

- Translation -

19 August 2021

Subject : Disclosure of connected transaction by a subsidiary company

Attention : President

The Stock Exchange of Thailand

Vanachai Group Public Company Limited "VNG" would like to disclose the connected transaction for renting of office and warehouse between Vanachai Woodsmith Company Limited (a subsidiary which VNG hold 99.99% of the paid-up shares) and Firstwood Company Limited (related company). Transaction details are follows as:

1. Day Month Year of transactions:

1 September 2021

2. The counterparties:

<u>Name</u>	<u>Relationship with the company</u>
Lessee : Vanachai Woodsmith Co., Ltd.	a subsidiary company
Lessor : Firstwood Co., Ltd.	same group of major shareholders

3. The general characteristics of the transaction:

Vanachai Woodsmith Company Limited (subsidiary) has a rental contract on building of Firstwood Company Limited - located at no. 2/1 Wongsawang Road, Wongsawang district, Bangsue area, Bangkok. The purpose is to be exhibition and public relations center; to educate on Vanachai Group product knowledge, to be the Vanachai Group distribution center, and to be the employee office for Vanachai Woodsmith Company Limited. The details are as follows;

1. Area rental and office building service on 1,247 square meters has rental and service rate at 350 Baht/square meter/month. Total rental and service is 5,237,400 Baht.
2. Area rental and product storage service on 1,937 square meters has rental and service rate at 150 Baht/square meter/month. Total rental and service is 3,486,600 Baht.

To process the mentioned contracts, it is one - year duration; starting from 1 September 2021 to 31 August 2022.

4. The total value of transactions:

4.1 The value of transaction.

4.1.1	Rate of office rental and service per year	5,237,400	Baht
4.1.2	Rate of warehouse rental and service per year	<u>3,486,600</u>	Baht
	Total	<u>8,724,000</u>	Baht

4.2 Payment term

Monthly payment per month is 727,000 Baht.

5. Criteria to determine the return value:

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

Assessment Company : The Valuation & Consultants Company Limited

Assessment Method : Market Comparison Approach

Assessment Date : 17 May 2019

6. Size of Transaction:

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 statements as at 30 June 2021). 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. Vanachai Group Plc. leases the office from Firstwood Co., Ltd. (1 July 2021 - 30 June 2022)	8 Jun. 2021	17,894,880	0.305% as at 31 Mar. 2021
2. Woodtek International Co., Ltd. leases the office from Firstwood Co., Ltd. (1 July 2021 - 30 June 2022)	8 Jun. 2021	5,160,000	0.088% as at 31 Mar. 2021
3. Vanachai Woodsmith Co., Ltd. leases warehouse from The Vanachai Group of Companies Co., Ltd. (1 July 2021 - 30 June 2024)	22 Jun. 2021	4,320,000	0.074% as at 31 Mar. 2021

Transaction	Release Date	Value (Baht)	Transaction Size% VS NTA financial statements for the period
4. Vanachai Woodsmith Co., Ltd. prepares contract in providing services on infrastructure and the sharing areas from The Vanachai Group of Companies Co., Ltd. (1 July 2021 - 30 June 2024)	22 Jun. 2021	1,080,000	0.018% as at 31 Mar. 2021
5. Vanachai Woodsmith leases the office and warehouse from Firstwood Co., Ltd. (1 September 2021 - 31 August 2022)	19 Aug. 2021	8,724,000	0.139% as at 30 Jun. 2021
Total		37,178,880	0.624%

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
Vanachai Group Public Co., Ltd. and subsidiaries trade with related companies.	1 Mar. 2021	8,000,000	0.140% as at 31 Dec. 2020
Total		8,000,000	0.140%

7. The list of committees and related shareholders:

Vanachai Group Public Company Limited (as at 18 August 2021)

List of names	Position	Number of shares	%
1. Mr. Sompop Sahawat	Chairman	-	-
2. Ms. Yupaporn Boongate	Vice - Chairman	36,000,000	2.075
3. Mr. Vasun Jaroenavarat	-	35,999,999	2.075
4. Mr. Wanthana Jaroennawarat	Managing Director	35,999,999	2.075
5. Mr. Suthep Chaipattananavich	Director	-	-
6. Mrs. Siriporn Chaipattananavich	-	36,000,000	2.075
7. Mr. Patta Sahawat	Director	36,000,000	2.075
8. Ms. Phattra Sahawat	Director	36,000,000	2.075
9. Mr. Somprasong Sahawat	Director	36,000,000	2.075
10. Ms. Somjairak Sahawat	-	36,000,000	2.075
11. Mr. Sittiwat Sahawat	Director	36,000,000	2.075
12. Ms. Nipapat Sahawat	-	36,000,000	2.075

Vanachai Woodsmith Company Limited (as at 18 August 2021)

<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	-	-
3. Mr. Wanthana	Jaroennawarat	Managing Director	1	-
4. Mr. Suthep	Chaipattananavich	Director	-	-
5. Mr. Patta	Sahawat	Director	-	-
6. Ms. Phattra	Sahawat	Director	1	-
7. Mr. Somprasong	Sahawat	Director	-	-
8. Mr. Sittiwat	Sahawat	Director	-	-
9. Vanachai Group Public Company Limited			19,999,997	99.99

Vanachai Intertrading Group Company Limited (as at 18 August 2021)

<u>List of names</u>		<u>Position</u>	<u>Number of shares</u>	<u>%</u>
1. Ms. Yupaporn	Boongate	-	1,150,000	10
2. Mr. Vasun	Jaroenavarat	Director	1,150,000	10
3. Mr. Wanthana	Jaroennawarat	-	1,150,000	10
4. Mrs. Siriporn	Chaipattananavich	Director	1,150,000	10
5. Mr. Patta	Sahawat	-	1,150,000	10
6. Ms. Phattra	Sahawat	-	1,150,000	10
7. Mr. Somprasong	Sahawat	-	1,150,000	10
8. Ms. Somjairak	Sahawat	Director	1,150,000	10
9. Mr. Sittiwat	Sahawat	-	1,150,000	10
10. Ms. Nipapat	Sahawat	Director	1,150,000	10

The Vanachai Group of Companies Company Limited (as at 18 August 2021)

<u>List of names</u>		<u>Position</u>	<u>Number of shares</u>	<u>%</u>
1. Ms. Yupaporn	Boongate	-	510,000	10
2. Mr. Vasun	Jaroenavarat	Director	510,000	10
3. Mr. Wanthana	Jaroennawarat	-	510,000	10
4. Mrs. Siriporn	Chaipattananich	Director	510,000	10
5. Mr. Patta	Sahawat	-	510,000	10
6. Ms. Phattra	Sahawat	-	510,000	10
7. Mr. Somprasong	Sahawat	-	510,000	10
8. Ms. Somjairak	Sahawat	Director	510,000	10
9. Mr. Sittiwat	Sahawat	-	510,000	10
10. Ms. Nipapat	Sahawat	Director	510,000	10

Firstwood Company Limited (as at 18 August 2021)

<u>List of names</u>		<u>Position</u>	<u>Number of shares</u>	<u>%</u>
1. Mr. Sompop	Sahawat	-	1	-
2. Ms. Yupaporn	Boongate	-	1	-
3. Mr. Vasun	Jaroenavarat	Director	1	-
4. Mr. Wanthana	Jaroennawarat	-	1	-
5. Mrs. Siriporn	Chaipattananich	Director	1	-
6. Ms. Phattra	Sahawat	-	1	-
7. Mr. Somprasong	Sahawat	-	1	-
8. Ms. Somjairak	Sahawat	Director	-	-
9. Ms. Nipapat	Sahawat	Director	-	-
10. Vanachai Intertrading Group Company Limited			2,449,993	83.05
11. The Vanachai Group of Companies Company Limited			500,000	16.95

8. The benefits of the company:

1. Building location is suitable since it is situated at company head office - it means we can effectively make implementations according to company's directions.
2. We are able to store the finished products and further to instantly make distribution.

9. Observations from the committee and the audit committee:

This transaction is applicable since Vanachai Woodsmith Company Limited can operate the area to be the exhibition and public relations center in order to provide education on company products of Vanachai Group, to be product center of Vanachai Group for distribution, and to be employees office of Vanachai Woodsmith Company Limited. To process this transaction is therefore reasonable. And for the maximum benefit to subsidiary companies; the rate of rental and service is set from market value - market rental by comparing market data which is evaluated by The Valuation & Consultants Company Limited (independent appraiser).

Please be acknowledged for your information

Yours Sincerely

(Mr.Wanthana Jaroennawarat)

Director