)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
7. Director from QTCGP	-	<input checked="" type="checkbox"/>
8. Director from ECF-Power		1 person
9. Director from ECF-Power		1 person

Remark : ECF-power will has the right to propose 2 new directors from total 9 directors of the new director structure after completion of share purchase.

Financial information

The material financial information of GEP for the audited Financial Statements ending 31 December 2014, 2015, and 2016 can be summarized as follows;

(Unit: Million Baht)

	31 Dec 14	31 Dec 15	31 Dec 16
Statement of Financial Positions			
Assets			
Cash and cash equivalent	1.09	39.93	19.83
Other receivables	0.14	1.97	173.33
Retention receivables under investment agreement	-	283.03	-
Other current assets	-	0.04	2.91
Total current assets	1.24	324.97	196.07
Long-term investment	-	-	107.01
Receivables under service concession agreement	-	-	224.71
Property, plant and equipment	0.05	40.98	6.54
Intangible assets	0.006	0.01	0.02
Other non-current assets	0.008	0.46	0.22
Total non-current assets	0.06	41.46	338.50
Total assets	1.30	366.42	534.56
Liabilities and equity			
Other payables	-	55.45	266.99
Short-term loan from related parties	-	-	35.00
Advance from related parties	49.79	-	-
Total current liabilities	49.79	55.45	301.99
Provision for long-term employee benefits	-	-	0.19
Total Liabilities	49.79	55.45	302.18
Issued and paid-up share capital	0.50	25.76	25.76
Premium on ordinary shares	-	364.62	364.62
Retained earnings (loss)	(48.99)	(79.40)	(159.82)
Other components of shareholder' equity	-	-	1.83
Shareholders' equity	(48.49)	310.97	232.38
Total liabilities and shareholders' equity	1.30	366.42	534.56

Income Statement

Revenues from sales of electricity	-	-	-
Other revenues	-	0.17	224.51
Expenses	(48.61)	(30.59)	304.88
Net profit (loss)	(48.61)	(30.41)	(80.37)

Remarks:

- The Financial Statement of GEP was audited by KPMG Phoomchai Audit Co., Ltd.
- Currently, GEP does not have any commercial revenue and the project is on the construction process. However the revenue of Baht 224.51 million, which appeared in the income statement, was a result of the recognition of the same amounts of revenue and costs by GEP according to progress of the construction, which was in accordance with the accounting standards.
- The period of financial statements of GEP-Myanmar will end the first year as of March 31, 2014 so now GEP-Myanmar does not have the audited financial statements.

List of shareholders of GEP-Myanmar comparing between pre-transaction and post-transaction (The list of shareholders will not be changed post-transaction and GEP will remain holding 100 percent shares in GEP-Myanmar)

Shareholders	Pre-transaction		Post-transaction	
	No. of Shares (Shares)	Shareholding Proportion per with paid-up capital (%)	No. of Shares (Shares)	Shareholding Proportion per with paid-up capital (%)
1. GEP	3,364,999	100.00	3,364,999	100.00
2. Mr. Supasit Pokinjaruras	1	-	1	-
Total	3,365,000	100.00	3,365,000	100.00

List of directors of GEP-Myanmar comparing between pre-transaction and post-transaction (The list of directors in GEP-Myanmar post-transaction will be same as those in GEP post-transaction)

Name	Pre-transaction	Post-transaction
1. Mr. Supasit Pokinjaruras (Thai nationality)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2. Mr. Aung Thia (Myanmar nationality)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3. – 9.		To appoint 7 additional new directors, provided that all directors in GEP-Myanmar will be the same as those in

Name	Pre-transaction	Post-transaction
		GEP, where ECF-Power will have the right to nominate 1 new director.

Financial information of GEP-Myanmar

Since GEP-Myanmar was just incorporated in 2016 and its fiscal year will end on 31 March 2017, the information of financial statements and results of operation are not available.

(3) General Characteristics, Type of Transaction, and Transaction Value :

3.1 General characteristics of the transaction:

ECF-Power, as the subsidiary of the Company, will acquire 51,512 shares at the par value of Baht 100 per share or equivalent to 20.00 percent of the total issued shares of GEP, totaling of USD 9 million or Baht 310.05 million at the exchange rate of BOT. Moreover the Company will be entitled to subscribe on a pro rata basis in the event of increase of registered capital in the future until the completion of construction of 4 phases of the project totaling USD 20.22 million or Baht 696.44 million at the exchange rate of BOT. Under the share purchase agreement the Company will also support cash deficiency support (“CDS”) on a pro rate basis not exceeding USD 5.54 million or Baht 190.85 million according to the obligation of the lenders.

In addition, the transaction is under the conditions precedent specified under the draft share purchase agreement dated 3 April 2017 to be entered into by and between the Company and the sellers as follows:

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| (1) | GEP-Myanmar obtains the investment permit from Myanmar Investment Commission (MIC Permit) and other relevant approvals from the government of Myanmar (Based on the information as at 31 March 2017, the investment permit from Myanmar Investment Commission (MIC Permit) of GEP-Myanmar has already been approved); |
| (2) | GEP-Myanmar enters into the land sub-lease agreement with AVA Capital Trading Limited for the land of 700 acres which can be used for the project; |
| (3) | the Environmental and Socio-economic Impact Assessment Report for the project is approved by the Ministry of Natural Resources and Environmental Conservation; |

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|-----|---|
| (4) | GEP-Myanmar obtains the letter (or amendment) issued by EPGE to confirm that (i) all conditions precedent under the PPA are fulfilled (saved for the matters in Clause 1 and 2 of conditions subsequent of this information memorandum), or to extend the deadlines for conditions precedent under the PPA (as the case may be), and (ii) the financing closing date of phase one of the project has been met; |
| (5) | GEP Myanmar obtains a consent letter from the lenders under the credit facilities agreement of phase one for (i) the transfer of shares in GEP from the sellers to the ECF-Power, (ii) they are satisfied with the amendment providing for the change of off-taker under the PPA to EPGE, and (iii) they have agreed to the amendment to the Construction Services Contract dated 3 November 2016 and the amendment to Supply Contract dated 3 November 2016; |
| (6) | The lenders issue the term sheet for the loans in relation to phase two, phase three and phase four of the project together with their executed cover letter; and |
| (7) | The Company obtains its shareholders' approval for the transaction. |

In case, the Company and the sellers could not practice completely according to the conditions precedent or ECF-Power does not waive the conditions that could not finish within 31 May 2017, ECF-Power could use the right to terminate the share purchase agreement and the sellers have to return the deposit to ECF-Power. [Once GEP-Myanmar has obtained all relevant licenses and permits and entered into the land lease agreement as set out as conditions precedent, GEP-Myanmar is able to commence the construction of phase 1 of the project immediately.](#)

In this regard, after the conditions precedent the sellers have to complete the conditions subsequent within 31 December 2017 as follow;

- | | |
|----|---|
| 1) | GEP Myanmar obtains the approval from the Central Bank of Myanmar for the relevant financial transaction for the project; |
| 2) | GEP Myanmar enters into the land lease agreement with Ministry of Natural Resources and Environmental Conservation for the land of 136 acres which can be used for the project; |
| 3) | GEP Myanmar obtains the letter (or amendment) issued by EPGE to extend the milestone under the PPA for the scheduled commercial operation date for phase one of the project to be 31 December 2017 or any date not earlier than 31 December 2017; |

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| 4) GEP Myanmar obtains a consent letter from the lenders under the credit facilities agreement of phase one for (i) the extension of commercial operation date of the PPA (ii) the amendment to the PPA for the extension of the deadline for conditions precedent (if any), (iii) the amendment to extend the milestone under the PPA (if any), and (iv) the extension of the first repayment date, and Tranche A availability period (if applicable) under the credit facilities agreement of phase one; |
| 5) GEP Myanmar enters into the operation and maintenance agreement for the project; |
| 6) GEP Myanmar enters into the facilities agreement with the lenders in relation to phase two, phase three and phase four of the project. |

GEP-Myanmar has engaged EPC Contractors and EPC Contractors have advanced the construction costs and expenses for phase 1 of the project. Once the construction of phase 1 of the project is completed, GEP-Myanmar will have to drawdown from the bank under the credit facility agreement in order to pay the EPC Contractors. GEP-Myanmar has to fulfill all of the conditions subsequent above in order to make a drawdown from the bank under the credit facility agreement.

If the conditions subsequent are not satisfied or waived by ECF-Power within 31 December 2017, ECF-Power may sell all purchased shares under the share purchase agreement to the sellers.

3.2 Type of Transaction and Transaction Value:

The offered price to purchase 51,512 shares, equivalent to 20.00 percent of the total issued shares of GEP the details are as follows;

1. The purchase price of ordinary shares of GEP USD 9 million or approximately Baht 310.05 million. The value includes USD 3 million refundable deposit in accordance with the resolution of the Board of Directors' meeting No. 8/2016 on 2 December 2016. The Company paid partial of that deposit of Baht 50 million on 26 December 2016 and the remainder will pay promptly with the payment of share purchase compliance with the share purchase agreement.
2. The value of ordinary shares of GEP which will be subscribed on a pro rata basis in the event of increase of registered capital in the future until the completion of construction of 4 phases of the project totaling USD 20.22 million or approximately Baht 696.44 million
3. Cash deficiency support ("CDS") on a pro rate basis not exceeding USD 5.54 million or approximately Baht 190.85 million.

In this regard totaling of the value of transaction constituting Type 1 Transaction, namely, the entering into the transaction between the listed company or such company's subsidiaries with the party not being the listed company. After calculated based on the criteria prescribed in the Notifications on Acquisition or Disposal, such transaction showed highest transaction value equivalent to 50.79 percent of the total assets

of the Company and its subsidiaries combined together, whereby the transaction value was calculated based on the Consolidate Financial Statements of the Company ending 31 December 2016, which is the highest value in accordance with the total value of consideration basis prescribed in the Notifications on Acquisition or Disposal. Furthermore, when taking into account other acquisition transactions in the past six months prior to this transaction, the combined transaction amount to 57.90 percent of the total assets of the Company. The transaction, therefore, is classified as Type 1 Transaction pursuant to the Notifications on Acquisition or Disposal, namely, the transaction between the listed company or such company's subsidiaries with the party not being the listed company, with the transaction value equivalent to 50 percent or more but less than 100 percent, having the details as follows:

Calculation Basis	Formula	Transaction Value
1. Net Tangible Assets	$20\% \times \text{Baht } 232.18 \text{ million} / \text{Baht } 651.87 \text{ million} \times 100\%$	7.12 percent
2. Net Profits	Cannot be calculated as GEP incurred loss from their operation	
3. Total Value of Consideration	$(\text{Baht } 310.05 + 696.44 + 190.85 \text{ million}) / \text{Baht } 2,357.28 \text{ million} \times 100\%$	50.79 percent
4. Value of Securities	Cannot be calculated as the Company or the subsidiary have not issue the shares as the payment for assets	

Remark: The Company calculated the size of transaction from the financial statements of GEP as of 31 December 2016 audited by certified accountant.

The Company, therefore, has the duty to prepare a report and disclose the information memorandum on such transaction to submit to the Stock Exchange, as well as to convene the shareholders' meeting in order to seek approval on entering into the transaction, provided that the approval must be granted with the vote of no less than three-quarters of the total votes cast by the shareholders attending the Meeting and eligible to vote, without counting the votes cast by the interested shareholders. In this regard, the Company will deliver to the shareholders the notice convening the shareholders' meeting with the information memorandum as required by the Notifications on Acquisition or Disposal and the opinions of the independent financial advisor, in advance within the period of 14 days prior to the date of the shareholders' meeting. The Board of Directors' Meeting has resolved to propose that No.1/2017 Extraordinary General Meeting of Shareholders which will be convened on 31 May 2017 to consider and approve the purchase of such shares.

3.3 Key summary of the Draft of Share Purchase Agreement dated 3 April 2017

Purchaser :	ECF Power Company Limited as the subsidiary of the Company
Sellers :	Noble Planet Pte. Ltd. and Planet Energy Holdings Pte. Ltd. as the

	shareholders of GEP
Shares to be purchased :	51,512 shares of GEP
<u>Conditions precedent</u> for the purchase of the shares of GEP :	As specified on Clause 3.1, The Company and the sellers have to complete the conditions precedent within 31 May 2017.
If the conditions precedent are not satisfied :	ECF-Power has the right to terminate the agreement and receive the refundable deposit.
<u>Conditions subsequent</u> for the purchase of the shares of GEP :	As specified on Clause 3.1, The Company and the sellers have to complete the conditions subsequent within 31 December 2017.
If the conditions precedent are not satisfied :	ECF-Power may sell all purchased shares under the condition of the agreement to the sellers.

In this regard, the Company has appointed Chandler MHM Limited, to act as the Company's legal advisor, to provide advice on the legal matter in relation with the transaction including conducting the legal due diligence of GEP and GEP-MYANMAR , share purchase agreement, and shareholders' agreement and also relating scope of works.

3.4 Key summary of the Draft of Shareholders' Agreement dated 3 April 2017

1. The dividend policy of GEP and GEP-Myanmar shall be payments of dividend of not less than 90% of the net profit (after mandatory prepayments (MPP) of 50% and adjusted annual budget).
2. After the transaction, both GEP and GEP-Myanmar will have 9 directors, which ECF-Power will be entitled to nominate 2 directors who will be required to remain as directors until the ending on the date falling 1 year after the last COD in respect of all 4 phases, or the date on which ECF-Power sells all of its shares to a third party (whichever occurs earlier).
3. In the event that the sellers wish to transfer its shares in GEP to a third party, ECF-Power has the right to require the sellers to cause the said third purchaser to purchase its shares at terms and at the time (Tag Along Right).
4. If any shareholder wishes to sell its shares to any third party, such shareholder shall first offer the sale shares to the other shareholders (Right of First Refusal). Each shareholder may transfer its shares to its affiliate without having to obtain consent from other shareholders.
5. At all times during the period until the ending on the date falling 1 year after the last COD in respect of all 4 phases, the Company shall have the control in the Company under the conditions that 1. The proportion of shareholding of Mr.Chalee Suksawad, Mr.Arak Suksawad and Miss Tippawan Suksawad shall remain not less than 25% and be the single largest shareholder; and 2. The Company shall remain the control directly or indirectly in ECF-Power

6. ECF-Power has the veto right for the following reserved matters.

Level of Reserved Matter	Voting requires to Veto	Reserved Matters
Board of directors reserved matter	Director of any group of shareholders has the right to veto	<ul style="list-style-type: none">• Capital increase and decrease of GEP and/or GEP-Myanmar other than those provided in estimated development cost of the budget• Amendment to the dividend policy and approval of dividend payments of GEP other than payment of dividend of not less than 90% of the net profit less budget and reserve• Amendment to the dividend policy and approval of dividend payments of GEP-Myanmar other than payment of dividend of not less than 90% of the net profit less budget, reserve and mandatory prepayment• Investment by GEP and/or GEP-Myanmar in any business or project• Sale, disposal or transfer of any share in GEP-Myanmar• Any merger or amalgamation under which GEP or GEP-Myanmar is a party• Any winding up or liquidation of GEP or GEP-Myanmar• Incur any financial indebtedness by GEP or GEP-Myanmar other than those provided in estimated development cost of the project or any refinancing of the debt provided in estimated development cost of the project
	Shareholder of VTE group or directors of any two shareholder groups have the right to veto	<ul style="list-style-type: none">• Approval of the annual budget of GEP or GEP-Myanmar• Entering into any transaction or series of transactions by GEP or GEP-Myanmar with a total value exceeding Bath 50 million which has not been listed in the annual budget or the investment plan approved by the board of directors• Incurrence of financial indebtedness in excess of Baht 100 million except for the credit facilities in relation to the project

Level of Reserved Matter	Voting requires to Veto	Reserved Matters
		<ul style="list-style-type: none"> ● Creating of any encumbrance over the assets GEP or GEP-Myanmar other than required by the credit facility agreement, the EPC contract, or other credit facilities in relation to the project ● Entering into any connected transaction between any related company assets GEP or GEP-Myanmar in relation to the project except any non-material amendment to any existing contract ● Any debt forgiveness by assets GEP or GEP-Myanmar other than in favor of any Governmental Entity ● Any compromising or settling of any arbitration or litigation of any case with the dispute value exceeding Baht 50 million by assets GEP or GEP-Myanmar other than in favor of any Governmental Entity
Shareholders' reserved matters	VTE group or any two shareholder groups have the right to veto	<ul style="list-style-type: none"> ● Any amendment of the articles of association and/or the memorandum of association ● The liquidation or dissolution of GEP ● The capital increase and decrease of GEP ● The amalgamation with another company ● The issuance of new shares as fully or partially paid-up other than in money ● The conversion of GEP to a public company ● Entering into any agreement with a value exceeding the registered capital of GEP ● Incurrence of financial indebtedness by GEP in excess of registered capital of GEP

7. Non-competition provision in Myanmar for ECF-Power

Competing Business	Restriction
Non-power business	No restriction
Non-solar power business	If ECF-Power will invest at least 50% of the total investment, ECF-Power is required to offer the right to the sellers and

Competing Business	Restriction
	VTE to participate in such power businesses project of not less than 30% of the total investment.
Solar power business	If ECF-Power will invest more than 30% of the total investment or be the single largest investor, ECF-Power is required to obtain the written consent from the sellers.

(4) Details of Acquired Assets :

- Ordinary shares of GEP 51,512 shares equivalent to 20% of total paid-up shares, totaling USD 9 million or approximately Baht 310.05 million at the exchange rate of BOT.
- Additional ordinary shares which will be subscribed on a pro rata basis in the event of increase of registered capital in the future until the completion of construction of 4 phases of the project totaling USD 20.22 million or approximately Baht 696.44 million at the exchange rate of BOT.

Moreover the Company is required to provide Cash deficiency support (“CDS”) on a pro rate basis not exceeding USD 5.54 million or approximately Baht 190.85 million at the exchange rate of BOT in accordance with the condition of share purchase agreement.

(5) Total Value of Compensation, Value of Acquired Asset, Criteria to Determine the Value of Compensation, and Term of Payment

The payment of total value of compensation will occur after the completion of conditions precedent of share purchase agreement dated 31 March 2017 or may be agreed between the Company and the sellers.

In this regard, the conclusion of project cost are as follows;

Asset Shall Be Invested	Project Cost (Unit : USD million)					Percentage Of Total Investment Value
	Phase 1 50 MW	Phase 2 50 MW	Phase 3 50 MW	Phase 4 70 MW	All 4 phases 220 MW	
1. EPC+F Contract	67.75	65.33	62.35	87.29	282.72	96.62
2. Other expenses excluded from No.1	5.02	1.56	1.53	1.78	9.90	3.38
Total Project Cost	72.77	66.89	63.88	89.07	292.62	100.00

Source : GEP

Remarks:

- No 1. EPC+F contract shall have the meaning of construction service contract which will consists of civil work, system work, installation and testing, supply of all materials and instruments of the solar power plant 220 MW, including financing between the construction process.
- No. 2 Other expenses excluded from No.1 shall consist of land lease expense, advisory expenses, bank fees, contingency expenses excluded CDS.

The value of Compensation Part 1

After the approval of No.1/2017 Extraordinary General Meeting of Shareholders which will be convened on 31 May 2017 in order to entering into the transaction and also after the completion of conditions precedent by and between the Company and the sellers, the Company will purchase 51,512 existing shares from GEP or equivalent to 20 percent of total paid-up shares, totaling USD 9 million or approximately Baht 310.05 million at the exchange rate of BOT by cash payment. In this regard the Company shall pay by cash to the sellers within 10 days since the date of completion of conditions precedent or ECF-Power waive some unsatisfied conditions precedents within 31 May 2017.

The value of Compensation Part 2

Moreover, the Company has duty to subscribe of registered capital on pro rata basis of 20 percent in each phase of the project, which those subscriptions will have the interval not more than 1 year for each phase. The details of money injection at 20 percent of each phase are on the assumption of loan proportion at 65 percent of project cost as the details follows;

	Investment Value (Unit : USD million)
The value of subscription of registered capital for all 4 phases	20.22

The Value of Compensation Part 2 in the amount of USD 20.22 million or approximately Baht 696.44 million at the exchange rate of BOT, The Company will subscribe by cash.

Total value of consideration for acquiring shares of GEP is cash payment of Part 1 and Part 2, totaling Baht 1,006.49 million. The Company will make payment from the cash which the Company obtains from the proceeds arising from the issue and sale of newly-ordinary shares from right offering and private placement. The Annual General Meeting of Shareholders of 2017 which to be convened on 28 April 2017, the Company will request for the approval to increase its registered capital totaling Baht 64,382,605 by issuing 257,530,420 newly-ordinary shares with par value of Baht 0.25 per share and the approval of general mandate in preparation of right offering and private placement. In this regard, the Company will hold the Board of Directors' Meeting for approval of allocation of the newly issued ordinary shares by right offering and private

placement in May 2017 along with the issuance and sale of bonds with total value not more than Baht 2,000 million in which the Company will also request for the approvals in the Annual General Meeting of Shareholders of 2017 which to be convened on 28 April 2017. However the total of new-issued shares will not exceed 30 percent of paid-up capital or 170,647,815 shares.

This offering price is not classified as the offer of newly issued share at low price, according to the Notification of Capital Market Supervisory Board No. ThorJor 28/2551, Re : the request for and the grant of permission to issue new shares (as amended) and the Notification of the SEC No.SorJor 39/2551, Re : the calculation of the offering price and the determination of market price for the issuance of new share at a low price (as amended). The weighted average price of the Company's share on SET 15 consecutive business days prior to the Board of Directors' Meeting to be held for approvals of allocating the newly issued ordinary shares by right offering and private placement, which is to be convened on May 2017.

In addition basis of determination for the value of compensation Part 1 in the amount of approximately Baht 310.05 million came from the negotiation between the Company and the sellers with reference to appropriate valuation methodology by Discounted Cash Flow Model which was prepared by internal department. The main assumptions are as follows;

- Tariff rate : USD 0.1275 per unit
- Average energy output after COD of all 4 phases : approximately 309.29 million unit per year
- Debt to equity ratio : approximately 1.86 times
- Interest rate : approximately 6 percent per annum
- Loan tenor : 12 years
- Average forecast revenue of the project (after COD completion of all 4 phases) : approximately Baht 1,280 million per year
- Average forecast net income of the project (after COD completion of all 4 phases) : approximately Baht 400 million per year
- Shareholding percentage of ECF-Power in project : 20 years
- Equity Internal Rate of Return (EIRR) : 7.5 percent

(6) Source of Fund for Acquisition of Asset and Details of Securities Issuance

- (1) The Company will issue 257,530,420 newly-ordinary shares with par value of Baht 0.25 per share for right offering and private placement as referred to in Clause 5. However the total of new-issued shares will not exceed 30 percent of paid-up capital or 170,647,815 shares.
- (2) The company will issue bonds as referred to in Clause 5.

In this regard the proposal for approval of general mandate and the issuance of debenture will depend on the resolution of The Annual General Meeting of Shareholders of 2017 which to be convened on 28 April 2017, in the event that the shareholders' meeting does not agree with these 2 significant agendas, the Company shall have to consider the option of loan from financial substitutions instead.

All 4 phases of the project will be constructed one after another. Therefore, the Company is not required to raise the funds for the constructions of phase 2, phase 3 and phase 4 altogether immediately, and the Company is able to gradually raise fund for such purpose.

(7) Condition for the Transaction

The purchase of shares of GEP is subject to the following major conditions:

The No.1 Extraordinary General Meeting of Shareholder to be convened on 31 May 2017 approves the acquisition of assets and all other related transactions, as follows.

Matters to proposed to the shareholders' meeting for approval	Conditions for approval
The entering into acquisition transaction of Green Earth Power (Thailand) Co., Ltd. In according with the Notifications on Acquisition or Disposal and the Notifications on Connected Transaction	No less than $\frac{3}{4}$ of votes from all shareholders attending the meeting and having the rights to vote, without counting the votes cast by the interested shareholders

In addition, the entering into acquisition of GEP's shares is subject to the material Conditions Precedent as per the details set out in Clause 3.3 above.

(8) Benefits to the Company from the Transaction

- (1) The Company will receive returns from investment in the business of generation and sale of electricity from solar power in overseas, which will generate recurring income for a period of 30 years.
- (2) The investment in GEP will make the Company gain experience in the business of generation and sale of electricity, and expand business opportunities into energy industry in the future, especially the project in Myanmar.
- (3) The transaction will enhance value of the Company with sustainable growth of revenue and profit from investment.
- (4) Diversification of business and not relying the revenues mainly from the furniture business

(9) Opinion of the Board of Directors on the Transaction

The Board of Directors' meeting No. 5/2017, convened on 14 March 2017 passed a resolution to enter into the transaction as investment in GEP will be beneficial for the Company;

- (1) The investment in energy business which has low volatility will help the Company increase its stabilization in revenue and income. In addition, such investment will enhance the Company value and return to the Company in long term which will be beneficial to the Company's shareholders.
- (2) The investment creates the opportunity to expand its business to the energy industry in the future that be in line with the Company goal and policy to diversify risk.

The Board of Directors has considered and deemed that this investment is reasonable because it will create the opportunity of the Company with sustainable growth, as well as the investment in energy business which has low volatility will help the Company increase its stabilization in revenue and income. In addition, such investment will enhance the Company value and return to the Company in long term. Moreover, when considering the return on investment by the valuation of Discounted Cash Flow method from the prepared assumptions, the Company will receive acceptable return.

Nonetheless, the investment in the said 220 MW Solar Power Project in Myanmar possess risks in the process of execution, such as the process of [officially](#) obtaining the Myanmar Investment Commission (MIC Permit) which considers to be an important permit and will bring about the obtaining of other permits such as DICA Permit and the proceedings of the Conditions Precedent and [Conditions Subsequent on the share purchase agreement and also the Conditions Precedent as specified on other agreements such as Power Purchase Agreement and Loan Agreement](#).

Therefore, the Board of Directors has made the resolution to engage advisors to perform due diligence thoroughly and to ensure that there is no significant risk which results in the unsuccessful of the project. In this regard, the result of the due diligence being satisfactory to the Company is stated as one of the Conditions Precedent for the acquisition of shares as per the details set out in Clause 3.3 above.

In this regard, to approve the transaction in the NO.1/2017 Extraordinary General Meeting of Shareholders of the Company, to be convened on 31 May 2017, the Board of Directors suggests that the shareholders should take into consideration the benefits and risks of the transaction together with an opinion of the independent financial advisors.

(10) Opinion of the Audit Committee and/or Opinion of the Director which is different from the opinion in No. (9)

[No member of the Audit Committee has different opinion from that of the Board of Directors and there were all members both of the Audit Committee and the Board of Directors participate in the meeting.](#)



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The Board of Directors certifies that all information contained in this Information Memorandum is true, complete and accurate and not mislead any third parties or lack any information which should be informed in material aspects.

Please be informed accordingly,

Yours sincerely,

East Coast Furnitech Public Company Limited

-Signature-

(Mr. Arak Suksawad)

Managing Director