

- Translation -

24 May 2019

Subject : Disclosure of connected transaction by a subsidiary

Attention : President

The Stock Exchange of Thailand

Vanachai Group Public Company Limited "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 2019

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.	I some shareholders and directors of VNG are also Doctorwood of shareholders and directors

3. The general characteristics of the transaction:

Vanachai Panel Industries Company Limited warehouses for one year from 1 June 2019 till 31 May 2020. 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 province
- 3.2 Area 15,760 square meters located at T.Bangpakong and T.Thaklam, A.Bangpakong, Chachoengsao province.

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 per square meter per 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 30,000,000 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 2,500,000 Baht per month.

5. Method use in calculation of value:

The mentioned service rate of warehouse is set from the market price - evaluated by The Valuation & Consultants Company Limited.

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

6. Transaction Volume

6.1 The above transaction is conformed to the related transaction which is the common supporting business that is not in accordance with the market terms. The transaction is in medium size which has value more than 0.03% but less than 3% of book value of net tangible assets (the reviewed of the consolidated financial statements as at 31 March 2019). 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 January 2019 - 31 March 2019)	27 Dec. 2018	700,200	0.009% as at 30 Sep.2018
2. Woodtek International Co., Ltd. leases warehouse from Firstwood Co., Ltd. (1 April 2019 - 30 June 2019)	28 Mar. 2019	700,200	0.009% as at 31 Dec.2018
Total		1,400,400	0.018%

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.	25 Feb. 2019	43,000,000	0.569% as at 31 Dec.2018
2. Vanachai Woodsmith Co., Ltd. has warehouse service contract with Doctorwood Co., Ltd.	15 May 2019	1,935,360	0.026% as at 31 Mar. 2019
3. Vanachai Woodsmith Co., Ltd. has office area service contract with Doctorwood Co., Ltd.	15 May 2019	240,000	0.003% as at 31 Mar. 2019
4. Vanachai Panel Industries Co., Ltd. uses the service from Doctorwood Co., Ltd. to store goods in warehouse.	24 May 2019	19,332,000	0.264% as at 31 Mar. 2019
5. Vanachai Panel Industries Co., Ltd. uses the service from Doctorwood Co., Ltd. for loading up and loading down of goods and container lifting.	24 May 2019	30,000,000	0.410% as at 31 Mar. 2019
Total		94,507,360	1.272%

7. **The list of committees and related shareholders:**

Vanachai Group Public Company Limited (as at 23 May 2019)

<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	-	31,000,000	1.978
4. Mr. Wanthana Jaroennawarat	Managing Director	31,497,600	2.01
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

<u>List of names</u>	<u>Position</u>	<u>Number of shares</u>	<u>%</u>
9. Mr. Somprasong Sahavat	Director	31,000,000	1.978
10. Ms. Somjairak Sahavat	-	31,000,000	1.978
11. Mr. Sittiwat Sahawat	Director	31,000,000	1.978
12. Ms. Nipapat Sahawat	-	31,000,000	1.978

Vanachai Panel Industries Company Limited (as at 23 May 2019)

<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	-	1	-
4. Mr. Wanthana Jaroennawarat	Managing Director	1	-
5. Mr. Suthep Chaipattananavich	Director	-	-
6. Mrs. Siriporn Chaipattananavich	-	1	-
7. Mr. Patta Sahawat	Director	-	-
8. Ms. Phattra Sahawat	Director	1	-
9. Mr. Somprasong Sahavat	Director	1	-
10. Mr. Sittiwat Sahawat	Director	-	-
11. Vanachai Group Public Company Limited		429,999,993	99.99

Vanachai Intertrading Group Company Limited (as at 23 May 2019)

<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

<u>List of names</u>		<u>Position</u>	<u>Number of shares</u>	<u>%</u>
11. Mr. Sittiwat	Sahawat	-	1,150,000	10
12. Ms. Nipapat	Sahawat	-	1,150,000	10

Doctorwood Company Limited (as at 23 May 2019)

<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