

- Translation -

25 August 2023

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 2023

**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 2023 to 31 August 2024.

**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

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 2023). 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 2023 - 30 June 2024)	23 Jun. 2023	17,894,880	0.273 as at 31 Mar. 2023
2. Woodtek International Co., Ltd. leases the office from Firstwood Co., Ltd. (1 July 2023 - 30 June 2024)	23 Jun. 2023	5,160,000	0.079% as at 31 Mar. 2023
3. Vanachai Woodsmith leases the office and warehouse from Firstwood Co., Ltd. (1 September 2023 - 31 August 2024)	25 Aug. 2023	8,724,000	0.137% as at 30 Jun. 2023
Total		31,778,880	0.489%

6.2.2 Normal business transaction is not in accordance with market terms and conditions.

<u>Transaction</u>	<u>Release Date</u>	<u>Value (Baht)</u>	<u>Transaction Size% VS NTA financial statements for the period</u>
The Vanachai Group of Companies Co., Ltd. has management contract with Vanachai Woodsmith Co., Ltd. (9 May 2023 - 8 May 2024)	9 May 2023	480,000	0.007% as at 31 Mar. 2023
Total		480,000	0.007%

7. The list of committees and related shareholders:

Vanachai Group Public Company Limited (as at 24 August 2023)

<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	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 24 August 2023)

<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	Director	1	-
4. Mr. Suthep	Chaipattananavich	Director	-	-
5. Mr. Patta	Sahawat	Director	-	-
6. Ms. Phattra	Sahawat	Managing Director	1	-
7. Mr. Somprasong	Sahawat	Director	-	-
8. Mr. Sittiwat	Sahawat	Director	-	-
9. Vanachai Group Public Company Limited			30,999,997	99.99

Vanachai Intertrading Group Company Limited (as at 24 August 2023)

<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	Sahavat	-	1,150,000	10
8. Ms. Somjairak	Sahavat	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 24 August 2023)

<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	Chaipattananavich	Director	510,000	10
5. Mr. Patta	Sahawat	-	510,000	10
6. Ms. Phattra	Sahawat	-	510,000	10
7. Mr. Somprasong	Sahavat	-	510,000	10
8. Ms. Somjairak	Sahavat	Director	510,000	10
9. Mr. Sittiwat	Sahawat	-	510,000	10
10. Ms. Nipapat	Sahawat	Director	510,000	10

Firstwood Company Limited (as at 24 August 2023)

<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	Chaipattanavanich	Director	1	-
6. Ms. Phattra	Sahawat	-	1	-
7. Mr. Somprasong	Sahavat	-	1	-
8. Ms. Somjairak	Sahavat	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. 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).

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