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25 June 2019

Subject : Disclosure of connected transaction

Attention : President

The Stock Exchange of Thailand

Vanachai Group Public Company "VNG" would like to disclose the connected transaction for renting of office and Firstwood Co., Ltd. (related company). Transaction details are follows as:

1. The date on which the transaction occurred:

1 July 2019

2. The parties involved:

<u>Name</u>	<u>Relationship with the company</u>
Lessee : Vanachai Group Plc.	-
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:

The company acquires office building service and rents office area in 3,468 square meters for one year, starting from 1 July 2019 to 30 June 2020, to be an office in order to administrate with government agencies, banks and all associated divisions, and to administrate import - export documents. The rental and service rate is 430 Baht/square meter/month.

4. The total value of the consideration:

4.1 The total value of transaction.

The rent and service of office at 17,894,880 Baht per year.

4.2 Payment term

Paying monthly rental at 1,491,240 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 Co., Ltd.

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 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 Jan. 2019 - 31 Mar. 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 Apr. 2019 - 30 Jun. 2019)	28 Mar. 2019	700,200	0.009% as at 31 Dec. 2018
3. Vanachai Group Plc. leases the office from Firstwood Co., Ltd. (1 Jul. 2019 - 30 Jun. 2020)	25 Jun. 2019	17,894,880	0.244% as at 31 Mar. 2019
4. Woodtek International leases the office from Firstwood Co., Ltd. (1 Jul. 2019 - 30 Jun. 2020)	25 Jun. 2019	5,160,000	0.070% as at 31 Mar. 2019
5. Woodtek International Co., Ltd. leases the warehouse from Firstwood Co., Ltd. (1 Jul. 2019 - 31 Aug. 2019)	25 Jun. 2019	466,800	0.006% as at 31 Mar. 2019
Total		24,922,080	0.338%

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 detail of connected persons and related persons:

Vanachai Group Public Company Limited (as at 24 June 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 Chaipattanavanich	Director	-	-
6. Mrs. Siriporn Chaipattanavanich	-	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 Intertrading Group Company Limited (as at 24 June 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
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 24 June 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	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

<u>List of names</u>		<u>Position</u>	<u>Number of shares</u>	<u>%</u>
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 24 June 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	Managing Director	1	-
5. Mr. Suthep	Chaipattanavanich	Director	-	-
6. Mrs. Siriporn	Chaipattanavanich	Director	1	-
7. Mr. Patta	Sahawat	Director	-	-
8. Ms. Phattra	Sahawat	Director	1	-
9. Mr. Somprasong	Sahavat	Director	1	-
10. Ms. Somjairak	Sahavat	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).

All agree that such transaction is appropriate since the company acquires office building service and has to rent office area for an office in order to administrate with government agencies, banks and all associated divisions, and to administrate import - export documents, and etc. Therefore, to process a transaction is appropriate and it will generate the most benefit to the company. This rental fee rate refers to the market price, which is appraised by the Valuation & Consultants Co., Ltd., and the price is reasonable.

Please be acknowledged for your information

Yours Sincerely

(Mr.Wanthana Jaroennawarat)

Director