

Minutes of the 2020 Annual General Meeting of Shareholders

NEP Realty and Industry Public Company Limited

Thursday, July 23, 2020

at Ballroom A Room, 7th Floor, The Westin Grande Sukhumvit Hotel,

No.259 Soi Sukhumvit 19, Sukhumvit Road, Klongtoey Nue Sub-district, Wattana District, Bangkok

The meeting was convened at 10.30 hours.

Mr. Weerachart Lohsiri, Deputy Chairman of the Board of Directors and Managing Director, welcomed the shareholders for attending the 2020 Annual General Meeting of Shareholders started from the Counting quorum of the meeting as follows:

- Following the public limited company Act section 103 unless this Act is provided otherwise. In the shareholder's meeting must have at least 25 shareholders, either in person or by proxy, or not less than half of all shareholders and must be about to count the shares for not less than one-third of the total paid-up share.
- Under NEP's Articles of Association section 36, the shareholder's meeting must have at least 25 shareholders, either in person or by proxy, or not less than half of all shareholders and must be about to count the shares for not less than one-third of the total paid-up share.
- As of the closing date of registration for shareholders on June 25, 2020, the Company has total paid-up 2,325,380,588 shares. 60 shareholders holding 317,759,302 shares, 20 proxy shareholders holding 1,113,320,517 shares, a total of 80 shareholders holding aggregate 1,431,079,819 shares or 61.54 per cent of the total paid-up shares and not less than one-third of the total paid-up share (775,126,863 shares), were present, thereby constituting a quorum as specified under the public limited companies act B.E. 2535 section 103 and under NEP's Articles of Association section 36.
- The Managing Director hence declared the meeting duly convened as specified under the Public Limited Company Act section 104 which in accordance with NEP's Articles of Association section 38, Chairman of the Board of Director act as a Chaired of the meeting in the event that the chairman is not at the meeting or may not perform a duty, Deputy Chairman of Board of Directors act as Chaired of the meeting. If there is no Deputy Chairman or not possible to act on, the shareholders who come to the meeting must select one of shareholders

to perform a chairman of the meeting. Hence, the Chairman of the Board of Directors to open the 2020 Annual General Meeting of Shareholders.

Chaired of the meeting, had an opening speech then assigned Mr. Vee Worasakyothin, Deputy Managing Director of Accounting and Finance, and Ms. Akeera Thitichayawat, Company Secretary, to conduct the meeting following the Company's meeting agenda.

Mr. Vee Worasakyothin, Deputy Managing Director of Accounting and Finance, explained to the meeting as follows:

- In order to promoted the Good Cooperate Governance and to be equality to all shareholders before this General meeting of Shareholders. The company provides the opportunity for the shareholders to propose the meeting agendas and to nominate a person to be considered as a director of the Company. In accordance with the criteria specified by the Company via the Company's website www.nep.co.th during December 1-31, 2019.
- However, no shareholders nominated any candidates for election as directors of the Company.

Ms. Akeera Thitichayawat, Company Secretary, informed the meeting regarding voting and voting procedure as below details:

- According to the Company's Articles of Association section 39 regarding voting, every share holder present in person or being represented by proxy is entitled to one vote per share.
- Shareholders who wanted to disapproved of, or abstain from voting on, any item should mark either the disapproval or abstention box and sign the ballot paper. The Company's officer would collect ballot paper from shareholders who raised his /her hand to express their wish to cast the vote.
- The Proxies of shareholders who had got a fully right for cast the shareholders vote, the proxies will be have a entitled right to cast their vote with the same authorities with attended shareholders.
- The proxies of shareholders who had already cast their votes for each item on their proxy form had not been given ballot papers upon registration as each resolution would include those votes.

- In each resolution, the Company would deduct the disapproval votes or abstentions from the total eligible votes in the meeting in order to determine the number of approval votes. In case of no disapproval votes for abstentions from shareholders or proxies, the resolutions will be count as unanimously votes.
- Any ballot paper which had not been signed or been marked more than one including not clearly marked would be deemed void.
- For each agenda, the Company Secretary would inform the voting results for those agenda then will be moved to the next agenda item.
- Except for Agenda 1: The matters to be informed by Chairman of the Board of Directors, and Agenda 3: To acknowledge the operating results of the Company for the year 2019, was for the acknowledgement, thus no vote for those agenda.
- Agenda 6 were the election of directors which is an individual voting, the Company would collect the disagree voting and no voting ballot paper of all shareholders to be counted.
- In case that shareholders have appointed a proxy and assigned their proxy to vote as directed, their vote would be recorded in the computer system for the calculation on each agenda item.
- In this meeting, the Company assigned Inventech System (Thailand) Co., Ltd as the operator to monitor the voting system.
- The Company has invited Legal Consultant from Bangkok Barrister & Business Co., Ltd. to monitor and oversee the shareholder's meeting in order to ensure transparency and compliance with the law and the Company's Articles of Association.
- The Company also provided opportunity for attended shareholder to register to be able to observe the vote counting throughout the meeting they were asked to provide their name with the registers officer.
- In case any shareholders or proxies attended the meeting after the meeting has been convened, they shall have the right to vote in every agenda which may changes the voting results in each agenda.

- The Company would like to inform the rules of attending the meeting in order to prevent the risk of infection of COVID-19 and good hygiene of all participants. The Company requests cooperation from shareholders and proxies who pass the screening point and attend the meeting to act as follows:
 - Please wear mask at all time
 - If any shareholders wish to ask questions or require the Board to clarify in any case, please write a question in paper and specify first-last name in order to be recorded in the minutes of the meeting correctly. Then, sent to officers to submit to the Board to answer at the meeting to avoid sharing the microphone.
- Before entering the agenda, the introduction of directors and all attendants was introduced, the meeting have the directors, sub-committee which consisted of Audit Committee, Nomination and Remuneration Committee, Good Corporate Governance Committee, Management, Auditor, Legal Advisor and Represented from Thai Investors Association presents at the meeting.
- Directors who attended the meeting are as follows:

1. Pol.Gen. Somchai Vanichsenee	Chairman of the Board of Directors
2. Mr. Weerachart Lohsiri	Deputy Chairman of the Board of Directors/ Managing Director
3. Mr. Nipit Arunvongse Na Ayudhya	Director/ Chairman of the Nomination and Remuneration Committee
4. Mr. Pairoj Sanyadechakul	Independent Director/ Audit Committee Member/Chairman of the Good Corporate Governance Committee
5. Lt. Gen Chirapat Malai	Independent Director/ Good Corporate Governance Committee Member
6. Mrs. Chantira Srimoungpan	Independent Director/Audit Committee Member/Nomination and Remuneration Committee Member/ Good Corporate

	Governance Committee Member
7. Ms. Nipha Lamchiekdes	Director/ Nomination and Remuneration Committee Member
8. Mrs.Woranuch Phu-im	Director
9. Mr. Suthiporn Chandawanich	Director
10.Mrs. Thicomporn Chai-iam	Director
11.Ms. Orayaporn Karnchanachari	Director

- Mr. Narong Phaholvech, an Independent Director and Chairman of the Audit Committee, took a sick leave, therefore was unable to attend the meeting.
- The Company has 11 directors in attendance from the total of 12 directors, representing 91.67% of the total directors who attend the meeting.
- Deputy Managing Directors who attended the meeting:

Mr. Vee Worasakyothin	Deputy Managing Director (Accounting and Finance)
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- Auditor from Dharmniti Auditing Co.,Ltd.

Mr. Peradate Pongsathiansak	
Ms. Chutinant Kopraserthawon	
- Legal Advisor from Bangkok Barrister & Business Co., Ltd.

Mr. Worapong Petchwarapha	
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- Representative from Thai Investors Association

Mr. Thongthod Phanglad	
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Mr. Vee Worasakyothin, Deputy Managing Director of Accounting and Finance, reported to the Meeting as follow:

- The Meeting was now start with the following agenda.

Agenda 1 The matters to be informed by the Chairman of the Board of Directors

Chairman of the Board of Directors, stated that

- Throughout the year 2019, the Board of Directors has tried to solve the problem of the loss of the Company to have a satisfactory performance. Although, the Company experienced a fluctuating economy, appreciation baht affecting the customers doing export business, and the ongoing drought problem affecting the company's customers.
- The company has improved the management structure to be compact to reduce costs and manage quickly.
- The Company increase production efficiency and develop new products in order to quickly solve the Company's loss.
- In addition, the Company has changed executives at all levels from the supervisor level to the manager level.
- Until the Board of Directors' meeting passed a resolution to appoint Mr. Weerachart Lohsiri, Deputy Chairman of the Board of Directors and shareholders of the Company to be a Managing Director, which have been nominated by shareholders to be a director last year. Because he is a person who has knowledge, experience and expertise in the packaging business. Also, he can help to continuously improve the Company both in product quality and organizational management.
- It is expected that the operating results will improve respectively. Mr. Weerachart will report the operating results to the meeting for further acknowledgment.
- Finally, I would like you all to believe that all the Board of Directors will perform their duties with full responsibility under ethics and good corporate governance principles for the company to grow steadily.

Mr. Vee Worasakyothin, Deputy Managing Director of Accounting and Finance, informed that

- This agenda is for acknowledgement. Thus no vote for this agenda.

The Meeting acknowledged the information that was shared.

Agenda 2 To adopt the minutes of the 2019 Annual General Meeting of Shareholders

Mr. Vee Worasakyothin, Deputy Managing Director of Accounting and Finance, reported to the meeting as follows:

- Following the public limited company Act 2535 (1992), section 96 is assigned to all the registered company must provide the minutes of the shareholders' meeting and according to the principles of good corporate governance of public company specify that the minutes of the previous Shareholders' meeting must be adopted by the shareholders in the next Shareholders' meeting.
- Then, the Board of Directors agreed that the 2019 Annual General Meeting of Shareholders was held on Monday, April 22, 2019 was recorded correctly which viewed as proper to consider to adopt the minutes which distributed to all shareholders together with invitation letter to attend this meeting (Attachment 1) and also published on Company's website "www.nep.co.th"
- The Board therefore resolved to propose to the shareholders' meeting to consider and approve the minutes of the 2019 Annual General Meeting of Shareholders.
- The resolution of this agenda must be approved by a majority vote of the shareholders who attend the meeting and cast their votes.
- No shareholders raised any questions. Therefore, may I request the meeting to approve the minutes of the 2019 Annual General Meeting of Shareholders

The result of the vote was as follows:

Resolution: The meeting passed a resolution by a vote of a unanimous vote, to adopted the minute of the 2019 Annual General Meeting of Shareholders, held on Monday, April 22, 2019, with the following details:

Approve	1,525,712,829	shares equivalent to	100.0000%
Disapprove	0	shares equivalent to	0.0000%
Abstained	0	shares equivalent to	-
Voided Ballot	0	shares equivalent to	-

(Note: For this agenda item, an additional shareholders with 94,633,010 shares was present.)

Agenda 3 To acknowledge the operating results of the Company for the year 2019

Mr. Vee Worasakyothin, Deputy Managing Director of Accounting and Finance, reported to the meeting as follows:

- The Company has summarized the operational results and significant changing during 2019, as stated in the 2019 Annual Report which distributed to all shareholders together with the invitation letter to attend this meeting (Attachment 2) with the inclusion as the Management Discussion and Analysis (MD & A) report in 2019 Annual report.
- The operating result of the year 2019 are as follows:

	Financial Statement in which the equity method is applied					
	2019		2018		2017	
	MB	%	MB	%	MB	%
The Statement of Financial Position						
Cah and cash equivalents	55.58	6.85	79.52	8.97	56.00	7.38
Current investment	25.00	3.08	-	-	20.00	2.64
Trade account receivable and other receivable	69.30	8.55	58.86	6.64	49.60	6.54
Inventories	44.01	5.43	57.49	6.49	39.07	5.15
Other current assets	2.27	0.28	6.91	0.78	5.68	0.75
Total current assets	196.16	24.19	202.78	22.88	170.35	22.45
Restricted bank deposits	30.00	3.70	60.00	6.77		
Investment in associated company	378.14	46.63	369.89	41.73	344.57	45.41
Investment propoty	-	-	4.73	0.53	4.98	0.66
Property, plant and equipment	204.51	25.22	246.74	27.84	236.39	31.15
Other non-current assets	2.10	0.26	2.21	0.25	2.55	0.34
Total non-current assets	614.75	75.81	683.57	77.12	588.49	77.55
Total assets	810.92	100.00	886.35	100.00	758.84	100.00

- In 2019, the Company had total current assets decreased from 2018 by 6.62 million Baht. The significant change came from the reduction of the inventories from 57.49 million Baht in 2018 to 44.01 million Baht in 2019 while the sales increased. It shows that the Company can turn inventories faster.

	Financial Statement in which the equity method is applied					
	2019		2018		2017	
	MB	%	MB	%	MB	%
The Statement of Financial Position						
Cash and cash equivalents	55.58	6.85	79.52	8.97	56.00	7.38
Current investment	25.00	3.08	-	-	20.00	2.64
Trade account receivable and other receivable	69.30	8.55	58.86	6.64	49.60	6.54
Inventories	44.01	5.45	57.49	6.49	39.07	5.15
Other current assets	2.27	0.28	-	-	-	0.00
Total current assets	196.16	24.23	195.86	22.59	164.67	21.71
Restricted bank deposits	30.00	3.75	30.00	3.41	30.00	3.91
Investment in associated company	378.14	47.24	378.14	43.00	378.14	48.96
Investment property	-	0.00	-	0.00	-	0.00
Property, plant and equipment	204.51	25.76	204.51	23.33	204.51	26.45
Other non-current assets	2.10	0.26	2.10	0.24	2.10	0.27
Total non-current assets	614.75	75.81	683.57	77.12	588.49	77.55
Total assets	810.92	100.00	886.35	100.00	758.84	100.00

> Trade account receivable 51.59
 > Other receivable 17.71
 > Overdue more than 3 months 0.92
 > Cash Cycle 1 day

- According to Note no. 6 of the financial statements, it shows that in 2019, the Company had trade account receivable of 51.59 million Baht, decreased from 2018 while the sales increased. It shows that the Company can charge customers faster and other receivable of 17.71 million Baht came from the sale of the plastic fabric producing machine and plastic sack weaving machine to Pae Pack Company Limited ("Pae Pack"), a subsidiary of VAVA Pack Group, which is in accordance with the business plan that wants to reduce costs and reduce production costs.
- Trade account receivable was 51.59 million Baht. There is trade account receivable that are overdue for more than 3 months in the amount of 0.92 million Baht. The Company has made the agreement with debtors with the installment, which the installments are paid by 24 cheques in advance. At present, the Company has received 7 installments. There is still no problem with prepaid cheques.
- From the turnover of inventories and charge faster, causing the Company to have a cash cycle equal to 1 day, which is able to manage the balance of payment and receipt.

- In 2019, the Company had total non-current assets decreased from 2018 to 68.82 million Baht. The main reason came from the sales of the plastic fabric producing machine and plastic sack weaving machine and annual depreciation.
- Therefore, in 2019, the Company's total assets decreased from 2018 from 886.35 million Baht to 810.92 million Baht.

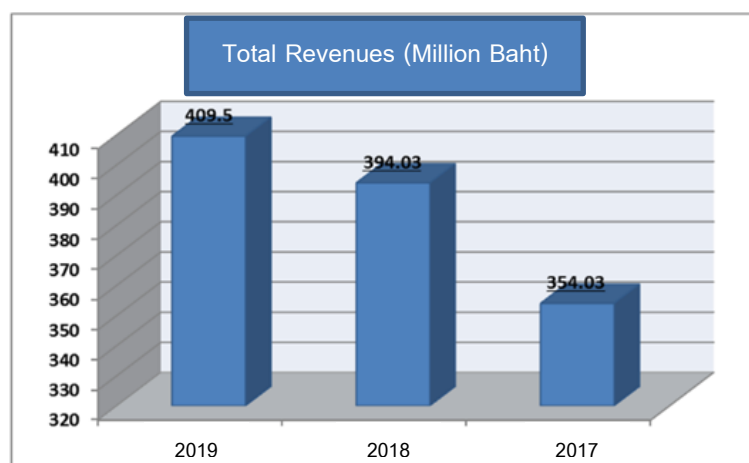
	Financial Statement in which the equity method is applied					
	2019		2018		2017	
	MB	%	MB	%	MB	%
Short-term loan from financial institution	15.36	1.89	9.42	1.06		
Trade accounts payable and other payable	54.46	6.72	54.54	6.15	50.52	6.66
Current portion of long-term loan from related parties	-	-	-	-	0.42	0.06
Current portion of long-term loan from financial institution	-	-	-	-	4.19	0.55
Current portion of long-term loan from overseas company	-	-	24.62	2.78		
Current portion of finance lease and hire purchase liabilities	1.04	0.13	1.70	0.19	2.18	0.29
Other current liabilities	-	-	0.60	0.07	0.34	0.04
Total current liabilities	70.86	8.74	90.88	10.25	57.65	7.60
Long-term loan from overseas company	-	-	-	-	24.62	3.24
Liabilities under finance lease and hire-purchase agreement	1.47	0.18	2.51	0.28	4.28	0.56
Deferred income tax liabilities	-	-	-	-	0.50	0.07
Employee benefit obligations	7.35	0.91	8.33	0.94	3.51	0.46
Total non-current liabilities	8.82	1.09	10.84	1.22	32.91	4.34
Total liabilities	79.68	9.83	101.72	11.48	90.56	11.93

- In 2019, the Company had total current liabilities decreased from 2018 by 20.02 million Baht. The significant change came from the repayment of foreign loans in August 2019, in which the Company pledged 25 million shares of Nava Nakorn Public Company Limited. By the way, the Company has already received all of the said shares back.
- In 2019, the Company had total non-current liabilities decreased from 2018 of 2.02 million Baht. The Company had no long-term financial liabilities at all. There are only liabilities under financial lease and hire purchase agreements.
- Therefore, in 2019, the Company has total liabilities decreased from 2018 from 101.72 million Baht to 79.68 million Baht.

Financial Ratio	2019	2018	2017
Liquidity Ratio			
Current Ratio (Time)	2.77	2.23	2.95
Quick Ratio (Time)	2.12	1.52	2.18
Leverage Ratio			
D/E Ratio (Time)	0.11	0.13	0.14

- From the above financial ration table, shows that the Company has a good financial status.

	Financial Statement in which the equity method is applied					
	2019		2018		2017	
	MB	%	MB	%	MB	%
The Statement of Comprehensive Income						
Revenue form sales	406.64	99.30	389.38	98.82	350.59	99.03
Other incomes	2.86	0.70	4.65	1.18	3.44	0.97
Total revenues	409.50	100.00	394.03	100.00	354.03	100.00

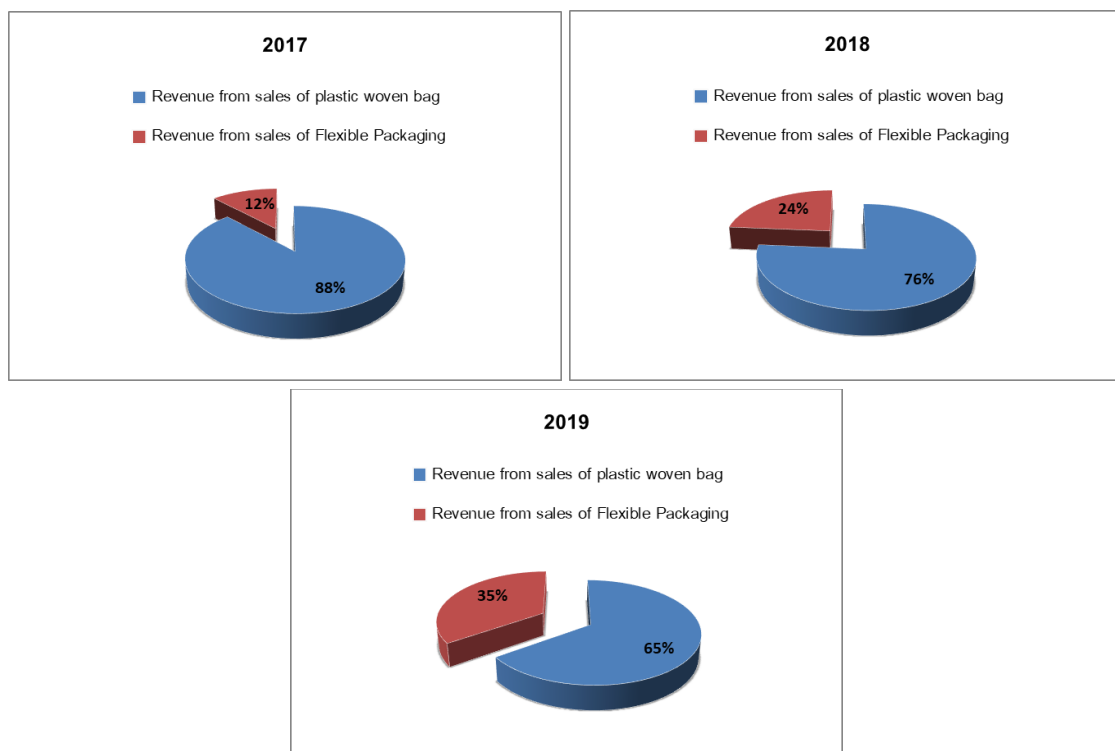


- In 2019, the Company has total revenue of 409.50 million Baht. Since 2017, the Company has continuously grown sales due to the Company adding Flexible Packaging, a new production line.

	Financial Statement in which the equity method is applied					
	2019		2018		2017	
	MB	%	MB	%	MB	%
The Statement of Comprehensive Income						
Revenue form sales	406.64	99.30	389.38	98.82	350.59	99.03
Other incomes	2.86	0.70	4.65	1.18	3.44	0.97
Total revenues	409.50	100.00	394.03	100.00	354.03	100.00

	Financial Statement in which the equity method is applied					
	2019		2018		2017	
	MB	%	MB	%	MB	%
Revenue from sales of plastic woven bag	265.12	65.20	297.27	76.34	308.84	88.09
Revenue from sales of Flexible Packaging	141.52	34.80	92.11	23.66	41.75	11.91
Total revenue from sales	406.64	100.00	389.38	100.00	350.59	100.00

- In 2019, the Company has sales revenue of 406.64 million Baht, consisting of revenue from sales of plastic sacks 265.12 million Baht and sales of Flexible Packaging 141.52 million Baht.
- Since 2017, the Company has started a new Flexible Packaging line. The Company has continuously increased sales.



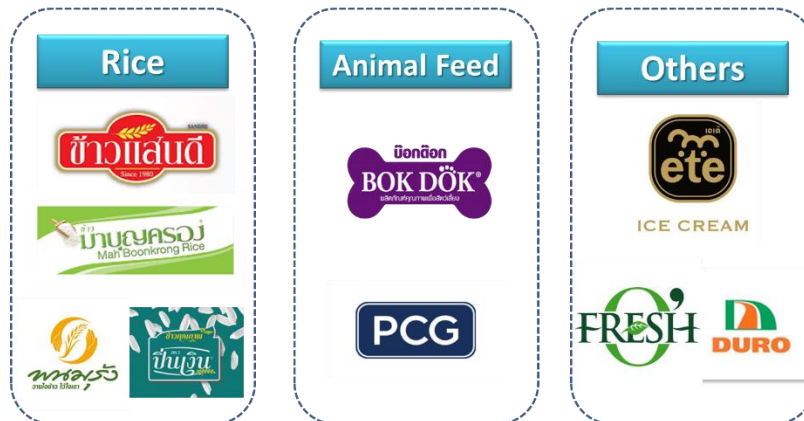
- The sales proportion of Flexible Packaging from 2017-2019 equal to 12%, 24% and 35% which is higher respectively. The Company expects that the proportion of sales of Flexible Packaging will increase steadily.

Major customers (Plastic Sack Bag)



- The major customers of plastic sacks will be groups that are not much affected by the season, such as animal feed, flour, and rice, respectively.

Major customers (Flexible Packaging)



- The major customers of Flexible Packaging are mostly existing customers from plastic sack products. Those customers order both plastic sacks and Flexible Packaging, which are rice group, animal feed group and others (food and daily necessities) respectively.

	Financial Statement in which the equity method is applied					
	2019		2018		2017	
	MB	%	MB	%	MB	%
Revenue form sales	406.64	99.30	389.38	98.82	350.59	99.03
Other incomes	2.86	0.70	4.65	1.18	3.44	0.97
Total income	409.50	100.00	394.03	100.00	354.03	100.00
Cost of sales	402.91	98.39	396.52	100.63	333.48	94.20
Selling expenses	13.28	3.24	11.38	2.89	9.96	2.81
Administrative expenses	56.34	13.76	60.75	15.42	53.24	15.04
Loss on sale and impairment on assets	3.94	0.96	0.26	0.07	(0.89)	(0.25)
Loss from impairment of investment	-	-	-	-	-	-
Management benefit expenses	14.38	3.51	15.90	4.04	17.04	4.81
Financial costs	1.50	0.37	1.38	0.35	1.88	0.53
Total expenses	492.35	120.23	486.19	123.39	414.71	117.14
Share of profit (loss) from investment in an associated company	30.69	7.49	44.99	11.42	29.26	8.26
(Expense) Income tax income	-	-	0.50	0.13	1.29	0.36
Profit (loss) on estimation over actuarial principles-Company	(0.94)	(0.23)	(3.27)	(0.83)	-	-
Profit (loss) on estimation over actuarial principles- Associated Company	(0.30)	(0.07)	-	-	-	-
Total comprehensive income (loss) for the year	(53.40)	(13.04)	(49.94)	(12.67)	(30.13)	(8.51)

- In 2019, the Company has slightly more expenses than 2018 due to the Company has higher cost of sales and selling expenses, which is in accordance with the proportion of sales increased. By the way, the Company has reduced executive remuneration.
- In 2019, the Company received a share of profits from investment in an associated company, Nava Nakorn Public Company Limited, which decreased from 2018, resulting in a net loss of 53.40 million Baht, which increased losses from 2018.
- Overall performance in the year 2019 shows that to increase the Company's profitability, the Company must improve production efficiency and reduce costs.
- For an Anti-Corruption Program, The Company has been certified as a member of the Thai Private Sector Collective Action Coalition Against Corruption (CAC) by receiving a certificate on October 18, 2019, with the certificate valid for 3 years from the date of certification. The company remains committed to maintaining its status as a CAC member.
- I would like to invite Mr. Weerachart Lohsiri, Deputy Chairman of the Board of Directors and Managing Director, to report the future direction of the Company to the meeting.

Mr. Weerachart Lohsiri, Deputy Chairman of the Board of Directors and Managing Director, reported to the meeting as follows:

- In 2019, the Company's status is still strong. But operating performance is still loss. Recently, the Company has adjusted the structure of operation, management, increasing efficiency, reducing costs, reducing waste, adjusting lean organization resulting in better financial results for the first quarter of 2020 than in 2019.
- Due to the spread of COVID-19, it is difficult to predict market conditions.
- The Company foresaw the impact of risk. Therefore, the Company is planning for the additional investments for the production of new products. These new products will be sold to the existing customers and new customers. The details of new products are as follows:
 - 1) Large Size Flexible Packaging: For containing light products but want to maintain the quality of the products such as fish food pellet.
 - 2) Di-cut pouch and Spout pouch: Can be designed according to customer requirements. These are for liquid filling.
 - 3) Postal envelope: For packing documents or light weight products. There is also a special document envelope with an Air Bubble inside.
- The new production machinery is expected to be installed by the fourth quarter of 2020.
- The Company will focus on selling Flexible Packaging in many forms with low competition or a few manufacturers in order to diversify risk of the market due to the fluctuating economy.

Mr. Channapon Chanuhacha, a shareholder, asked that:

- What is the Company's investment plans in the next 2 years?
- What is the plan for adaptation to deal with the COVID-19 situation?

Mr. Weerachart Lohsiri, Deputy Chairman of the Board of Directors and Managing Director, explained that:

- For future directions, the Company will focus on selling more Flexible Packaging, especially rice. The Company will sell new products as already stated to the meeting.

- Under the spread of the COVID-19 virus, it is difficult to predict market conditions. Many of the Company's customers are affected causing the quantity of orders has been reduced.
- The Company will maximize the number of customers and expanding customers to various groups while adding new products in order to achieve the goals that the Company has set.
- What the Company has done and will continue doing is to try to strengthen the organization ready for the day that the market returns to normal again.

Mr. **Vichai Taetiwat**, a proxy holder, asked that:

- What is the difference between the gross profit margin of plastic sacks and Flexible Packaging? What is the gross profit margin of each group?

Mr. **Weerachart Lohsiri**, Deputy Chairman of the Board of Directors and Managing Director, explained that:

- Gross profit margin of plastic sacks is 12%. Gross profit margin of Flexible Packaging is 14%, depending on the order quantity. If it is a large order, the Company will have a high gross profit margin. Because the cost of starting up the new job and waste are the same regardless of the quantity of the products.

Mr. **Kittiyod Arphakiatwong**, a shareholder, asked that:

- During the COVID-19, can the factory operate normally? Are there any additional employees on leave?
- Does the Company make any adjustment to New Normal?
- Why is the Company affixing the "C" symbol? Does the Company arrange the meeting to amend the "C" symbol?
- How is the Company's cash flow? How much is accumulated loss? Will there be an increase /decrease of capital?
- What is the rate of staff reductions during COVID-19?

Mr. **Weerachart Lohsiri**, Deputy Chairman of the Board of Directors and Managing Director, explained that:

- During COVID-19, the Company continued to operate as usual, but during the Lock Down period, the Company was quite affected. But the Company has already prepared to solve the problem. At the beginning, the customers ordered large quantities of products. Therefore, in order to avoid the effect production, the Company has booked a hotel near the factory to avoid staff traveling and solve the problems of employees who have to work nighttime shifts during a curfew period.
- During that time, the Company held a meeting every 2 weeks to be ready for adjustment toward situation.
- The Company has checked the temperature of the employees. The staff must wear a surgical mask and must strictly comply with the measures specified by the Company.
- During COVID-19, the Company did not have to reduce staff. But at the end of last year, the Company has reduced the number of employees in the production of plastic sacks in accordance with the sales of plastic fabric producing machine and plastic sack weaving machine.

Mr. Vee Worasakyothin, Deputy Managing Director of Accounting and Finance, explained that:

- The Company has posted the “C” symbol because the shareholders' equity is less than 50% of the paid-up capital. In the first quarter of 2020, the shareholders' equity of the Company equals to 41% of the paid-up capital caused by accumulated losses in the past.
- The solution to the “C” symbol is that the Company must stop operating losses. The Company has added new products that are expected to increase sales. In addition, the Company must increase production efficiency and reduce waste.
- Once the Company is able to stop operating losses. The Company will consider to clear the accumulated losses further. The Company will consider on the method that is most beneficial to all shareholders.

- Regarding cash flow, the Company expects to have cash flow as of July 31, 2020, equal to 110 million Baht. From the latest capital increase, therefore, the Company's financial status is still in good level.
- This agenda is for acknowledgement. The resolution is not required.

The Meeting acknowledged the Operating results of the company for the year 2019.

Agenda 4 To approve the statement of financial position and statement of comprehensive income for the year ended December 31, 2019

Mr. Vee Worasakyothin, Deputy Managing Director of Accounting and Finance, reported to the meeting as follows:

- Following the public limited company Act 2535 (1992), section 112 and 113 is assigned to all the registered company must provide the financial position and statement of comprehensive income to all shareholders in the meeting.
- I would like to invite Mrs. Chantira Srimoungpan, Independent Director/ Audit Committee Member/ Nomination and Remuneration Committee Member and Good Corporate Governance Committee Member, to report the details to the meeting.

Mrs. Chantira Srimoungpan, Independent Director/ Audit Committee Member/ Nomination and Remuneration Committee Member and Good Corporate Governance Committee Member, reported to the meeting as follows:

- The Audit Committee conducted a meeting with the Management and the auditor to consider the financial statements for the year 2019 ending on December 31, 2019, which details of the financial statements have appeared in the 2019 Annual Report which has already been delivered to shareholders, which have the common opinion that such financial statements have been prepared in accordance with the financial reporting standards and with sufficient information disclosure. The auditor has expressed unqualified opinions and certified.

- The Board of Directors approved the financial statement and deemed it appropriate to propose to the shareholders' meeting to approve the statement of financial position and the statement of comprehensive income for the year ended on December 31, 2019 which has been verified by Mr. Peradate Pongsathiansak, CPA License No. 4752 of Dharmniti Auditing Co., Ltd. with unqualified opinion but there is some observation, and audited by the Auditor Committee and Management of the Company.

Mr. Vee Worasakyothin, Deputy Managing Director of Accounting and Finance, reported to the meeting as follows:

- Resolution in this agenda must be approved by a majority vote of the shareholders who attend the meeting and cast their vote.
- No shareholders raised any questions. Therefore, may I request the meeting to approve the statement of financial position and statement of comprehensive income for the year ended December 31, 2019.

The result of the vote was as follows:

Resolution: The meeting passed a resolution by a vote of a unanimous vote, to approve the statement of financial position and statement of comprehensive income for the year ended December 31, 2019 with the following details:

Approve	1,525,868,046	shares equivalent to	100.0000%
Disapprove	0	shares equivalent to	0.0000%
Abstained	0	shares equivalent to	-
Voided Ballot	0	shares equivalent to	-

(Note: For this agenda item, an additional shareholders with 155,217 shares was present.)

Agenda 5 To approve the omission of dividend for the year 2019

Mr. Vee Worasakyothin, Deputy Managing Director of Accounting and Finance, reported to the meeting as follows:

- The Company's policy is to pay dividends at rate of 50% or more of its net profit after income tax and legal reserve. However, such dividend payment depends on its cash flow, investment condition and necessity of future.
- According to the Public Company Limited Act Section 115 specify that "...in case the Company had accumulated losses then the Company could not pay dividend". Due to the fact that the Company still had accumulated losses then the Company could not pay dividend to the shareholders in accordance with the Act.
- As the reason above, it is agreed to propose to the shareholders' meeting to consider withhold dividend payment for operating results the year 2019.
- Resolution in this agenda must be approved by a majority vote of the shareholders who attend the meeting and cast their votes.
- No shareholders raised any questions. Therefore, may I request the meeting to approve the omission of dividend for the year 2019.

The result of the vote was as follows:

Resolutions: The meeting passed a resolution by a vote of unanimous vote, to approve the omission of dividend for the year 2019 with the following details:

Approve	1,525,921,176	shares equivalent to	100.0000%
Disapprove	0	shares equivalent to	0.0000%
Abstained	0	shares equivalent to	-
Voided Ballot	0	shares equivalent to	-

(Note: For this agenda item, an additional shareholders with 53,130 shares was present.)

Agenda 6 To approve the election of directors replacing those who retired by rotation

Mr. Vee Worasakyothin, Deputy Managing Director of Accounting and Finance, reported to the meeting as follows:

- For the following agenda 6 and 7, may I invite Mr. Nipit Arunvongse Na Ayudhya, Director and Chairman of Nomination and Remuneration Committee to report the details to the meeting.

Mr. Nipit Arunvongse Na Ayudhya, Director and Chairman of Nomination and Remuneration Committee, informed the meeting as follows:

- According to the Company's Article of Association Section 16, specifies that in every Annual General Meeting, one third of the directors must retire from duty. If the number is divided into three does not match then the number nearest to one third of the directors must retire. However, through retirement rotation, directors may be reelected to presume duty.

- There are 4 directors who have to be retired by rotation in the 2020 Annual General Meeting of Shareholders are as follows:

- | | |
|---------------------------------|---|
| 1) Lt. Gen. Chirapat Malai | Independent Director/ Member of the Corporate Governance Committee |
| 2) Mr. Pairoj Sanyadechakul | Independent Director/ Member of the Audit Committee/ Chairman of the Corporate Governance Committee |
| 3) Ms. Nipha Lamchiekdes | Director/ Member of Nomination and Remuneration Committee |
| 4) Ms. Orayaporn Karnchanachari | Director |

- All nominated are fully qualified in the Public Company Act, Notification of the Office of the Securities and Exchange Commission and the Article of the company. Besides, Lt. Gen. Chirapat Malai and Mr. Pairoj Sanyadechakul, the independent directors, are considered by the Board of Directors that they are the person who can provide independent opinion according to the related regulations. Therefore, the Board of Directors has agreed to propose 4 directors who retired by rotation, namely 1) Lt. Gen. Chirapat Malai 2) Mr. Pairoj Sanyadechakul 3) Ms. Nipha Lamchiekdes 4) Ms. Orayaporn Karnchanachari should be re-elected to continue their term.

- Therefore, the directors who retired in this term did not attend and vote on this agenda in the board of directors meeting.
- The biography of the directors distributed to all shareholders together with the invitation letter to attend this meeting. (Attachment 3)
- During the period of December 1-31, 2019, the Company provided an opportunity for shareholders to propose agenda and nominate of qualified persons to be elected as directors. However, no shareholders nominated any candidates for election as directors of the Company.
- Resolution in this agenda must be approved by a majority vote of the shareholders who attend the meeting and cast their votes.

The result of the vote was as follows:

Resolution: The meeting passed a resolution by a vote of unanimous vote, to approve the election of directors replacing those who retired by rotation with the following details:

(1) Lt. Gen. Chirapat Malai

Approve	1,525,922,642	shares equivalent to	100.0000%
Disapprove	0	shares equivalent to	0.0000%
Abstained	0	shares equivalent to	-
Voided Ballot	0	shares equivalent to	-

(Note: For this agenda item, an additional shareholders with 1,466 shares was present.)

(2) Mr.Pairoj Sanyadechakul

Approve	1,525,922,642	shares equivalent to	100.0000%
Disapprove	0	shares equivalent to	0.0000%
Abstained	0	shares equivalent to	-
Voided Ballot	0	shares equivalent to	-

(Note: For this agenda item, there had no additional shareholder.)

(3) Ms. Nipha Lamchiekdes

Approve	1,525,922,642	shares equivalent to	100.0000%
Disapprove	0	shares equivalent to	0.0000%

Abstained	0	shares equivalent to	-
Voided Ballot	0	shares equivalent to	-

(Note: For this agenda item, there had no additional shareholder.)

(4) Ms. Orayaporn Karnchanachari

Approve	1,525,922,642	shares equivalent to	100.0000%
Disapprove	0	shares equivalent to	0.0000%
Abstained	0	shares equivalent to	-
Voided Ballot	0	shares equivalent to	-

(Note: For this agenda item, there had no additional shareholder.)

Agenda 7 To approve fixing of the remuneration of directors for the year 2020

Mr.Nipit Arunvongse Na Ayudhya, Director and Chairman of Nomination and Remuneration Committee , informed the meeting as follows:

- The Nomination and Remuneration Committee considered and proposed to the board of directors to propose this matter to the shareholders' meeting for consideration. The remuneration of directors shall be based upon the comparison to the average practice of the related or similar industries and according to what is suitable to the Company's business including the past payment to the Company's directors. The compensation, meeting allowance and permanent remuneration of directors should be the same as 2019 total amount Baht 6 million and no bonus payment shall be made to the board members since the Company has suffered loss from its business operation.
- The details of monthly compensation and meeting allowance are as follows:

Monthly Compensation	2020 (Current Proposal)	2019
Chairman of the Board of Directors	70,000	70,000
Vice Chairman of the Board of Directors	40,000	40,000
Directors	30,000	30,000
Chairman of the Audit Committee	7,500	7,500
Member of the Audit Committee	5,000	5,000

Monthly Compensation	2020 (Current Proposal)	2019
Meeting Allowance of Sub-Committee	(Baht/ meeting)	(Baht/ meeting)
Chairman of the Nomination and Remuneration Committee Chairman of the Corporate Governance Committee	7,500	7,500
Member of the Nomination and Remuneration Committee Member of the Corporate Governance Committee	5,000	5,000
Other Benefits	-None-	-None-

- The Board of Directors deems it expedient to propose to the shareholders' meeting to determine the remuneration of directors for the year 2020 by fixing the compensation, meeting allowance and permanent remuneration of directors to be Baht 6 million and no bonus payment shall be made to the board members. Such remuneration does not include compensation or benefit received as employees by the directors who also are the Company's employees.
- The resolution of the agenda must be approved by not less than two-thirds of the shareholders who attend the meeting and cast their voted.
- No shareholders raised any questions. Therefore, may I request the meeting to approve fixing of the remuneration of directors for the year 2020.

The result of the vote was as follows:

Resolution: The meeting passed a resolution by a vote of unanimous vote, to determine the remuneration of directors for the year 2020 by fixing the compensation, meeting allowance and permanent remuneration of directors to be Baht 6 million and no bonus payment shall be made to the board members. Such remuneration does not include compensation or benefit received as employees by the directors who also are the Company's employees, with the following details:

Approve	1,526,439,508	shares equivalent to 100.0000%
Disapprove	0	shares equivalent to 0.0000%
Abstained	0	shares equivalent to -
Voided Ballot	0	shares equivalent to -

(Note: For this agenda item, an additional shareholders with 516,866 shares was present.)

Agenda 8 To approve the appointment of the Company's auditor and the auditor's remuneration for the year 2020

Mrs. Chantira Srimoungpan, Independent Director/ Audit Committee Member/ Nomination and Remuneration Committee Member and Good Corporate Governance Committee Member, reported to the meeting as follows:

- The Audit Committee has considered the selection of auditors for the year 2020, by considering performance, independence, and the remuneration of the auditors. The Audit Committee's opinion is the auditors from Dharmniti Auditing Co., Ltd. Is an expert in auditing the financial statements. From the results of the audit of the company's financial statements in the past year, the results are satisfied, have useful suggestions for the Company and fair price. The Audit Committee has considered proposing to the board of directors to propose to the shareholders' meeting to appoint the auditor from Dharmniti Auditing Co., Ltd. to be auditor for 2020 with details as follows:

Names	CPA License No.	Year of Auditing for the Company
1) Ms. Chutinant Kopraserthaworn	9201	0
2) Ms. Chotima Kitsirakorn	7318	0
3) Ms. Wannisa Ngambauthong	6838	0

or the other person that Dharmniti Auditing Co., Ltd., is responsible, to be auditor for 2020. The nominated auditors do not have any relationship and/or conflict of interest with the Company, subsidiaries, management, major shareholders or related persons of the said parties. To consider specifying remuneration for auditor of 2020 to be Baht 1,150,000 with details set out as follows:

Description	2020 (Current Proposal)	2019
Review fee for quarterly financial statements (170,000 Baht/quarter x 3 Quarter)	510,000	510,000
Audit fee for annual financial statements	640,000	640,000
Non-audit fees	-	-
Total	1,150,000	1,150,000

- Nava Nakorn Public Co.,Ltd., an associated company, appointed auditors from KPMG Phoomchai Audit Ltd. The auditors have confirmed that they can prepare financial statements by deadline.

Mr. Vee Worasakyothin, Deputy Managing Director of Accounting and Finance, reported to the meeting as follows:

- Resolution in this agenda must be approved by a majority vote of the shareholders who attend the meeting and cast their votes.
- No shareholders raised any questions. Therefore, may I request the meeting to approve the appointment of the Company's auditor and the auditor's remuneration for the year 2020.

The result of the vote was as follows:

Resolution: The meeting passed a resolution by a vote of unanimous vote, to appoint Ms. Chutinant Kopraserthaworn, CPA License no. 9201 or Ms. Chotima Kitsirakorn, CPA License no. 7318 or Ms. Wannisa Ngambuathong, CPA License no. 6838 or the other person that Dharmniti Auditing Co., Ltd., is responsible, to be auditor for 2020 and considered to specify remuneration for auditor of 2020 to be Baht 1,150,000, with the following details:

Approve	1,526,439,508	shares equivalent to	100.0000%
Disapprove	0	shares equivalent to	0.0000%
Abstained	0	shares equivalent to	-
Voided Ballot	0	shares equivalent to	-

(Note: For this agenda item, there has no additional shareholder.)

Agenda 10 To consider other matters (if any)

The meeting is allowed shareholders to ask questions, discuss matters and/or give suggestions to the Board and/or the Management of the Company.

Mr. Pramote Lipratanasakul, a shareholder, asked that:

- How much production capacity does the company currently use?
- What is the depreciation cost in the year 2019?
- How much profit did the Company gain from selling the machine?
- How much loss did the Company have from sales in 2019?
- How much does the Company make impairment in the year 2019?

Mr. Somboon Boonvanich, a shareholder, asked that:

- Why did the Company sell the machine? Did the Company shut down the production line or having any problems?

Mr. Vee Worasakyothin, Deputy Managing Director of Accounting and Finance, explained that:

- The Company uses the production capacity of plastic sacks more than 80% of total capacity and uses the production capacity of Flexible Packaging 30-40% of total capacity, allowing the Company to generate revenue from Flexible Packaging 15 million Baht per month. If the Company uses the full production capacity of Flexible Packaging, the Company will be able to generate revenue around 30-40 million Baht per month.
- In 2019, the Company has the depreciation equal to 24 million Baht.
- The Company sold the plastic fabric producing machine and plastic sack weaving machine in accordance with the Company's cost reduction plan.
- The Company sold the plastic fabric producing machine and plastic sack weaving machine with a price at book value by comparing with the market price and selling not less than the book value, in which the Company received a small amount of profit from the sale.
- The Company sold the plastic fabric producing machine and plastic sack weaving machine to Pae Pack, because Pae Pack produces jumbo sacks and has many plastic fabric

producing machines and plastic sack weaving machines. Then, Pae Pack is able to produce a large amount of fabric resulting in lower costs than the Company. Therefore, selling the said machines to Pae Pack and the Company purchases the fabric from Pae Pack allowing the Company to buy fabric at a price lower than the Company produces by itself. The selling of such machine has complied with the rules and completely followed the procedures.

- In addition to the reduction of the production costs, the Company can reduce the number of employees by about 70 people or one-third of all employees, causing administrative expenses to be greatly reduced. It will be clearly reflected in 2020.
- The Company has complied with human rights principles, take good care of the staff, and pay legal compensation correctly to employees who have to leave. In addition, Pae Pack receives employees of Company that voluntarily go to work at Pae Pack.
- In 2019, the Company had a gross profit of 1 % which was better than 2018 but still did not meet the target. The Company has to increase sales and reduce losses. The separated financial statements in 2019, the Company had a loss of 60.71 million Baht, which was less than 2018.
- In the past, the Company established a village named “NEP Park” with a swimming pool and sport club as a common area. The Company has considered according to the law, the Company cannot use the said area to do other benefits except running a sport club only. The Company found out that the juristic person of the village has collected club fees of 20 Baht per person, which still does not have members of the village to use the service. So, the Company may not be able to utilize this property. The Company therefore has impairment of such assets equal to 3.94 million Baht.

Mr. Dechmontri Vajeesoontorn, a shareholder, asked that:

- In addition to the purchase and sale of machines between the Company and Vava Pack Company Limited ("Vava Pack"), are there any other transactions such as how much the production of products? The Company has disadvantage or not, resulting in a high loss?

Mr. Weerachart Lohsiri, Deputy Chairman of the Board of Directors and Managing Director, explained that:

- The purchase and sale of machines between the Company and Vava Pack is compared with the market price. The details are as Deputy Managing Director explained earlier. Every connected transaction has been considered by the Audit Committee and the Board of Directors that is correct and fair.
- The Company has purchased semi-finished products from Vava Pack, which is woven plastic fabric. Vava Pack has purchased the gravure printing film from the Flexible Packaging Department of the Company, which the said transaction was in accordance with the specified criteria.
- The reason that the Company still has high losses because the Company's sales do not cover fixed costs, therefore, the Company must increase sales. Recently, the Company has strengthened the organization by reducing costs, reducing waste and adjusting the lean organization.

Mr. Vathin Chutipalo, a shareholder, asked that:

- Loss resulting from high costs makes the profit not cover the expenses. The selling price should be set higher. Therefore, can the Company set the selling price higher?

Mr. Weerachart Lohsiri, Deputy Chairman of the Board of Directors and Managing Director, explained that:

- The products manufactured by the Company are industrial products. There are many manufacturers which is highly competitive causing the price to depend on the market conditions. If the product is less competitive, the Company will be able to add additional profits. Currently, the Company has focused on the product group with less competition. What the Company is trying to do to overcome losses is to increase sales to cover fixed costs.

Ms. Suthisoung Wattanakul, a proxy holder, asked that:

- Does the Company sell products online?

- Does the plastic of the Company have any impact on the environment?

Mr. **Weerachart Lohsiri**, Deputy Chairman of the Board of Directors and Managing Director, explained that:

- Since the Company's products are industrial products, the salespeople must directly contact with customers to give a technical advice to customers. But for some new products, the Company will sell online.
- Plastic was invented instead of paper. A plastic can meet the needs of more use due to its strength, toughness and clarity, which in the near future there is no real substitute for plastic products. However, the plastics used by the Company, are both recyclable and non-recyclable. For parts that can be reused, will be used with non-food products. For parts that cannot be reused, the Company is trying to improve methods for reuse.

Mr. **Kittiyod Arphakiatwong**, a shareholder, asked that:

- Directors whose terms have expired, are they able to vote for themselves back to the position of director? Will it be against the principles of good corporate governance?
- Execution of the accumulated deficit, is there a cost through the relevant department?
- If the Company is able to clear accumulated losses, will the Company be able to pay dividends immediately? How much does the Company have accumulated losses? And must set aside legal reserve or not?

Mr. **Vee Worasakyothin**, Deputy Managing Director of Accounting and Finance, explained that:

- In the board meeting before presenting to the shareholders for consideration, the directors who are due to retire by rotation, did not attend the board meeting and vote in the resolution on the said agenda. However, the Company will pass this suggestion to the Good Corporate Governance Committee for further consideration.
- The Company focuses on making the Company's operating results to be break-even first and then consider to clear the accumulated losses which the company will use a financial advisor to proceed or not, the Company will consider the need further.

- Once the Company has no loss. The Company intends to clear the accumulated losses in order to be able to pay dividends to shareholders immediately.

Mr. Thongtod Phanglad, a proxy holder, asked that:

- Does the Audit Committee have meeting allowances?

Mr. Vee Worasakyothin, Deputy Managing Director of Accounting and Finance, explained that:

- The Audit Committee has a monthly remuneration which is increased from the monthly remuneration as a director of the Company 5,000 Baht per month, with the details as Mr. Nipit presented in agenda item no. 7.

Mr. Dechmontri Vajeesoontorn, a shareholder, asked that:

- Two years ago, I joined the meeting. The Company has shown a graph of the trend of turnover that is nearing a positive turn. Why are they making a huge loss again? Is it a result of a change in management policy?

Mr. Vee Worasakyothin, Deputy Managing Director of Accounting and Finance, explained that:

- In the first period, the Company has added new products. Such products are not very complicated. They can be produced easily, but in the last 2 years, when the Company wants to expand the sales of more diverse and complex products, resulting in increased waste from production. The Company has improved production efficiency, reduced waste and added new products. It is expected that from 2020 onwards, the Company is getting closer to Break-even.
- None of the shareholders questioned.

The Chairman of the meeting stated that

- Company is very welcome to considered all the suggestion of all shareholders, the Board of Directors will use all the suggestion to improve for the best benefit of the Company.
- On behalf of the Board of Director, management and employees of NEP Realty and Industry Public Company Limited, I would like to thank you shareholders, proxy holders and all the

honored guests who taking time to attend the meeting today. I would like to close the meeting.

The meeting was adjourned at 12.00 pm.

Pol. Gen. Somchai Vanichsenee Chairman of the Board of Directors

(Pol.Gen. Somchai Vanichsenee)

Chairman of the Meeting

Akeera Thitichayawat Minute recorded

(Ms. Akeera Thitichayawat)

Company Secretary