

- Translation -

25 May 2018

Subject : Disclosure of connected transaction by a subsidiary

Attention : President

The Stock Exchange of Thailand

Vanachai Group Public Company "VNG" would like to disclose the connected transaction for warehousing service between Vanachai Panel Industries Company Limited (a subsidiary which VNG hold 99.99% of the paid-up shares) with Doctorwood Company Limited (related company). Transaction details are follow as:

1. The date on which the transaction occurred:

1 June 2018

2. The parties involved:

<u>Name</u>	<u>Relationship with the company</u>
Lessee : Vanachai Panel Industries Co., Ltd.	a subsidiary company
Lessor : Doctorwood Co., Ltd.	some shareholders and directors of VNG are also Doctorwood of shareholders and directors.

3. The general characteristics of the transaction:

Vanachai Panel Industries Co., Ltd. warehouses for one year from 1 June 2018 till 31 May 2019.

The space as the place to stock the finished goods. The detail are follows:

3.1 Area 11,090 square meters located at T.Bangpakong, A.Bangpakong, Chachoengsao.

3.2 Area 15,760 square meters located at T. Bangpakong and T. Thaklam A.Bangpakong, Chachoengsao.

4. The total value of the consideration:

4.1 The value of transaction.

4.1.1 The service of warehouse at the rate 60 Baht / square meters / month, total 26,850 square meters, totaling 19,332,000 Baht for one year.

4.1.2 The service of loading up and loading down of goods and lifting of container of goods, to calculate from the pricing including operation costs amount 24,000,000 Baht per annum.

4.2 Payment term

4.2.1 Paying monthly service of warehouse amount 1,611,000 Baht per month.

4.2.2 Paying monthly service of loading up and loading down of goods and lifting of container of goods amount 2,000,000 Baht per month.

5. Method use in calculation of value:

The rental rate base on the fair market value that valuation by The Valuation & Consultants Co., Ltd.

Assessor	The Valuation & Consultants Company Limited
Method of Valuation	Market Comparison Approach

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 31 March 2018). 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. Woodtek International Co., Ltd. leases warehouse from Firstwood Co., Ltd. (1 Jan. 2018 - 31 Mar. 2018)	22 Dec. 2017	700,200	0.01% as at 30 Sep.2017
2. Woodtek International Co., Ltd. leases warehouse from Firstwood Co., Ltd. (1 Apr. 2018 - 30 June 2018)	28 Mar. 2018	700,200	0.01% as at 31 Dec.2017
3. Vanachai Panel Industries Co., Ltd. uses the service from Doctorwood Co., Ltd. to store goods in warehouse.	25 May 2018	19,332,000	0.23% as at 31 Mar. 2018
Total		20,732,400	0.25%

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
1. VNG and subsidiaries trade among related companies.	28 Feb. 2018	46,000,000	0.54% as at 31 Dec.2017
2. Vanachai Panel Industries Co., Ltd. uses services from Doctorwood Co., Ltd. for loading up and loading down of goods and container lifting.	25 May 2018	24,000,000	0.29% as at 31 Mar. 2018
Total		70,000,000	0.83%

7. The list of committees and related shareholders:

Vanachai Group Public Company Limited (as at 24 May 2018)

List of names	Position	Number of shares	%
1. Mr. Sompop Sahawat	Chairman	-	-
2. Ms. Yupaporn Boongate	Vice - Chairman	31,000,000	1.978
3. Mr. Vasun Jaroenavarat	Director	31,000,000	1.978
4. Mr. Wanthana Jaroennawarat	Managing Director	31,004,000	1.978
5. Mr. Suthep Chaipattananavich	Director	-	-
6. Mrs. Siriporn Chaipattananavich	-	31,000,000	1.978
7. Mr. Patta Sahawat	Director	31,000,000	1.978
8. Ms. Phattra Sahawat	Director	31,000,000	1.978
9. Mr. Somprasong Sahawat	Director	31,000,000	1.978
10. Ms. Somjairak Sahawat	-	31,000,000	1.978
11. Mr. Sittiwat Sahawat	-	31,000,000	1.978
12. Ms. Nipapat Sahawat	-	31,000,000	1.978

Vanachai Panel Industries Company Limited (as at 24 May 2018)

List of names		Position	Number of shares	%
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	-	1	-
7. Mr. Patta	Sahawat	Director	-	-
8. Ms. Phattra	Sahawat	Director	1	-
9. Mr. Somprasong	Sahawat	Director	1	-
10. Vanachai Group Public Company Limited			429,999,993	99.99

Vanachai Intertrading Group Company Limited (as at 24 May 2018)

List of names		Position	Number of shares	%
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	Sahawat	Director	1,150,000	10
10. Ms. Somjairak	Sahawat	Director	1,150,000	10
11. Mr. Sittiwat	Sahawat	-	1,150,000	10
12. Ms. Nipapat	Sahawat	-	1,150,000	10

Doctorwood Company Limited (as at 24 May 2018)

<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	Director	1	-
5. Mr. Suthep	Chaipattananich	Managing 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			231,243	99.99

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 a subsidiary because it's required to using service of related company concerned for loading and lifting containers of goods. To prepare and delivery of finished goods for overseas exporting. Hence, this commitment is reasonable and find a purpose the best benefits of us. Rental rates determined by the market value appraised by the Valuation & Consultants Co., Ltd.

Please be acknowledged for your information

Yours Sincerely

(Mr.Wanthana Jaroennawarat)

Director