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15 November 2017

Subject : Information Memorandum Concerning Acquisition of Assets (revised)

Attention : President

The Stock Exchange of Thailand

Vanachai Group Public Company Limited would like to inform on company meeting agreement held on 13 November 2017 as follows;

1. The approval on Vanachai Energy Industries Company Limited (subsidiary company) to increase the capital from 25 Million Baht to 625 Million Baht by issuing 60 million newly ordinary shares in value of 10 Baht per share.

2. The approval on Vanachai Group Public Company Limited to invest in newly ordinary shares of Vanachai Energy Industries Company Limited (subsidiary company) in 60 million shares in value of 10 Baht per share (par value); total investment value of ordinary shares is 600 Million Baht and will be long-term loan from financial institutes.

Shareholder Structure - after investing in newly-issued ordinary shares

Name of Shareholder	Current		Capital increase		After capital increase	
	No. of shares	%	No. of shares	%	No. of shares	%
Vanachai Group Plc.	2,499,997	99.9999	60,000,000	100.00	62,499,997	100.00
3 minority shareholders	3	0.0001	-	-	3	0.00
Total	2,500,000	100.0000	60,000,000	100.00	62,500,000	100.00

Since this is the additional investment according to the existing shareholder proportion, therefore there is no necessity to compute size of transaction which receives conforming to acquiring transaction or disposal of assets.

3. The approval on Vanachai Energy Industries Company Limited (subsidiary company) to process the project of Biomass Renewable Energy Plant on production capacity of 9.9 MWh in Surat Thani province; the purpose is to distribute electricity to Surat Thani plant of Vanachai Panel Industries Company Limited (subsidiary company).

The mentioned transaction is an asset transaction of the subsidiary company of listed company, referring to Capital Market Commission Tor Jor. 20/2551, subject - criteria of significant transaction process on acquisition and disposition of assets (including the additional amendment announcement) and according to the announcement of the Stock Exchange of Thailand, subject - disclosure of information and operation of listed companies on acquisition or disposition of assets year 2004 (including the additional amendment announcement) (“the announcement on acquisition or disposition”). And when making evaluation in accordance with all criteria, the transaction size is 3.99%. This evaluation is in accordance with total value criteria of the return which is compared with total assets value of the consolidated financial statements of company - ended period on 30 September 2017 - and it has been reviewed by the auditor's company. It is also considered as the highest value item when being compared with other evaluation criteria.

Therefore, when combining this transaction with assets acquisition of company and subsidiary companies of the listed company in the last 6 months, the conclusions are summarized as follows.

Transaction	Release Date	Value (Baht)	Transaction size (%)			
			Net tangible assets (NTA) criteria	Net profit criteria	Value of consideration criteria	Value of securities issued criteria
1. Vanachai Group Plc. invests the ordinary shares in Vanachai Woodsmith Co., Ltd.	11 Aug. 2017	999,970	0.01	-	0.01	-
2. Vanachai Group Plc. invests the newly-issued ordinary shares in Vanachai Woodsmith Co., Ltd.	11 Aug. 2017	14,000,000	0.17	-	0.09	-
3. Vanachai Panel Industries Co., Ltd. invests the production project of Particleboard.	-	2,000,000,000	-	-	13.40	-
4. Vanachai Energy Industries Co., Ltd. invests the power plant project.	14 Nov. 2017	600,000,000	-	-	3.99	-
Total		2,614,999,970	0.18	-	17.49	-

The total value is 2,614,999,970 Baht, it is 17.49%. This is conformed to asset transaction type No. 2 which has item size in 15% or more but less than 50% - according to the announcement of acquisition or disposition of assets.

The company has responsibility to disclose the transaction information to the Stock Exchange of Thailand and prepare information to the shareholders within 21 days from the date of reporting notification to the Stock Exchange of Thailand. The details of transaction are as follows.

- 1) Transaction Date : within 2018
- 2) Related parties : Vanachai Energy Industries Company Limited (subsidiary company) is in the consideration period of selecting a suitable design & construction contractor and obtaining equipment for power plant project.

Relationships with the Company : For this new project, the selected contractor has none of any relationships with the company, the subsidiary company and the connected persons.

Therefore, this is not considered as a processing transaction related to the listed company which is complied with the requirements of the Stock Exchange of Thailand.

- 3) The general characteristics of transaction

Type of transaction : Vanachai Energy Industries Company Limited (subsidiary company) invests 600 Million Baht on power plant project from biomass renewable energy with production capacity of 9.9 MWh on the company property in Surat Thani Province.

Size of Transaction : The transaction process conforms to transaction type No.2, referring to the announcement of the committees of the Stock Exchange of Thailand, subject - disclosure and operation of the listed company in acquisition and disposition of assets year 2004 (including the additional amendment announcement) (“the announcement of acquisition and disposition”); the item size is equivalent to or more than 15% but less than 50% when evaluating the item size conforming to the criteria of total asset value of return. It is 3.99% of total assets of company’s of the consolidated financial statements ended on 30 September 2017 (total company’s assets value on that date is 15,034.1 Million Baht). Such announcement, the company has responsibility to disclose the information to the Stock Exchange of Thailand and must inform the information to the shareholders in writing within 21 days from the transaction date when it is disclosed to the Stock Exchange of Thailand.

4) Detail of acquired assets : Power Plant Project - Surat Thani Plant with the production capacity of 9.9 MWh.

5) Total value of consideration : Total investment is expected to be approximately 600 Million Baht.

Payment process : Payment will depend on the agreement with the contract party that will be in portion payment and subjected to work progress. The period of project operation is approximately 18 months.

6) Total value of acquired assets : Approximately 600 Million Baht - equivalent to the total return value.

Conforming to the asset investment budget, based on the overall market price, the details are as follows.

- Land and Land improvements	30 Million Baht
- Building and construction	50 Million Baht
- Machines and equipment	500 Million Baht
- Others	<u>20</u> Million Baht
Total investment	<u>600</u> Million Baht

- 7) Benefit to the Company : To increase business channel for the group companies, to use scrap material from production process of the subsidiaries to be raw material in electricity production which can generate income to the group companies, to decrease electricity expense of the group companies and company to gain dividend from the subsidiaries.
- 8) Source of funds : Vanachai Group Public Company Limited will acquire 600 Million Baht long-term loan from financial institute in order to increase more capital on Vanachai Energy Industries Company Limited (subsidiary company).
(These loans are in the ratio 0.07 times of shareholders' equity, as of the consolidated financial statements, as of 30 September 2017. And when total liabilities of consolidated financial statements, as of 30 September 2017, debt to equity is in the ratio to shareholders' equity in 0.84:1).
- 9) Opinion of the Company's Board of Directors on the transaction : Approved
Board of Directors had assessment and agreed on mentioned project of Biomass Renewable Energy Plant is appropriate since scrap material from Vanachai Panel Industries Company Limited (subsidiary company), Surat Thani Plant, cannot be processed but sufficient for electricity production. This is to utilize the mentioned scrap material and to minimize electricity cost of the group companies that will give benefit to the company, the subsidiaries and the shareholders. Therefore, there is an approval without any other objection.
- 10) Different opinions of the audit committees and/or the company directors from the company committees' opinion;
The audit committees have opinions same as the opinions of the company committees, and there is no company committees have other different opinions from the opinions of the company committees.
- 11) Opinions of the Independent Expert : None
- 12) Financial projections in the present year : None
- 13) Pending material lawsuits of claims : None
- 14) Interests or related transaction of the listed company and directors, executives, and shareholders who have either direct or indirect share holding from 10% indicates transaction characteristics or interests. : None

15) The responsibilities of the Company's Board of Directors to the Information.

The company committees hereby certifies that the report and the information contained herein are accurate and applicable in all respects.

Please be acknowledged for your information

Yours Sincerely

(Mr.Wanthana Jaroennawarat)

Director