

-Translation-

27 December 2018

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 January 2019

**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 January 2019, till 31 March 2019. 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 September 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 October 2018 - 30 December 2018) | 28 September 2018 | 700,200      | 0.01% as at 30 June 2018                                     |
| 2. Woodtek International Co., Ltd. leases warehouse from Firstwood Co., Ltd. (1 January 2019 - 30 March 2019)    | 27 December 2018  | 700,200      | 0.01% as at 30 September 2018                                |
| Total  |                   | 1,400,400    | 0.02%  |

6.2.2 The listed company's transactions on assets acquisition of the company and the subsidiary

| Transaction   | Release Date     | Value (Baht) | Transaction Size% VS NTA financial statements for the period |
|---|------------------|--------------|--|
| Particle Planner Co., Ltd. buy machine and equipment from Vanachai Veneer and Plywood Co., Ltd. | 13 November 2018 | 20,250,000   | 0.26% as at 30 September 2018                                |
| Total   |                  | 20,250,000   | 0.26%  |

7. The list of committees and related shareholders

Vanachai Group Public Company Limited (as at 26 December 2018)

| <u>List of names</u> |                 | <u>Position</u>   | <u>Number of shares</u> | <u>%</u> |
|----------------------|-----------------|-------------------|-------------------------|----------|
| 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        | Chaipattananich | Director          | -                       | -        |
| 6. Mrs. Siriporn     | Chaipattananich | -                 | 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    |

Woodtek International Company Limited (as at 26 December 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   | 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                         | Sahawat         | Director          | -                       | -        |
| 10. Ms. Somjairak                         | Sahawat         | -                 | -                       | -        |
| 11. Vanachai Group Public Company Limited |                 |                   | 19,993                  | 99.97    |

Vanachai Intertrading Group Company Limited (as at 26 December 2018)

| <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        | Chaipattananavich | Director          | -                       | -        |
| 6. Mrs. Siriporn     | Chaipattananavich | 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 26 December 2018)

| <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        | Chaipattananavich | Director        | -                       | -        |
| 6. Mrs. Siriporn     | Chaipattananavich | Director        | 510,000                 | 10       |
| 7. Mr. Patta         | Sahawat           | Director        | 510,000                 | 10       |
| 8. Ms. Phattra       | Sahawat           | Director        | 510,000                 | 10       |
| 9. Mr. Somprasong    | Sahavat           | Director        | 510,000                 | 10       |
| 10. Ms. Somjairak    | Sahavat           | Director        | 510,000                 | 10       |
| 11. Mr. Sittiwat     | Sahawat           | -               | 510,000                 | 10       |
| 12. Ms. Nipapat      | Sahawat           | -               | 510,000                 | 10       |

Firstwood Company Limited (as at 26 December 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                       | 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     |                   | 2,449,993               | 83.05    |
| 12. The Vanachai Group of Companies Company Limited |                   | 500,000                 | 16.95    |

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