

-Translation-

25 June 2019

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 July 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 two months from 1 July 2019, till 31 August 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 2 months. Since Firstwood Co., Ltd. (the lessor) will enter into a contract a new lessee.

4. The total value of the consideration:

4.1 The total value of transaction.

4.1.1 Rental rate and service of warehouse for 2 months	432,000	Baht
4.1.2 Rental rate and service of the warehouse office for 2 months	<u>34,800</u>	Baht
Grand total	<u>466,800</u>	Baht

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 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 list of committees and related shareholders

Vanachai Group Public Company Limited (as at 24 June 2019)

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	-	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

Woodtek International 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	-	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	Sahavat	Director	-	-
10. Mr. Sittiwat	Sahawat	Director	-	-
11. Vanachai Group Public Company Limited			19,993	99.97

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	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

<u>List of names</u>		<u>Position</u>	<u>Number of shares</u>	<u>%</u>
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
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	Chaipattananavich	Director	-	-
6. Mrs. Siriporn	Chaipattananavich	Director	1	-
7. Mr. Patta	Sahawat	Director	-	-
8. Ms. Phattra	Sahawat	Director	1	-

<u>List of names</u>	<u>Position</u>	<u>Number of shares</u>	<u>%</u>
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)

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