

- Translation -

Minutes of the Annual General Meeting of Shareholders for the Year 2018

NEP Realty and Industry Public Company Limited

Thursday 26 April 2018

Arnoma Grand, 3rd Floor, Arnoma Hotel, Rajdamri Road, Pathumwan, Bangkok

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The meeting was convened at 10.40 hours.

Mr. Vee Worasakyothin, Director/ Managing director, welcomed the shareholders for attending the Shareholders's Annual General Meeting for the year 2018 started from the Counting quorum of the meeting as following;

- 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 28 March 2018. The company has total paid-up 2,325,376,587 shares. 262 shareholders holding 361,431,602 shares , 75 proxy shareholders holding 957,206,910 shares, a total of 337 shareholders holding aggregate 1,318,638,512 shares or 56.7065 per cent of the total paid-up 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, Vice- Chairman of Board of Directors act as Chaired of the meeting. If there is no Vice-chairman or not possible to act on, the shareholders who come to the meeting must select one of a

shareholder to perform a chairman of the meeting. Hence, The Chairman of the board of directors to open the Annual general meeting of shareholders for the year 2018.

**Chaired of the meeting**, had an opening speech then assigned Managing Director and Company Secretary to conduct the meeting following the Company's meeting agenda.

**Miss Chanitsara Yingnork, Company Secretary**, informed the meeting regarding voting and voting procedure as below details;

- According to NEP'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 voting slip 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 chairman would inform the voting results for those agenda then will be moved to the next agenda item.
- Except for Agenda 1 was the information agenda by the Chairman, and Agenda 3 was the consideration and acknowledge on the Company's Performance of 2017 thus no vote for those agenda.

- Agenda 6 was the Vote to the election of directors which is an individual voting, company would collect the disagree voting and no voting ballot paper of all shareholders to be counted.
- For 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.
- NEP assigned “INVENTECH” system Company Limited to monitor and oversee the shareholder’s meeting in order to ensure transparency and compliance with the law and NEP’s Articles of Association. And NEP 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.
- If shareholder had any questions or suggestions in any issues, they were asked to provide their name to the meeting for the purpose of the minutes taking.
- Before entering the agenda, the introduction of directors and all attendants was introduced, the meeting have Company Directors, Sub-committee which consisted of Auditing committees, Recruiting and Remuneration committee, Management committees, Company’s financial consultants, Company’s Legal consultants and Represented from Thai investor’s association presents at the meeting.
- Directors who attended the meeting;
  1. Pol.Gen. Somchai Vanichsenee Chairman of the Board of Directors
  2. Gen. Sa-Ngiam Sawangkawat Independent director and Audit committee
  3. Mr.Narong Phaholvech Independent director and chairman of Audit committee
  4. Mr. Nipit Arunvongse Na Ayudhya Director/ Chairman of Nomination and

		Remuneration committee
5. Ms. Chantira	Srimoungpan	Independent director/ Audit committee/ Nomination and Remuneration committee
6. Dr. Warotai	Kosolpisitkul	Director/ Nomination and Remuneration committee
7. Ms. Nipha	Lamchiekdes	Director/ Nomination and Remuneration Committee
8. Mr. Vee	Worasakyothin	Director and Managing Director

(8 Company's Directors equal to 100% of the committee who attended the meeting)

- Vice-Managing directors who attended the meeting:
  1. Huttajit NoonPukdee Vice-Managing Director (Sale & Business Development)
  2. Ms. Supaporn Suwansaengchooto Vice-Managing Director (Finance & Accounting)
- Accounting auditor "The Dharmniti Company"  
Ms. Karnchana Chaochainart
- Legal Consultant "Thep Law's company"
  1. Thachinee Panglangpol
  2. Rosakorn Charoensil
- Represent from Thai investors association  
Ms. Rossarin Lertreunkaew

**Mr. Vee Worasakyothin, Director/ Managing director reported to the Meeting as follow;**

- Remembrance speeches to Gen. Akaradej Sasiprapha Former Chairman of the Board of Directors that pass away on 24 March 2018
- In terms of working, Gen. Akaradej was in charge in the Chairman of the Board of directors since 2011 during those period, Company was in production and distribute packaging products made from jute, plastic packaging and invested in other companies which showed a negative operating profit of 1,960 million baht. Under his supervisions, Gen. Akaradej was trying to solve all the company problems especially in 2016, Gen. Akaradej set up the

working committee consists of Gen. Chainarong Noonpakdee, Pol.Gen. Somchai Vanichsenee and Gen. Worapan Worasakyothin to look for long term solutions in order to expand the company business and return to be positive in profit revenue. Then new Flexible packaging products has been introduced to the company since then and the new business expansion continue improved the profit revenue of the company.

- In terms of personality, Gen Akaradej has good humored, regularly gracious to all friends and surrounded. Gen Akaradej was respected by all friends, relatives including director, management and all employee.
- On behalf of the company and shareholders, we would like to thanks you for his entire dedications for the company. Any charities that Gen. Akaradej has made during his lifetime, please be the power to inspire and send Gen. Akaradej's soul to paradise in peace. Please be invited to stand up and mourn to remembrance for Gen. Akaradej for a moment.
- The death of General Akaradej Sasiprapha resulted in the vacancy of the Chairman of the Board of Directors. According to the Public Limited Companies Act BE 2535, in accordance with the Company's Articles of Association stating that
- Public Limited Companies Act Section 72 in compliance with NEP's Articles of Association article 17 stated that " Apart from Vacating office of expiration by term of vacating office, directors shall vacate office upon (1) death (2) resignation (3) dispossession of qualification or possession of disqualification pursuant to the laws (4) the meeting of shareholders resolving to remove with an accordance to Article no. 20 (5) the court issuing an order to remove."
- Public Limited Companies Act Section 75 in compliance with NEP's Articles of Association article 19 stated that " A director can be elected or removed only by the shareholders at the general meeting, provided, however, that any vacancy occurring in the Board of the Directors otherwise than by the rotation or retirement, hereof may be filled up by the remaining directors, unless, the term of the original director is less than two months.

Appointed person shall hold the office only for the remaining term of the director to whom he has succeeded.

For the purpose thereof, the resolution of the Board of Directors shall be passed by vote of not less than three-fourth of the number of remaining directors”

- Public Limited Companies Act Section 78 in compliance with NEP’s Articles of Association article 22 stated that "The board of directors shall elect one director among the directors as the Chairman of the Board of Directors.

In case that the Board consideration is appropriate to select one or more directors as a vice-chairman, the vice-chairman has duties according to the regulations in the business assigned by the chairman. The Board of Directors may assign one or many directors or any other person to act on behalf of the board”

- .According to the Public Limited Companies Act BE 2535, in accordance with the Company's Articles of Association. The board of directors meeting no.3/2018 since 5 April 2018 has a resolution as below;

- 1) Elected Pol.Gen. Somchai Vanichsenee as a Chairman of the board of directors.
- 2) Recruiting and Remuneration committees are complete the entire term office resulting in Gen. Sa-Ngiam Sawangkawat to vacate from Nomination and Remuneration committee position.
- 3) Elected Mr. Nipit Arunvongse Na Ayudhya as a Chairman of Nomination and Remuneration committee

- Above resolution create the changes in Agenda 6. To approved the election of directors replacing those who retired by rotation as follow.

Former

- 1) Pol.Gen. Somchai Vanichsenee                      Viced-Chairman of the Board of Directors/ Chairman of Nomination and Remuneration committees

- |                                     |                       |   |
|-------------------------------------|-----------------------|---|
| 2) Gen. Sa-Ngiam                    | Sawangkwat            | Independent director/ Audit<br>Committee/ Nomination and<br>Remuneration committees |
| 3) Mr. Nipit                        | Arunvongse Na Ayudhya | Director/ Nomination and<br>Remuneration committees                                 |
| 4) Mr. Vee                          | Worasakyothin         | Director and Managing Director  |
| 5) Gen. Narunath Kampanathsanyakorn |                       | Independent director  |

To

- |                                     |                       |  |
|-------------------------------------|-----------------------|--|
| 1) Pol.Gen. Somchai                 | Vanichsenee           | Chairman of the Board of Directors                             |
| 2) Gen. Sa-Ngiam                    | Sawangkwat            | Independent director and Audit<br>committee                    |
| 3) Mr. Nipit                        | Arunvongse Na Ayudhya | Director/ Chairman of Nomination<br>and Remuneration committee |
| 4) Mr. Vee                          | Worasakyothin         | Director and Managing Director                                 |
| 5) Gen. Narunath Kampanathsanyakorn |                       | Independent director   |
- 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, stated that

- To shareholders, proxy-shareholder and all guests, In the pass, company have a negative lost income and lack of liquidity problem. The Team received a policy from Gen. Akaradej Sasiprapa, former chairman of the Board of director to set up the working teams to solve the problems since 2016. I was also in the working team, we proposed to restructure the administration to reduce the expenses. It was obstructed for productions of plastic woven bag to increase the production capacity, then company had to add the new production facility of new packaging which are the origin of Flexible packaging production line for the purpose of increase productivities and revenue for the company. The shareholder's meeting has approved the capital increase by issuing new ordinary shares for sale to existing

shareholders on 2 September 2016, resulting in the company have working capital to manage the new project.

- In year 2017, Company started to recovered with better performance including the introduction of new Flexible packaging production facility that has been well-accepted by customer and now this new packaging is the new channel of revenue to the company.
- For the following 2018, Company have plan to increase the capacity of production and also develop the production facility to be more effective. Lastly in January 2018, Company held the Extraordinary General meeting of Shareholder no 1/2018 for specific capital increase to VAVA PACK Co.,Ltd which was approved by the Securities and Stock exchange commission (SEC) and been approved by the shareholders. VAVA Pack is a major manufacturer of Big Bag sacks in the north-eastern area of Thailand. This collaborated as a business partner is to create the maximum benefit to company.
- The company appreciated and feel thanks to all shareholders who's always trust and support the company's operations. On behalf of the Board of Directors and executives, we intended to develop and enhance the capability of the company to carry out the work effectively to reach the company's goal. We hope that Company will continue receive the good supported from all shareholders on any future activities of the company.

**Mr. Vee Worasakyothin**, Director / Managing Directors, 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 Extraordinary General Meeting of Shareholders No. 1/2018

**Mr. Vee Worasakyothin**, Director / Managing Directors, reported to the meeting as follow

- Following the public limited company Act 2535 (1992), section 96 is assigned to all the registered company must provide The Minutes of the Extraordinary General meeting of shareholders and according to the principles of corporate governance of public



companies. The Minutes of the Extraordinary General meeting of shareholders must be approved by the shareholders in the next General meeting of Shareholders.

- As a results Board of director agreed that The Extraordinary General Meeting of Shareholders No.1/2018 was held on Thursday, January 18, 2018 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](http://www.nep.co.th)”
- Then the Chairman asked the meeting to adopt the Minute of The Extraordinary General Meeting of Shareholders No.1/2018.

**Mr. Narongchai Simaraj**, Shareholder, questioned,

- Following the Extraordinary General meeting of Shareholder no 1/2018, the specific capital increasing by selling PP share to VAVA PACK Co.,Ltd, there was a condition that VAVA PACK will stop producing Flexible packaging within 3 months. How was the situation in this moment?

**Mr. Vee Worasakyothin**, Director / Managing Directors, replied that

- Currently VAVA PACK has completely stop the production of Flexible packaging and already transferred existing customers to NEP since April 2018.
- The resolution of this agenda must be approved by a majority vote of the shareholders who attend the meeting and vote.
- None of the shareholders questioned. The Managing director then asked the meeting to approved the minutes of the Extraordinary General Meeting of Shareholders No. 1/2018

The Meeting has voted

Meeting resolution's: The meeting passed a resolution by a vote of a unanimous vote, to approved the minute of the extraordinary general meeting of shareholders No. 1/2018 with the following details;

Agree	Vote	1,330,070,176	Percentage of the total shares	100.0000
Disagree	Vote	0	Percentage of the total shares	0.0000
Abstain	Vote	50,000	Percentage of the total shares	0.0000
Void ballots	Vote	0	Percentage of the total shares	0.0000
Total		1,330,120,176	vote equal to 100 %	Percentage of the total shares

(Remark: This agenda has 11,481,664 shares more shareholders attended the meeting)

**Agenda 3 To acknowledge the operating results of the Company for the year 2017**

Mr. Vee Worasakyothin, Director / Managing Directors, reported to the meeting as follow

- The Company has summarized the operational results and significant changing during 2017, as stated in the 2017 Annual Report which distributed to all shareholders together with the invitation letter to attend this meeting (Attachment 2) with the inclusion as a management discussion and analysis (MD & A) report in Annual report 2017 too.
- Operating result in term of Financial status
  - In 2017, Company has current asset of 170,350,586 baht which was reduced from 2016 for 50,762,041 baht as a results from investment of Machinery for the production line of Flexible packaging and some to use as a working capital. Non-Current asset of 588,493,736 baht increased from 2016 for 40,135,628 baht. Totally company has total asset of 758,844,322 baht with 10,626,413 baht reduced from 2016 from the use of working capital in business expansion.
  - In 2017, Company has current liabilities of 57,650,471 baht increased from 2016 with 6,986,708 baht as a results from new account payable for raw materials. Non-Current liabilities of 32,912,894 baht reduce from 2016 with 7,483,965 baht. This reduction came from the payment of financial institutions, now the company has less than 30 million baht liability with financial institutions. Total liabilities of 90,563,365 baht lower than 2016 with 497,257 baht.

- In 2017, Company has sale income of 350,592,288 baht increased from 2016 with 51,729,124 baht or 17.31% other incomes maintained from 2016. Company have total income of 354,034,409 baht increased from 2016 with 52,477,508 baht or 17.40% increased.
- In 2017 company has Gross profit of 17,113,143 baht with gross profit margin of 4.88% (in 2016 has Gross profit of 5,149,858 baht with gross profit margin of 1.72%). In total company has a better ability to create positive gross profit compared to company performances in the past 10 years which has continue negative gross profit.
- In 2017, Company has higher sale revenue from New Flexible packaging products with proportion of 88% of Plastic woven bags and 12 % of Flexible packaging.
- Plastic woven bag products also care create a better gross profit margin by 3-4% compare to last year with the additional of 10-15% of gross profit from Flexible packaging, the additional of new production line results in better gross profit margin to the company. In 2018 company has planned to boost more sale revenue of flexible packaging products.
- Main customers of the company for both Plastic sack and Flexible packaging are in many industry group. Customer of Plastic sack are Feeding products such as BETAGRO, V.C.F.GROUP, TOPFEED, BOK DOK etc. which are leading company in the market, Rice production such as Ma Boon Krong, Jia Meng Fire Mill or Hong Thong rice, Chai thip or Phanomroong rice, Nakhornluang Rice selling etc. For new products such as ice cream brand “ete”, C.P Group etc. Main customers are leading domestic company in Thailand and in wide ranges of industry.
- In 2017, The selling expenses is decreased compare to 2016 while sale revenue is increase by 17.31%, administrative expenses reduced by 1,225,364 baht, executive compensation increase by 1,330,231 baht due to the restructuring of management to support the expansion of the production line by the addition of Vice-Managing

director and Factory manager. Anyhow, the reduction in financial expenses mainly came from the Payment of dept. to financial institution resulting in interest decreased.

- Apart from higher sale revenue, company still continuing focus on reduce expenses and to balance the expenses to not relates with the increasing sale revenue.
- In 2017, company also received profit sharing from Navanakorn public company following the better performance of Navanakorn, the profit sharing of 29,256,794 baht resulting in net loss of 30,129,156 baht which is 56.07% better than performance of 2016
- Operating performance trends in the pass 4- 5 years, company has experience gross profit loss problem, currently the gross profit is started and likely to be reduced from almost hundred million baht net loss and almost reach the break-even point. Those are the mainly resulted from sales increasing of Flexible packaging products. Therefore, Operation plan for the year 2018 will focus on maintain the existing customers which capable to increase sale. Additional, company has our own Gravure film printing machine which will help reduce the cost of gravure products so the plan for 2018 will still focus on maintain existing customers, reduce loss from operation and increase production efficiency.
- At present, the plastic sacks can be produced at full capacity for 2 shifts, 24 hours, and focus on gravure sack products to increase production capacity in the film packaging of flexible packaging which can create higher Gross profit compared to plastic sacks. Therefore, company will focus on selling flexible packaging to full capacity as soon as possible to increasing new customers.
- Currently VAVA PACK has completely stop the production of Flexible packaging and already transferred ordered of existing customers with value of approximately 5 million baht to NEP, with expected to increase sale value to 10 million baht/month in the near future. The Strategy is to focus on customers group in North Eastern area which has less competitors

(only VAVAPACK and SRIMAPACK). The Alliance between NEP and VAVAPACK create more opportunities of NEP to have more customer in North Eastern area. In 2018, Company will focus on create more sale revenue from Flexible packaging to create more profit to the company.

- The Company has summarized the operational results and significant changing during 2017, as stated in the 2017 Annual Report which distributed to all shareholders together with the invitation letter to attend this meeting (Attachment 2) with the inclusion as a management discussion and analysis (MD & A) report in Annual report 2017 too.
- For Anti – Corruption program, Company has intention to join the Project "Private Sector Collective Action Coalition Against Corruption" (CAC) since December 2016. Currently, company is in process of preparation to apply for a CAC membership with expected to receive the membership by the end of 2018.

**Mr. Dusit Booddee**, proxy shareholder from Mr. Winai Roongthivasuwan questioned,

- From Operation results of Quarter 4/2017, what is the production capacity of Flexible packaging products? How much the proportion of waste in 2017 because the proportion of waste in 2015 is as high as 14-15% and can be reduced by about 10%?
- When the Flexible packaging production expansion will create revenue? Will there be any wastes and how to prevent it?

**Mr. Vee Worasakyothin**, Director / Managing Directors, explained;

- With proportion of sale of Plastic woven bag of 88% and Flexible packaging at 12% but gross profit margin of Flexible packaging is a lot higher than plastic woven bags. Gross profit margin of Flexible packaging is 15% of the production capacity which is almost fulfill 1 shift of production or half of full production capacity. And can be increase, currently we are in the process of production expansion with the corporation from VAVA PACK which will help create maximum 5 million square meter/month for Flexible packaging products those amount of production will be able to create revenue of about 40 million baht/month. At

present, the company earns about 10 million baht/ month. VAVAPACK will introduce more customers to reach 10 million baht/ month, a total of about 20 million baht per month, or about half of the total production capacity or 1 shift of production. Next target is to boost sale of product to reach full capacity of 2 shifts production in the near future.

- Reduction of waste is continuing improved from the past with remaining 8% compare to last year. Other factor is company has screening process to receive order that matched with capacity and ability of machines such as received order of printing sacks to fulfill printing capacity of printing machine, received order of laminate sack to fulfill laminate capacity of laminate machine. Those action will help increase profit margin of sacks.

**Mr. Dusit Booddee**, proxy shareholder from Mr. Winai Roongthivasuwan questioned,

- When the Flexible packaging production expansion will create revenue? Will there be any wastes and how to prevent it?

**Mr. Vee Worasakyothin**, Director / Managing Directors, explained;

- Flexible packaging production expansion is now in the process of Machinery installation which will be finished in 1<sup>st</sup> week of May 2018. We are also in the process of professional and efficiency manpower selection from VAVA PACK so we can reduce the training period. Machinery and process know-how from VAVA pack will also reduce the waste creation too.

**Mr. Dusit Booddee**, proxy shareholder from Mr. Winai Roongthivasuwan questioned,

- Competitor of Flexible packaging in North Eastern area apart from Sima pack, are there any other competitors? How does the company have different strengths and weaknesses from other competitors?

**Mr. Vee Worasakyothin**, Director / Managing Directors, explained;

- There are more than 100 competitors of Flexible packaging production in many segmentations. If organized the segmentation, Company is categorized in Middle range segment. High-level segments will be companies from Japan, Europe, such as Fuji Ace, Amcor Flexible, Houtamaki, etc. The middle level market is quite large, but most manufacturers are

located in Samut Sakhon because the products are mostly in food or frozen food factory which located in that area. If the company want to compete with competitors located in Samut Sakhon or Bangkok it would be difficult because of the distance.

- Company Strengths.
  - Products quality, normally products quality of Middle range market will be in averages quality but NEP focus on high product quality. With only 1 year of introducing new Flexible packaging production line, Company is able to received global standard certified of GMP and HACCP which is normally acceptable in Food industry.
  - Services, Company has R&D facilities and designer to support customer need which not found in other middle range competitors.
  - Sell Locations we focus in North Eastern area, Saraburi and Ayutthaya provinces which will have competitive advantages than company located in Samut Sakhon as only a few competitors in North Eastern area.

Mr. Dusit Booddee, proxy shareholder from Mr. Winai Roongthivasuwan questioned,

- Ask for the reasons why the financial ratio of Cash cycle is reduce from 2016 at 26 days to 2 days in 2017?

Mr. Vee Worasakyothin, Director / Managing Directors, explained;

- Cash cycle reduction due to the management of cash usage in raw material acquisition term, payable in cash will received lower cost of raw materials following the condition that, longer credit term, higher in cost of raw materials.
- Another issue is our company flexible packaging is new to the market, then the credit term is still short.

Mr. Dusit Booddee, proxy shareholder from Mr. Winai Roongthivasuwan questioned,

- Does the oil price rise, affecting raw material prices?

Mr. Vee Worasakyothin, Director / Managing Directors, explained;

- Company has manage the raw materials purchase by using forecasting method by reserving the plastic beads following the forecast. Then the cost of raw materials will followed the reserving price. Additional, the variety on pricing of raw materials is an acceptable conditions that accepted by customer. The company will manage the subscription to match the incoming order.
- This matter is for acknowledgement. The resolution is not required.

The Meeting acknowledged the Operating results of the company for the year 2017.

**Agenda 4** To approve the statement of financial position and statement of comprehensive income for the year ended December 31, 2017

Mr. Vee Worasakyothin, Director / Managing Directors, reported to the meeting as follow

- 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.

Mr. Narong Phaholvech, director and chairman of Audit committee, reported to the meeting as follow

- The Audit committee is agreed with management and account auditor to consider the financial statement of 2017 ended on December 31, 2017, which details of the financial statements have appeared in the Annual Report 2017 which has already been delivered to the shareholders. With a common opinion that those financial statements have been prepared correctly according to the standards of the financial statements. And have sufficient information to disclose with the auditor expressed to approve without conditions.
- The Board of Directors approved the financial statement and deemed it appropriate to propose to the shareholders' meeting to consider and approve the Annual financial position and statement of comprehensive income 2017 for the year ended on December 31, 2017



which has been verified by certified accountant and audited by the auditor committees and approved by the Board of Directors.

- Resolution in this agenda must be approved by a majority vote of the shareholders who attend the meeting and exercised their vote.
- None of the shareholders questioned. The Managing director then asked the meeting to approved the statement of financial position and statement of comprehensive income for the year ended December 31, 2017

The Meeting has voted

Meeting resolutions: The meeting passed a resolution by a vote of an unanimous vote, with the following details;

Agree	Vote	1,331,107,861	Percentage of the total shares	100.0000
Disagree	Vote	0	Percentage of the total shares	0.0000
Abstain	Vote	0	Percentage of the total shares	0.0000
Void ballots	Vote	0	Percentage of the total shares	0.0000
Total	1,331,107,861	vote equal to 100 %	Percentage of the total shares	

(Remark: This agenda has 987,685 shares more shareholders attended the meeting)

**Agenda 5 To approve the omission of dividend for the year 2017**

Mr. Vee Worasakyothin, Director / Managing Directors, reported to the meeting as follow

- 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 the shareholders' meeting to consider withhold dividend payment for operating results the year 2017.
- Resolution in this agenda must be approved by a majority vote of the shareholders who attend the meeting and exercised their votes.
- None of the shareholders questioned. The Managing director then asked the meeting to approve the omission of dividend for the year 2017.

The Meeting has voted

Meeting resolutions: The meeting passed a resolution by a vote of majority vote, with the following details;

Agree	Vote	1,331,113,862	Percentage of the total shares	99.9962
Disagree	Vote	50,000	Percentage of the total shares	0.0037
Abstain	Vote	0	Percentage of the total shares	0.0000
Void ballots	Vote	0	Percentage of the total shares	0.0000
Total	1,331,163,862	vote equal to 100 %	Percentage of the total shares	

(Remark: This agenda has 56,001 shares more shareholders attended the meeting)

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

Mr. Vee Worasakyothin, Director / Managing Directors, reported to the meeting as follow

- Because in this agenda, I am one of the directors who have completed the term. Therefore, may I requested the Company Secretary to clarify the relevant rules and invited Mr. Narong Phaholvech, Chairman of the Audit Committee and Independent Director Being a presenter of the agenda for the meeting.

Miss Chanitsara Yingnork, Company Secretary, informed the meeting as bellowed;

- 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.

- The directors who have to be retired by rotation in the 2018 Annual General Meeting of Shareholders are as follows:

1) Pol.Gen. Somchai Vanichsenee	Chairman of the Board of directors
2) General Sa-Ngiam Sawangkawat	Independent Director/ Member of Audit Committee
3) Mr.Nipit Arunvongse Na Ayudhya	Director/ Director of Nomination and Remuneration Committee
4) Mr.Vee Worasakyothin	Director/Managing Director
5) General Narunath Kampanathsanyakorn	Independent Director
- The Board of Directors had considered the matter and suggested that
  - 1) According to General Narunath Kampanathsanyakorn has resigned from Company's Director, the committee agreed to appoint Lieutenant General Chiraphat Malai to be an Independent Director as replacement.
  - 2) The Committee agreed to propose 4 directors who retired by rotation, namely 1) Pol.Gen. Somchai Vanichsenee 2) General Sa-Ngiam Sawangkawat 3) Mr.Nipit Arunvongse Na Ayudhya 4) Mr.Vee Worasakyothin should be re-elected to continue their term.
- 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, General Sa-Ngiam Sawangkawat and Lieutenant General Chiraphat Malai, 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 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 and to comply with good corporate governance principles.

Directors who retired and hold shares, those shares will not be counted as voted in this agenda. In this time, no director holds such shares.

**Mr. Narong Phaholvech**, director and chairman of Audit committee, reported to the meeting as follow

- Since the directors whose retired by rotation are the committees whose cooperated in many company problems from the beginning, initiated the Flexible packaging production project and also assigned to solve the financial obstructed for the company since 2016. Consists of Pol.Gen. Somchai Vanichsenee, Mr.Nipit Arunvongse Na Ayudhya and Mr.Vee Worasakyothin etc, those directors have deep understanding on company/s situation and appropriate to continue their term.
- It is agreed to propose the shareholders' meeting to appoint Lieutenant General Chiraphat Malai to be an Independent Director as replacement. And elect these 4 directors who retired by rotation, namely 1) Pol.Gen. Somchai Vanichsenee 2) General Sa-Ngiam Sawangkawat 3) Mr.Nipit Arunvongse Na Ayudhya 4) Mr.Vee Worasakyothin should be re-elected to continue their term.
- Resolution in this agenda must be approved by a majority vote of the shareholders who attend the meeting and exercised their votes.
- The biography of the directors distributed to all shareholders together with the invitation letter to attend this meeting. (Attachment 3)

The Meeting has voted

Meeting resolutions: The meeting passed a resolution by a vote of majority vote, with the following details;

(1) Pol.Gen. Somchai Vanichsenee

Agree	Vote	1,331,193,982	Percentage of the total shares	99.9996
Disagree	Vote	5,000	Percentage of the total shares	0.0003
Abstain	Vote	0	Percentage of the total shares	0.0000
Void ballots	Vote	0	Percentage of the total shares	0.0000
Total	1,331,198,982	vote equal to 100 %	Percentage of the total shares	

(Remark: This agenda has 35,120 shares more shareholders attended the meeting)

(2) General Sa-Ngiam Sawangkawat

Agree	Vote	1,331,192,982	Percentage of the total shares	99.9995
Disagree	Vote	6,000	Percentage of the total shares	0.0004
Abstain	Vote	0	Percentage of the total shares	0.0000
Void ballots	Vote	0	Percentage of the total shares	0.0000
Total	1,331,198,982	vote equal to 100 %	Percentage of the total shares	

(Remark: This agenda has no new shareholders attended the meeting)

(3) Mr.Nipit Arunvongse Na Ayudhya

Agree	Vote	1,331,193,982	Percentage of the total shares	99.9996
Disagree	Vote	5,000	Percentage of the total shares	0.0003
Abstain	Vote	0	Percentage of the total shares	0.0000
Void ballots	Vote	0	Percentage of the total shares	0.0000
Total	1,331,198,982	vote equal to 100 %	Percentage of the total shares	

(Remark: This agenda has no new shareholders attended the meeting)

(4) Mr. Vee Worasakyothin

Agree	Vote	1,331,193,982	Percentage of the total shares	99.9996
Disagree	Vote	5,000	Percentage of the total shares	0.0003
Abstain	Vote	0	Percentage of the total shares	0.0000
Void ballots	Vote	0	Percentage of the total shares	0.0000
Total	1,331,198,982	vote equal to 100 %	Percentage of the total shares	

(Remark: This agenda has no new shareholders attended the meeting)

(5) Lieutenant General Chiraphat Malai

Agree	Vote	1,331,193,982	Percentage of the total shares	99.9996
Disagree	Vote	5,000	Percentage of the total shares	0.0003
Abstain	Vote	0	Percentage of the total shares	0.0000
Void ballots	Vote	0	Percentage of the total shares	0.0000
Total	1,331,198,982	vote equal to 100 %	Percentage of the total shares	

(Remark: This agenda has no new shareholders attended the meeting)

**Agenda 7 To consider and approve the appointment of new director**

Mr. Vee Worasakyothin, Director / Managing Directors, reported to the meeting as follow

- In conformity with the Article of Associates of the Company, Article 15 that an election of directors shall be made during the Annual General Meeting of Shareholders and due to expand the company's business in the present day, the board of directors has considered that it was appropriate to add 1 new director of the company from previous total number of 11 persons to be 12 persons. After consideration of qualification, knowledge, capability and experience with recommendation of the Nomination and Remuneration Committee, the board of directors agreed to propose Miss Orayaporn Karnchanachari to the Shareholder's Meeting for considering and appointing as a new Director (Attachment 3)
- The board of directors has recommended proposing to the meeting to add 1 new director of the Company from previous total number of 11 persons to be 12 persons, the name of new director has been propose by the board as Miss Orayaporn Karnchanachari
- Resolution in this agenda must be approved by a majority vote of the shareholders who attend the meeting and exercised their votes.
- None of the shareholders questioned. The Managing director then asked the meeting to approve the appointment of new director.

The Meeting has voted

Meeting resolutions: The meeting passed a resolution by a vote of a unanimous vote, with the following details;

Agree	Vote	1,331,249,249	Percentage of the total shares	100.0000
Disagree	Vote	0	Percentage of the total shares	0.0000
Abstain	Vote	0	Percentage of the total shares	0.0000
Void ballots	Vote	0	Percentage of the total shares	0.0000
Total	1,331,249,249	vote equal to 100 %	Percentage of the total shares	

(Remark: This agenda has 50,267 shares more shareholders attended the meeting)

**Agenda 8 To approve fixing of the remuneration of directors for the year 2018**

**Mr.Nipit Arunvongse Na Ayudhya**, Director/ Director of Nomination and Remuneration Committee

- 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 2017 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 board of directors deems it expedient to propose shareholders' meeting to determine the remuneration of directors for the year 2018 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.
- The resolution of the agenda must be approved by not less than two-thirds of the shareholders who attend the meeting and exercise their voted.

- None of the shareholders questioned. The Managing director then asked the meeting to approve fixing of the remuneration of directors for the year 2018.

The Meeting has voted

Meeting resolutions: The meeting passed a resolution by a vote of a unanimous vote, with the following details;

Agree	Vote	1,331,249,349	Percentage of the total shares	100.0000
Disagree	Vote	0	Percentage of the total shares	0.0000
Abstain	Vote	0	Percentage of the total shares	0.0000
Void ballots	Vote	0	Percentage of the total shares	0.0000
Total	1,331,249,349	vote equal to 100 %	Percentage of the total shares	

(Remark: This agenda has 100 shares more shareholders attended the meeting)

**Agenda 9** To approve the appointment of the Company's auditor and the auditor's remuneration for the year 2018

Mr. Narong Phaholvech, director and chairman of Audit committee, reported to the meeting as follow

- Following the public limited company Act 2535 (1992), section 120 is assigned to all the registered company must appoint of the Company's auditor and annually determine the remuneration of the auditor's to all shareholders in the meeting. The appointment of the auditor, the same auditor may be able to appointed again.
- Director of audit committee informed the meeting that after the consideration, the audit committee has considered to proposed the auditor from Dharmniti Auditing Co.,Ltd due to expertise and has been approved in the lists of the Securities and Exchange Commission (SEC). The auditor from Dharmniti has a deeply understanding in company's business, expertise in accountant auditing and do not have any relationship and/or conflict of interest



with the company, subsidiaries, management, major shareholders or related persons of the said parties.

- The Audit Committee has considered proposing to the board of directors to propose to the shareholders' meeting to appoint Mr. Peradate Pongsathiansak, CPA License no. 4752 or Ms. Wannisa Ngambaothong, CPA License no. 6838 or Mr. Thanawut Piboonsawat, CPA License no. 6699 or the other person that Dharmniti Auditing Co., Ltd., is responsible, to be auditor for 2018 and considered to specify remuneration for auditor of 2018 to be Baht 1,130,000 which was the lowest proposal compared to other proposals.
- The board of directors has recommended proposing to the meeting to approve the appointment of the Company's auditor and the auditor's remuneration for the year 2018.
- Resolution in this agenda must be approved by a majority vote of the shareholders who attend the meeting and exercised their votes.
- None of the shareholders questioned. The Managing director then asked the meeting to approve the appointment of the Company's auditor and the auditor's remuneration for the year 2018.

The Meeting has voted

Meeting resolutions: The meeting passed a resolution by a vote of a unanimous vote, with the following details;

Agree	Vote	1,331,251,636	Percentage of the total shares	100.0000
Disagree	Vote	0	Percentage of the total shares	0.0000
Abstain	Vote	0	Percentage of the total shares	0.0000
Void ballots	Vote	0	Percentage of the total shares	0.0000
Total	1,331,251,636	vote equal to 100 %	Percentage of the total shares	

(Remark: This agenda has 2,287 shares more shareholders attended the meeting)

Agenda 10 To consider other matters (if any)

Mr. Vee Worasakyothin, Director / Managing Directors, reported to the meeting as follow

- 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. Narongchai Simaraj, Shareholder, questioned,

- From Agenda 7, the appointment of new director results in 12 directors of the company consists of (1) Pol.Gen. Somchai Vanichsenee (2) General Sa-Ngiam Sawangkawat (3) Mr.Narong Phaholvech (4) Mr.Nipit Arunvongse Na Ayudhya (5) Ms. Chantira Srimoungpan (6) Dr. Warotai Kosolpisitkul (7) Ms. Nipha Lamchiekdes (8) Mr.Vee Worasakyothin (9) Lieutenant General Chiraphat Malai (10) Miss Orayaporn Karnchanachari, there still have 2 vacant positions for director.
- The Extraordinary General Meeting of Shareholders No. 1/2008, the sale of PP ordinary shares to VAVAPACK Company Limited under the condition that VAVAPACK, including the person related to company, will not send the person or agent to be a director. Because of the production of flexible packaging which is can create conflict of interest, but as reported that currently VAVAPACK has stopped producing flexible packaging. Therefore, there is no longer conflict of interest, is it possible to fulfill the 2 vacant positions of directors with VAVAPack represents? As VAVAPack is now the majority shareholders of the company, the ownership of VAVAPACK on their own business should benefit to overall picture of company. Do the company have plan on this issue?

The Chairman of the meeting, informed,

- The proposal of shareholders to appointed representative of VAVAPack to replace 2 vacant director positions. The company would consider to proceed under proper condition following the procedure and condition from SEC.

Mr. Vee Worasakyothin, Director / Managing Directors, given an additional information;

- As the Shareholders has propose the issue of 2 vacant director positions from (1) the Pass away of Former Chairman, General Akaradej Sasiprapha and (2) A resignation from represent of Ministry of Finance, the company is now setting up the new Nomination and Remuneration Committee and assigned the team to consider for the proper nominations to propose the board of directors in order to appointed 2 vacant position of directors.
- Regarding Vavapack by Mr. Weerachart Lohsiri, which hold a majority shares of the company. Presently, the management team has consults Mr.Weerachart in many topics due to his working experiences in business which are mostly valuable to the company. But with a deal that have been made during the increasing capital by issuing PP period, in order to be explicit in the specific increasing capital by issuing PP, Vava pack will not send a representative to join the board of directors. On this issue, the company and board of directors also considered to be a good proposal to the company but how to comply with the rules & regulation is what the management have to consider.

**Mr. Narongchai Simaroj**, Shareholder, suggested,

- Requesting to consider to replace 2 vacant position of directors follow the shareholding proportion. As currently the proportion of shareholding by Ministry of Finance is now in the second majority, not in the major holder anymore. In shareholder's idea, 2 positions of directors for ministry of finance should be enough. And requested company to consider on the above regards.

**Mr. Udom Soodsanguan**, Shareholder, suggested,

- Products that the company brings to shows at the meeting room have good quality. The company should consider to bring it out to display in neighboring countries such as Laos, Myanmar, Cambodia, Sri Lanka, Bangladesh etc. Those countries are not as modern in production technologies as Thailand compared to Malaysia, Indonesia or Singapore, which are more modernized. The company may considered to opening new markets in such countries.

Mr. Dusit Booddee, proxy shareholder from Mr. Winai Roongthivasuwan questioned,

- Are there any affected from the adjusting of minimal labor cost on April 1, 2018? And what is the target revenue for 2018?

Mr. Vee Worasakyothin, Director / Managing Directors, informed to the meeting

- The adjustment of minimal labor cost has slightly effect to the company as the company are in the process of reducing manpower. Additional, due to high intense labor competition in Nakhon Ratchasima, the company is paid to employees in higher rate than the minimum labor cost following the intense of labor wages competition.
- Target revenue of 2018, Company plan to increase proportion of sale from plastic bags: Flexible packaging from 88%: 12% in 2017 to 50%: 50% on 2018 with the growth target of business with at least 400 – 500 million baht.

Mr. Dusit Booddee, proxy shareholder from Mr. Winai Roongthivasuwan questioned,

- Questioned about investment in Nava Nakorn, possibility of Nava Nakorn to invest in additional power plants in the future?

The Chairman of the meeting, informed;

- For Nava Nakorn's power plant investment plan, currently, Phase 1 power plants are open, while Phase 2 is in the expanding process to add more 60 megawatts. As a result, Nava Nakorn's revenue is likely to improve.

Mr. LiLit Boonyakulsrirung, Shareholder, questioned,

- When will the company plan to clear the accumulated losses?

Mr. Vee Worasakyothin, Director / Managing Directors, explained that,

- After the expansion of production capacity with VAVAPACK, Company next target is to bring the company to break even in the near future. After the company has a stable profit The company will consider to clear the accumulated losses with minimal impact on shareholders
- None of the shareholders questioned.

The Chairman of the meeting,

- Company is very welcome to considered all the suggestion of all shareholders, the Board of director will use all the suggestion to approve and revise for the better benefit of the company.
- On behalf of the board of director, management and employees of NEP Realty and Industry Public Company Limited would like to thank you shareholders, proxies shareholders and all the honored guests who taking time to attend the meeting today. And requested 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

Chanitsara Yingnork Minute recorded

(Miss Chanitsara Yingnork)

Company Secretary