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26 September 2017

Subject : Disclosure of connected transaction by a subsidiary company

To : President

The Stock Exchange of Thailand

Vanachai Group Public Company "VNG" would like to disclose the connected transaction for renting of warehouse between Woodtek International Co., Ltd. (a subsidiary which VNG hold 99.97% of the paid-up shares) and Firstwood Co., Ltd. (related company). Details of the transaction are as follows:

1. The date on which the transaction occurred:

1 October 2017

2. The parties involved:

<u>Name</u>	<u>Relationship with the company</u>
Lessee : Woodtek International Co., Ltd.	a subsidiary company
Lessor : Firstwood Co., Ltd.	some shareholders and directors of VNG are also the Firstwood of shareholders and directors.

3. The general characteristics of the transaction:

Woodtek International Co., Ltd. rents the space and service warehouse, 5,400 square meters and the office space 116 square meters at the rate 40 Baht and 150 Baht per square meters per month respectively for three months from 1 October 2017, till 31 December 2017. The rental space as the place to stock the products of companies's group for transferring to customers.

To process warehouse leasing, the contract period is subjected to 3 months. Since Firstwood Co., Ltd. (the lessor) plans to develop the land and to renovate buildings of the rental warehouse, the leasing contract can be renewed in every 3 months. And because the staffs of warehouse operation have to administrate the document and to manage the finished goods in the rental warehouse, it is a necessity to rent a warehouse office for staffs to do operation and also to store documents.

4. The total value of the consideration:

4.1 The total value of transaction.

4.1.1 The rent and service of warehouse at the rate 648,000 Baht per quarter.

4.1.2 The rent and service of office at the rate 52,200 Baht per quarter.

Grand total 700,200 Baht per quarter.

4.2 Payment term

Paying monthly rental at 233,400 Baht per month.

5. Method use in calculation of value:

VNG is compared its to the market value of the other office near area in year 2004. Firstwood Co., Ltd. (a related company) does not have to raise the price of rent and service until the present.

6. Transaction volume

6.1 The above transaction is conformed to related transaction which is the transaction in property leasing for not more than 3 years in middle size in value more than 0.03% but less than 3% of book value of Net Tangible Assets (the reviewed of the consolidated financial statement as at 30 June 2017). Therefore, the company would need to disclose this information to The Stock Exchange of Thailand.

6.2 The transactions of the company and the subsidiary with related persons in the last 6 months are as follows:

6.2.1 The transaction in property leasing for not more than 3 years.

Transaction	Release Date	Value (Baht)	Transaction Size% VS NTA financial statements for the period
1. Vanachai Panel Industries Co., Ltd. uses the service from Doctorwood Co., Ltd. to store goods in warehouse.	29 May 2017	19,332,000	0.23% as at 31 Mar. 2017
2. Vanachai Group Plc. leases office from Firstwood Co., Ltd.	16 Jun. 2017	17,894,880	0.21% as at 31 Mar. 2017
3. Woodtek International leases the office from Firstwood Co., Ltd.	16 Jun. 2017	5,160,000	0.06% as at 31 Mar. 2017
4. Woodtek International Co., Ltd. leases warehouse from Firstwood Co., Ltd. (1 July 2017 - 30 Sep. 2017)	16 Jun. 2017	700,200	0.01% as at 31 Mar. 2017
5. Woodtek International Co., Ltd. leases warehouse from Firstwood Co., Ltd. (1 Oct. 2017 - 31 Dec. 2017)	26 Sep. 2017	700,200	0.01% as at 30 June 2017
Total		43,787,280	0.52%

6.2.2 Normal business transaction is not in accordance with market terms and conditions.

Transaction	Release Date	Value (Baht)	Transaction Size% VS NTA financial statements for the period
Vanachai Panel Industries Co., Ltd. uses services from Doctorwood Co., Ltd. for loading up and loading down of goods and container lifting.	29 May 2017	21,000,000	0.25% as at 31 Mar. 2017
Total		21,000,000	0.25%

7. The list of committees and related shareholders

Vanachai Group Public Company Limited (as at 25 September 2017)

List of names	Position	Number of shares	%
1. Mr. Sompop Sahawat	Chairman	-	-
2. Ms. Yupaporn Boongate	Vice - Chairman	30,528,400	1.948
3. Mr. Vasun Jaroenavarat	Director	28,832,200	1.840
4. Mr. Wanthana Jaroennawarat	Managing Director	29,943,900	1.911
5. Mr. Suthep Chaipattananavich	Director	-	-
6. Mrs. Siriporn Chaipattananavich	-	29,835,000	1.904
7. Mr. Patta Sahawat	Director	28,374,500	1.811
8. Ms. Phattra Sahawat	Director	28,077,100	1.792
9. Mr. Somprasong Sahawat	Director	28,628,300	1.827
10. Ms. Somjairak Sahawat	-	30,711,100	1.960
11. Mr. Sittiwat Sahawat	-	29,104,200	1.857
12. Ms. Nipapat Sahawat	-	29,301,400	1.870

Woodtek International Company Limited (as at 27 April 2017)

<u>List of names</u>		<u>Position</u>	<u>Number of shares</u>	<u>%</u>
1. Mr. Sompop	Sahawat	Chairman	1	-
2. Ms. Yupaporn	Boongate	Director	1	-
3. Mr. Vasun	Jaroenavarat	Director	1	-
4. Mr. Wanthana	Jaroennawarat	Managing Director	1	-
5. Mr. Suthep	Chaipattananich	Director	1	-
6. Mrs. Siriporn	Chaipattananich	-	1	-
7. Mr. Patta	Sahawat	Director	-	-
8. Ms. Phattra	Sahawat	Director	1	-
9. Mr. Somprasong	Sahavat	Director	-	-
10. Ms. Somjairak	Sahavat	-	-	-
11. Vanachai Group Public Company Limited			19,993	99.97

Vanachai Intertrading Group Company Limited (as at 30 April 2017)

<u>List of names</u>		<u>Position</u>	<u>Number of shares</u>	<u>%</u>
1. Mr. Sompop	Sahawat	Chairman	-	-
2. Ms. Yupaporn	Boongate	Director	1,150,000	10
3. Mr. Vasun	Jaroenavarat	Managing Director	1,150,000	10
4. Mr. Wanthana	Jaroennawarat	Director	1,150,000	10
5. Mr. Suthep	Chaipattananich	Director	-	-
6. Mrs. Siriporn	Chaipattananich	Director	1,150,000	10
7. Mr. Patta	Sahawat	Director	1,150,000	10
8. Ms. Phattra	Sahawat	Director	1,150,000	10
9. Mr. Somprasong	Sahavat	Director	1,150,000	10
10. Ms. Somjairak	Sahavat	Director	1,150,000	10
11. Mr. Sittiwat	Sahawat	-	1,150,000	10
12. Ms. Nipapat	Sahawat	-	1,150,000	10

The Vanachai Group of Companies Company Limited (as at 30 April 2017)

<u>List of names</u>		<u>Position</u>	<u>Number of shares</u>	<u>%</u>
1. Mr. Sompop	Sahawat	Chairman	-	-
2. Ms. Yupaporn	Boongate	Director	510,000	10
3. Mr. Vasun	Jaroenavarat	Director	510,000	10
4. Mr. Wanthana	Jaroennawarat	Director	510,000	10
5. Mr. Suthep	Chaipattananich	Director	-	-
6. Mrs. Siriporn	Chaipattananich	Director	510,000	10
7. Mr. Patta	Sahawat	Director	510,000	10
8. Ms. Phattra	Sahawat	Director	510,000	10
9. Mr. Somprasong	Sahawat	Director	510,000	10
10. Ms. Somjairak	Sahawat	Director	510,000	10
11. Mr. Sittiwat	Sahawat	-	510,000	10
12. Ms. Nipapat	Sahawat	-	510,000	10

Firstwood Company Limited (as at 30 April 2017)

<u>List of names</u>		<u>Position</u>	<u>Number of shares</u>	<u>%</u>
1. Mr. Sompop	Sahawat	Chairman	1	-
2. Ms. Yupaporn	Boongate	Director	1	-
3. Mr. Vasun	Jaroenavarat	Director	1	-
4. Mr. Wanthana	Jaroennawarat	Managing Director	1	-
5. Mr. Suthep	Chaipattananich	Director	-	-
6. Mrs. Siriporn	Chaipattananich	Director	1	-
7. Mr. Patta	Sahawat	Director	-	-
8. Ms. Phattra	Sahawat	Director	1	-
9. Mr. Somprasong	Sahawat	Director	1	-
10. Ms. Somjairak	Sahawat	Director	-	-
11. Vanachai Intertrading Group Company Limited			1,999,993	80
12. The Vanachai Group of Companies Company Limited			500,000	20

8. The commitment of committee and the audit committee (who be VNG's committee with conflict of interest as agreement of list on items 7 without meeting and vote)

They are of the opinion that the proposal is suitable for the Woodtek International Co., Ltd. (subsidiary company) because it's required to leases the space and service warehouse, as the place to stock the products of companies's group for transferring to customers. Hence, this commitment is reasonable and find a purpose the best benefits of us. The rental rates unchanged. This makes the expense of the same.

Please be acknowledged for your information

Yours Sincerely

(Mr.Wanthana Jaroennawarat)

Director