



NEP 045-2562

12 September 2019

Subject: Resolutions of the Board of Directors' Meeting regarding entering into transaction with connected person

To: President
The Stock Exchange of Thailand

The resolution of the Board of Directors' Meeting of NEP Realty and Industrial Public Company Limited (the "**Company**") No. 8/2019 held on 12 September 2019 approved the Company to sell machines to Pae Pack Company Limited (the "**Pae Pack**") which director and authorized director Mr. Weerachart Lohsiri be director and authorized director of VAVA Pack Company Limited (the "**Vava Pack**"). Vava is the Company's major shareholder holds 19.78 percent of the Company's paid-up share. Moreover, Mr. Weerachart Lohsiri holds 1.39 percent of the Company's paid-up share and Mr. Weerachart Lohsiri 's wife Mrs. Thicomporn Chai-lam holds 1.16 percent of the Company's paid-up share. Thus, Mr. Weerachart Lohsiri be the shareholder holds directly and indirectly 22.33 percent of the Company's paid-up share.

The list of selling machines to Pae Pack is considered a connected transaction with the Company. Type of transaction relating to assets or services. The machines that the Company sells are 1 plastic fabric producing machine and 59 plastic sack weaving machines, totaling 21,968,086.63 baht (VAT included), with the transaction size equal to 2.92 percent of the net tangible assets in accordance with the reviewed financial statements as of 30 June 2019 of the company which is more than 0.03 percent but not more than 3.00 percent of the net tangible assets of the Company. The said transaction must be approved by the board of directors' meeting of the Company and disclose information memorandum about the said transaction to the Stock Exchange of Thailand before entering into the transaction.

The sell and purchase price are agreed between the buyer and seller. In which the seller determines the selling price not lower than the book value or appraised value of an independent appraiser whichever is higher, plus Value Added Tax Total value of 21,968,086.63 (Book value 20,530,922.08 and VAT 1,437,164.55)

In addition, the aforementioned list of machines sold is considered an asset disposal transaction. The transaction size is equal to 2.54% which is calculated according to the total value of consideration comparing to the reviewed financial statements as of 30 June 2019 of the Company. The said transaction size lower than 15%. Therefore, the Company does not need to report information memorandum according to the criteria. Acquisition and disposal of assets of listed companies

Information Memorandum regarding entering into Connected Transaction is enclosed.

Sincerely yours,

Mr. Saton Samerphark
Managing Director

(Translation)

Information Memorandum Re: Entering into Connected Transaction

1. Transaction date

The Board of Directors Meeting of the NEP Realty and Industry Public Company Limited ("the **Company**") No. 8/2019, on 12 September 2019, passed a resolution approving the company to sell 1 plastic fabric making machine with 59 plastic sack weaving machines to Pae Pack Company Limited ("**Pae Pack**"), which the Company expects to sell the said equipment to be completed by November 20, 2019.

2. Related parties

Seller : NEP Realty and Industry Public Company Limited

Buyer : Pae Pack Company Limited

Relationship:

Director and authorized director Mr. Weerachart Lohsiri be director and authorized director of VAVA Pack Company Limited (the "**Vava Pack**"). Wawa is the Company's major shareholder holds 19.78 percent of the Company's paid-up share. Moreover, Mr. Weerachart Lohsiri holds 1.39 percent of the Company's paid-up share and Mr. Weerachart Lohsiri 's wife Mrs. Thicomporn Chai-lam holds 1.16 percent of the Company's paid-up share. Thus, Mr. Weerachart Lohsiri be the shareholder holds directly and indirectly 22.33 percent of the Company's paid-up share.

Connected Person	Details	No. of shares as of 15 March 2019	% of Shares
Mr. Weerachart Lohsiri	Director / Authorized director of Pae Pack Company Limited	32,330,200	1.39
Mrs. Thicomporn Chai-lam	Mr. Weerachart Lohsiri 's wife	27,045,000	1.16
VAVA Pack Company Limited.	Mr. Weerachart Lohsiri is major shareholder / Director / Authorized director of VAVA Pack Company Limited	460,000,000	19.78

3. General characteristic of the transaction

The Company intends to sell 1 plastic fabric producing machine and 59 plastic sack weaving machines, which are used in the production of plastic fabric and then to produce plastic sacks. In which plastic fabric products are upstream products There are many vendors. It has low added value and gross profit margin and can be purchased at market prices in general, thus the Company can focus and increase the proportion of production and distribution of Gravure sack packaging. In which the customer group is at the

top level It is a product with added value and higher gross profit margin. Resulting in the company having better income and operating results

4. Total value and transaction size

List of machines sold above is considered a connected transaction According to the Notification of the Capital Market Supervisory Board No. Thor Jor. 21/2551 re: Rules on Connected Transactions and the Notification of the Board of Governors of the SET re: Disclosure of Information and Other Acts of Listed Companies concerning Connected Transactions B.E. 2546. Such connected transaction is related to assets or services with the total value of the transaction equal to 21,968,086.63 baht (VAT included) or 2.92 percent of the net tangible assets according to the reviewed financial statements of the Company as of 30 June 2019, which is more than 0.03 percent but not more than 3.00 percent of Net Tangible Asset of the Company. Moreover, the Company has no connected transactions in the past 6 months.

Calculation of Net Tangible Asset (NTA)

$$\begin{aligned} \text{NTA}^* &= \text{Total assets} - \text{Intangible assets} - \text{Total liabilities} - \text{Uncontrol shareholder's Portion (if any)} \\ &= 864.992 - 1.757 - 110.861 - 0 \\ &= 752.375 \text{ Million Baht} \end{aligned}$$

Remark: * Calculated from the reviewed of consolidated financial statements of the Company as of 30 June 2019

$$\begin{aligned} \text{Transaction size} &= \frac{\text{Total value of consideration}}{\text{NTA of the Company}} \\ &= \frac{21,968}{752.375} \\ &= 2.92 \% \end{aligned}$$

5. Details of selling assets

The Company shall sell plastic fabric producing machine (Used for producing plastic sack). The details are as follows:

No.	Machine	Amount	Book value * (Baht)	Appraisal value ** (Baht)
1	plastic fabric producing machine	1	10,718,114.32	7,870,000
2	plastic sack weaving machines	59	9,812,807.76	9,250,000
		60	20,530,922.08	17,120,000

Remarks: * Book value as of 31 July 2019

** Appraisal by Pornsiam Consultant and Service Company Limited as of 1 August 2019

The sell and purchase price are agreed between the buyer and seller. In which the seller determines the selling price not lower than the book value or appraised value of an independent appraiser whichever is higher, plus Value Added Tax Total value of 21,968,086.63 (Book value 20,530,922.08 and VAT 1,437,164.55)

6. Opinion of the Board of Directors of the Company

The Board of Directors has considered that this transaction is reasonable. Because it is in accordance with the policy and strategy of the Company that wants to reduce the production and distribution of products with low gross profit margin, which include plastic fabrics. And increase production capacity and selling higher gross profit margin products, including Gravure Coated Sacks. In addition, the selling price of the machinery is reasonable. As the price is not lower than the book value and not lower than the appraisal price assessed by an independent appraiser Making the said transaction beneficial to the Company

7. Opinion of the Audit Committee and/or any Directors differ from the Board of Directors' opinion

-None -