



Ref : NEP105-2018

29 August 2018

Subject : Plan and Progress in Solving C Caution NEP Realty and Industry Public Company Limited

To: Director and Managing Director  
The Stock Exchange of Thailand

On 29 August 2018, NEP Realty and Industry Public Company Limited (“the company”) arranged a public presentation to provide information to investors and related parties as the company has been remarked “C” due to the company’s shareholder’s equity is less than 50% of paid-up capital for the financial statement of quarter 2/2018 ended on 30 June 2018. The summary of the meeting as below:

### Causes

1. The company has encountered a constant loss of performance since the company cancels the jute manufacture and the real estate business that only plastic manufacture left, which could not generate enough income.
2. Controls production costs efficiency.
3. During 2014-2015, the company recognized the loss of investment in an associated company (Navanakorn Public Company Limited), which is caused by a large flood, the company has a more accumulated.

### Solutions

The company is aware of the situation in the company's performance as well so that it has been resolved to provide better performance as bellow :

### **Add an earning channel**

- 1) In 2017, the company opened a new production line, including the Flexible packaging production line, to increase the earning channel to the company.
- 2) In 2018, the company expanded the production capacity Flexible packaging by increasing the product category, making the company more likely performance. Higher sales a decrease in loss has been made that the capacity extension has already been completed.
- 3) The company has updated its sales strategies and marketing plans. To maintain the original customer base and expand the new customer base.
- 4) A business partner from the private placement capital increase with VAVA PACK Company Limited since 2018 that support company to manufacture and recommend customers.
- 5) Associated company (Nava Nakorn Public Company Limited) The company has a better effect on a sequence due to the power plant investment and the increase in revenue from the utilities resulting in the dividend payment and share of profit.

### **Cost Reduction**

- 1) The company has improved its capacity for both plastic sacks and Flexible packaging product quality, reduce production costs and reduce waste.
- 2) The company has improved the management structure to reduce cost and increase efficiency.
- 3) The company has restructured the board of directors and re-remuneration in accordance with the company's operating results.
- 4) The company has controlled various costs and budgets. The decrease in operating costs.

## **Moving Forward**

The company operates its business according to the established guidelines, resulting in 2017 of performance. The company will continue to follow the planned plan but more concentration for the better performance and more profit from the operation within the near future.

## **Questions and Answers**

Q : The company would like to consider the reduction of par value (par reduction) to correct the “C” which has to be traded with the cash balance account. The company has a large impact on its shareholders. A reduction of par value is the quickest method.

A : The company has also considered a reduction of par value approach, but it is a sustainable solution that is to generate profits that understand the shareholders ' perspective that may take longer to resolve the “C” problem. Therefore, the company will accelerate to the breakeven as soon as possible and may consider how to reduce the capital by reducing of par value as your advice carefully.

Yours faithfully,

(Mr. Vee Worasakyotin)

Managing Director