

8 July, 2016

**Subject:** Announcing the Extraordinary General Meeting of the Shareholders No. 1/2016, Appointment Director, Capital Reduction, Capital Increase, Issuance of the New Ordinary Shares and the Issuance of the New Warrants to Purchase the Ordinary Shares of the Company No. 3 (NEP-W3)

**To:** President, The Stock Exchange of Thailand

**Attachments:**

1. Capital Increase Report Form (F53-4)
2. Indicative Terms of the Warrants to Purchase the Ordinary Shares of NEP Realty and Industry Public Company Limited No. 3 issued and offered to the Existing shareholders in proportion to their respective shareholding (NEP-W3) and Effects on the Shareholders
3. The information that must be disclosed to the shareholders when listed companies increase capital or allocate capital increase shares
4. Form to Report on Names of Members and Scope of Work of the Audit Committee (F24-1)

The NEP Realty and Industry Public Company Limited (“**NEP**” or “**Company**”) wishes to notify its Resolution of Board of Directors’ Meeting No. 6/2016 (“**Meeting**”) held on 8 July, 2016 as follows:

1. Approved to appoint Mrs.Chantira Srimoungpan to be Director (Independent Director) and Member of the Audit Committee replacing Ms.Kannika Ekpaopan who resigned on June 1, 2016 and appoint Mr.Narong Phaholvej from the position of Member of the Audit Committee to be Chairman of the Audit Committee, effective on July 8, 2016 onwards.

The Company would like to announce the list of the Audit Committee member as of July 8, 2016 as follows:

1. Mr. Narong Phaholvej	Chairman of the Audit Committee
2. Mrs. Chantira Srimoungpan	Member of the Audit Committee
3. Gen. Sa-ngiam Sawangkawat	Member of the Audit Committee

Whereby, Mrs. Chantira Srimoungpan has sufficient expertise and experience to review creditability of financial statements.

2. Approved to appoint Mr. Warotai Kosolpisitkul to be Director in replacement of Mr. Lavaron Sangsnit who resigned, effective on July 8, 2016 onwards.
3. Approved to propose to the shareholder’ meeting for its consideration and approval the decrease in the registered capital from the existing registered capital Baht 2,104,748,411 to Baht 1,918,746,986 by cancelling 186,001,425 unissued shares with the par value of Baht 1.00 per share, as well as the amendment to Clause 4 of the Company’s Memorandum of Association to be in line with the capital reduction.
4. Approved to propose to the shareholders’ meeting for its consideration and approval the increase in the registered capital of the Company by Baht 1,478,277,501 from the existing registered capital of Baht 1,918,746,986 to Baht 3,397,024,487 by issuing 1,478,277,501 newly issued shares with a par value of Baht 1.00 per share for the purposes as follows:
  - (a) to accommodate the allocation of the 965,518,334 newly issued shares to the existing shareholders proportionate to their respective shareholding (Right Offering);
  - (b) to accommodate the exercise of warrants to purchase the ordinary shares of the Company No. 3 in the number of 482,759,167 shares which will be issued and offered to the shareholders of the Company who subscribed for the newly issued shares at the ratio of 2 ordinary shares for 1 unit of warrant;
  - (c) to accommodate the issuance of 30,000,000 shares for the right adjustment due to the offering of shares at the price lower than 90 percent of the market price.

In addition, the meeting approved the amendment to Clause 4 of the Company’s Memorandum of Association, in order to be in line with the increase of the registered capital.

5. Approved to propose to the shareholders' meeting for its consideration and approval the issuance of the warrants to purchase the ordinary shares of the Company No.3 (the "Warrants"), in the number of not exceeding 482,759,167 units to the existing shareholders and to persuade to the existing shareholders to subscribe for the new shares of the Company issued to the existing shareholders (Sweetener), the Company will allocate the Warrants as follows not exceeding 482,759,167 units to the existing shareholders who subscribe for the new shares offered to the Company's existing shareholders proportionate to their respective shareholding (Right Offering), at no cost, in the allocation ratio of 2 ordinary shares for 1 unit of warrant. If there is any unit of the Warrants left after the calculation of the allocation ratio of the Warrants, such units shall be rounded down. The exercise price of the Warrants is Baht 0.55 per share, the details of which appeared in the Enclosure 2.
6. Approved to propose to the shareholders' meeting for its consideration and approval the allocation of not exceeding 1,478,277,501 shares at the par value of Baht 1.00 per shares, with the details as follows:
  - 1 to allocate not exceeding 965,518,334 newly issued shares at the par value of Baht 1 per shares, to the existing shareholders proportionate to their respective shareholding (Right Offering). The allocation ratio is 3 existing ordinary shares entitled to receive 2 ordinary shares, any fractions resulting from the allocation of shares shall be rounded down. The purchase price is Baht 0.45 per share.

However, the existing shareholders may subscribe for the shares in excess of their proportionate shareholding at the price as specified, if there are any shares remaining from the first round of allocation, the Company will allocate the remaining shares to the shareholders who subscribe for the shares in excess of their proportionate shareholding. The Company will allocate the shares until the shares are exhausted or until there are no shareholders expressing their intention to purchase such shares.

The allocation of oversubscribed newly issued ordinary shares as per the details above in any case shall not enable any oversubscription shareholders to hold the Company's shares in an increasing nature reaching or crossing the point where a tender offer must be made, as prescribed in the Notification of the Capital Market Supervisory Board No. TorChor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers, or in violation of the foreign limit as specified in the Company's Articles of Association, which currently allows foreigners to hold no more than 49 percent of all issued shares of the Company.

The date to determine the names of the shareholders who are entitled to be allocated and offered the newly issued shares (Record Date) to be scheduled on 12 September 2016, and the date to collect the names of shareholders pursuant to Section 225 of the Securities and Exchange Commission B.E.2535 (1992) by means of the share register book closure to be scheduled on 13 September 2016, and the subscription period is on 26 September 2016 to 30 September 2016

- 2 to allocate not exceeding 482,759,167 newly issued shares at the par value of Baht 1 per shares, to accommodate the exercise of the Warrants which will be issued to the existing shareholders who subscribe for the new shares offered to the Company's existing shareholders, in the allocation ratio of 2 ordinary shares for 1 unit of warrant at the exercise price of the Warrants is Baht 0.55 per share and conversion ratio of 1 unit of warrant to 1 newly issued ordinary share.
- 3 to allocate 30,000,000 newly issued shares to accommodate the right adjustment due to the offering of shares at the price lower than 90 percent of the market price to the existing shareholders proportionate to their respective shareholding (Right Offering).

The Board of Directors and/or the Executive Committee and/or the Managing Director or the person(s) entrusted by the Board or the Executive Committee or the Managing

Director shall be empowered to amend and/or change conditions and details relating to the allocation of the newly issued ordinary shares offered to the existing shareholders as mentioned above, including the authority to sign any relevant document, to perform any action necessary for and in connection with the allocation of the newly issued shares, to provide information or submit any document to the Securities Exchange Commission, the Stock Exchange of Thailand, Thailand Securities Depository Co., Ltd., Ministry of Commerce, and any other relevant authority, as well as the listing of the newly issued ordinary shares of the Company on the SET.

The allocation details can be summarized as follows:

<b>Allocation to</b>	<b>Number of Shares</b>	<b>Price</b>	<b>Person to be allocated</b>	<b>Purpose of the capital increase</b>
1. the existing shareholders proportionate to their respective shareholding (Right Offering).	965,518,334	Baht 0.45	The shareholders who are entitled to be allocated and offered the newly issued shares (Record Date) to be scheduled on 12 September 2016, and the date the share register book closure to be scheduled on 13 September 2016. The allocation ratio is 3 existing ordinary shares entitled to receive 2 ordinary shares.	To use for the Company's investment in flexible packaging and the Company's working capital for investing in this project and existing business and also to pay back loan.
2. accommodate the exercise of warrants to purchase the ordinary shares of the Company No. 3	Not exceeding 482,759,167	When the newly issued shares are subscribed for, the exercise price of the Warrants is Baht 0.55 per share the allocation ratio is 1 ordinary share for 1 unit of warrant.	The existing shareholders who subscribe for the new shares offered to the Company's existing shareholders, in the allocation ratio of 2 ordinary shares for 1 unit of warrant, at no cost. If there is any unit of the Warrants left after the calculation of the allocation ratio of the Warrants, such units shall be rounded down.	To persuade to the existing shareholders to subscribe for the new shares of the Company issued to the existing shareholders (Sweetener) and to use as the working capital of the Company in the future.
3. to accommodate the Adjustment of the exercise price and exercise ratio of the Warrants to purchase the ordinary shares of the Company ("NEP-W2")	30,000,000*			

<b>Total</b>	Not exceeding 1,478,277,501			
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\*This capital increase will effect the adjustment of right of the warrants to purchase ordinary shares of the Company No.2 (NEP-W2). The right adjustment criteria for NEP-W2 related to such adjustment is as follows:

3) The Company offers to sell its ordinary shares to the existing shareholders and/or the public and/or the private placement and the average price per share of the newly issued shares is lower than “the market price of the Company’s ordinary shares” and the difference is larger than 10%;

The reason that the Company fixed the offering price of the Rights Offering at 0.45 Baht per share or 78.9% of the market price, which calculate by using Weighted Average Price of the Company share 15 trading –day before the Board of Directors meeting, with a discount from the market price is to persuade the existing shareholders to subscribe for the new shares of the Company as a Sweetener. Whereby the offering price of Rights Offering alongside with Warrant at 0.48 baht equivalent to 84.8% of the market price, which calculate by using Weighted Average Price of the Company share 15 trading –day before the Board of Directors meeting.

7. Approved the schedule of the Extraordinary General Meeting of Shareholders No. 1/2016 to be held on 2 September 2016, at 10:30 hrs., at The Arnoma Grand Room, 3<sup>rd</sup> floor, Arnoma Grand Bangkok, No. 99 Ratchadamri Road, Pathumwan, Bangkok and the schedule of the date to determine the names of shareholders entitled to attend the Extraordinary General Meeting of Shareholders No. 1/2016 (Record Date) to be on 26 July 2016, and the share register book closure date to collect the names of shareholders entitled to attend the meeting pursuant to Section 225 of the Securities and Exchange Act B.E. 2535 (1992) (including any amendment thereto) to be on 27 July 2016.

The schedule for the forthcoming EGM will be as follows:

<b>Details</b>	<b>Date</b>
Record Date to specify the name list of shareholders who will be eligible to attend 1/2016 EGM.	26 July 2016
Date to Compile the shareholder list according to Section 225 of the Securities and Stock Exchange Act B.E 2535, by way of closing the registration book.	27 July 2016
Extraordinary General Meeting of Shareholders No. 1/2016	2 September 2016
The date for determining the list of shareholders who have the right to subscribe to the Rights Offering shares (Record Date)	12 September 2016
The date for closing of the share register book to collect the list of shareholders who have to right to subscribe to the newly issued shares	13 September 2016
Subscription and payment period	26 - 30 September 2016
The date of the registration of the resolution of capital increase and other related matters at the Department of Business Development, Ministry of Commerce	Within 14 days after the last subscription day

The Meeting proposed the following agenda for the forthcoming EGM:

- Agenda 1** The matters to be informed by the Chairman of the board of directors
- Agenda 2** To consider and certify the Minutes of the 2016 Annual General Meeting of Shareholders.
- Agenda 3** To consider and approve the reduction in the registered capital from the existing registered capital Baht 2,104,748,411 to Baht 1,918,746,986 by cancelling 186,001,425 unissued shares with the par value of Baht 1 per share.
- Agenda 4** To consider and approve the amendment of Clause 4 (Registered Capital) of the Memorandum of Association to be in line with the reduction of registered capital.
- Agenda 5** To consider and approve the increase in the registered capital of the Company by Baht 1,478,277,501 from the existing registered capital of Baht 1,918,746,986 to Baht 3,397,024,487 by issuing 1,478,277,501 newly issued shares with a par value of Baht 1.00 per share for the purposes as follows:
- (a) to accommodate the allocation of the 965,518,334 newly issued shares to the existing shareholders proportionate to their respective shareholding (Right Offering);
  - (b) to accommodate the exercise of warrants to purchase the ordinary shares of the Company No. 3 in the number of 482,759,167 shares which will be issued and offered to the shareholders of the Company who subscribed for the newly issued shares at the ratio of 2 ordinary shares for 1 unit of warrant;
  - (c) to accommodate the issuance of 30,000,000 shares for the right adjustment due to the offering of shares at the price lower than 90 percent of the market price.
- Agenda 6** To consider and approve the amendment of Clause 4 (Registered Capital) of the Memorandum of Association to be in line with the reduction of registered capital.
- Agenda 7** To consider and approve the issuance of the warrants to purchase the ordinary shares of the Company No.3. The Company will allocate the Warrants as follows not exceeding 482,759,167 units to the existing shareholders who subscribe for the new shares offered to the Company's existing shareholders proportionate to their respective shareholding (Right Offering), at no cost, in the allocation ratio of 2 ordinary shares for 1 unit of warrant. The exercise price of the Warrants is Baht 0.55 per share and conversion ratio of 1 unit of warrant to 1 newly issued ordinary share.
- Agenda 8** To consider and approve for the allocation of not exceeding 1,478,277,501 shares at the par value of Baht 1.00 per shares, with the details as follows:
- (a) to allocate not exceeding 965,518,334 newly issued shares at the par value of Baht 1.00 per shares, to the existing shareholders proportionate to their respective shareholding (Right Offering). The allocation ratio is 3 existing ordinary shares entitled to receive 2 ordinary shares, any fractions resulting from the allocation of shares shall be rounded down. The purchase price is Baht 0.45 per share.
  - (b) to allocate not exceeding 482,759,167 newly issued shares at the par value of Baht 1.00 per shares, to accommodate the exercise of the Warrants which will be issued to the existing shareholders who subscribe for the new shares offered to the Company's existing shareholders, in the allocation ratio of 2 ordinary shares for 1 unit of warrant at the exercise price of the Warrants is Baht 0.55 per share and conversion ratio of 1 unit of warrant to 1 newly issued ordinary share.
  - (c) to allocate 30,000,000 newly issued shares to accommodate the right adjustment due to the offering of shares at the price lower than 90 percent of the market price to the existing shareholders proportionate to their respective shareholding (Right Offering).
- Agenda 9** Other matters (if any)

Please be informed accordingly.

Sincerely yours,

(Gen. Worapan Worasakyothin)  
Managing Director

- Translation -

(F 53-4)

**Capital Increase Report Form**  
**NEP Realty and Industry Public Company Limited**  
**8 July 2016**

We, NEP Realty and Industry Public Company Limited (the “**Company**”), hereby report the resolution of the Board of Directors’ Meeting No. 6/2016, held on 8 July 2016 in respect of the capital increase and the allocation of newly issued ordinary shares as follows:

**1. Capital Decrease/Increase****1.1 Capital Decrease**

The Board of Directors’ Meeting passed a resolution approving the reduction of the company’s registered capital by Baht 186,001,425 from Baht 2,104,478,411 to Baht 1,918,746,986 by reducing the remaining 186,001,425 ordinary shares with a par value of Baht 1.00 each.

**1.2 Capital Increase**

The Board of Directors’ Meeting passed a resolution approving the increase of the Company’s registered capital from Baht 1,918,746,986 to Baht 3,397,024,487 by issuing 1,478,277,501 ordinary shares with a par value of Baht 1.00 each, totaling Baht 1,478,277,501.

Type of capital increase	Type of share	Number of shares	Par value (Baht/share)	Total (Baht)
<input checked="" type="checkbox"/> Specifying the purpose of utilizing proceeds	Ordinary Preferred	1,478,277,501	1.00	1,478,277,501
<input type="checkbox"/> General mandate	Ordinary Preferred			

**2. Allocation of New Shares**

The Board of Directors’ Meeting passed a resolution approving the allocation of 1,478,277,501 ordinary shares with a par value of Baht 1.00 each, totaling Baht 1,478,277,501 per the details as follows:

**2.1 Details of allocation**

Allocated to	No. of shares	Ratio (Old : New)	Offering Price (Baht)	Subscription & payment period	Remarks
1) The existing shareholders proportionate to their respective shareholding (Right Offering).	965,518,334	3 existing ordinary shares : 2 newly issued shares	1.00	26 September 2016 – 30 September 2016 (for the total of 5 working days)	(Note 1)
2) Reserved for the Exercise of NEP-W3	Not exceeding 482,759,167	2 newly issued shares : 1 newly issued warrants	-	-	(Note 2)
3. to accommodate the Adjustment of the exercise price and exercise ratio of the Warrants to purchase the	30,000,000				(Note 3)

ordinary shares of the Company (“NEP-W2”)					
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**Notes (1):**

- (a) Allocation of the 965,518,334 newly issued ordinary shares will be offered to the existing shareholders proportionate to their percentage holding (Rights Offering) at the ratio of 3 existing ordinary shares to 2 newly issued ordinary shares. Any fraction of shares derived from the calculation shall be discarded. The offering price shall be 0.45 Baht per share. The existing shareholders shall be entitled to the rights of oversubscription. The oversubscribed shares shall be allocated to such oversubscribing shareholders only after the newly issued shares are allocated to all existing shareholders in proportion to their respective percentage holding in the first round. In the case that the unsubscribed shares are fewer than the number of shares that the existing shareholders oversubscribe, the existing shareholders who wish to subscribe in excess of their portion shall be allocated the oversubscribed shares in proportion to their original percentage holding. Such allocation process for the oversubscribed shares shall be repeated until there are no newly issued share remaining or until there is no longer any existing shareholder who wishes to oversubscribe for the newly issued shares.
- (b) The allocation of oversubscribed newly issued ordinary shares as per the details above in any case shall not enable any oversubscription shareholders to hold the Company’s shares in an increasing nature reaching or crossing the point where a tender offer must be made, as prescribed in the Notification of the Capital Market Supervisory Board No. TorChor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers, or in violation of the foreign limit as specified in the Company’s Articles of Association, which currently allows foreigners to hold no more than 49 percent of all issued shares of the Company.
- (c) The Board of Directors’ Meeting passed a resolution approved to propose to the EGM to consider and approve to specify the name list of shareholders. The date for determining the list of the shareholders entitled to subscribe to the newly issued shares offered to the existing shareholders (Record Date) is September 12, 2016 and the Company’s share registration book closing for the collection of the names of the shareholders under Section 225 of the Securities and Exchange Act BE 2535 (as amended) (Book Closing Date) is September 13, 2016. The subscription and payment period is from September 26, 2016 to September 30, 2016 (for the total of 5 working days).

The Board of Directors and/or the Executive Committee and/or the Managing Director or the person(s) entrusted by the Board or the Executive Committee or the Managing Director shall be empowered to amend and/or change conditions and details relating to the allocation of the newly issued ordinary shares offered to the existing shareholders as mentioned above, including the authority to sign any relevant document, to perform any action necessary for and in connection with the allocation of the newly issued shares, to provide information or submit any document to the Securities Exchange Commission, the Stock Exchange of Thailand, Thailand Securities Depository Co., Ltd., Ministry of Commerce, and any other relevant authority, as well as the listing of the newly issued ordinary shares of the Company on the SET. If there is any unit of the newly issued ordinary shares left after the allocation newly issued ordinary shares to the existing shareholders, such units shall be cancel.

**Notes (2):**

Allocation of 482,759,167 newly issued shares with a par value of 1.00 Baht per share to be reserved for the exercise of NEP-W3, which will be issued to the existing shareholders who subscribe to the Rights Offer shares at the ratio of 2 newly subscribed shares for 1 unit of newly issued warrants. The exercise price of NEP-W3 is 0.55 Baht per share and conversion ratio of 1 unit of warrant to 1 newly issued ordinary share. If there is any unit of the Warrants left after the allocation Warrants to the existing shareholders, such units shall be cancel.

**Notes (3):**

Currently, the Company is unable to calculate the ratio to adjust the exercise price and exercise ratio of NEP-W2, to allocate 30,000,000 newly as the calculation shall be made from the first date on which the buyers of the ordinary shares are not entitled to



subscribe for the newly issued ordinary shares. In the case of the offering made to the existing shareholders (the first day on which the Stock Exchange of Thailand posts XR sign), the Company has scheduled the date to determine the list of names of the shareholders entitled to the allocation and offering of the newly issued ordinary shares (Record Date) on 12 September 2016. The Company will proceed with the adjustment of the exercise price and exercise ratio of Warrant No. 2 upon the exercise price and exercise ratio can be calculated, and will inform the shareholders and warrant holders accordingly.

### **2.2 Company Procedure in Case of a Fraction of Shares Remaining**

Any fraction of the newly issued shares derived from the calculation shall be discarded.

Any fraction of the newly issued warrants (NEP-W3) derived from the calculation shall be discarded.

### **2.3 Remaining shares not allocated**

- None –

### **3. Schedule of shareholders' Meeting to Approve the Capital Increase and Share Allocation**

The Extraordinary General Meeting of Shareholders No. 1/2016 will be held on 2 September 2016, at 10.30 hours at The Arnoma Grand Room, 3<sup>rd</sup> floor, Arnoma Grand Bangkok, No. 99 Ratchadamri Road, Pathumwan, Bangkok. The date for determining the list of shareholders who have the right to attend The Extraordinary General Meeting of Shareholders No. 1/2016 (Record Date) shall be on 26 July 2016 and the Company's share register book closing date for collecting names of the Shareholders under Section 225 of the Securities and Exchange Act B.E. 2535 (as amended) (Book Closing Date) shall be on 27 July 2016.

### **4. Approval of the Capital Increase/Share Allocation by Relevant Governmental Agency and Conditions There to (if any)**

4.1 Approval of the Extraordinary General Meeting of Shareholders No. 1/2016 on the capital increase and other related matters.

4.2 Registration of the capital increase and other related matters with the Department of Business Development, Ministry of Commerce.

4.3 Approvals from the Stock Exchange of Thailand to list the newly issued ordinary shares and the Warrant No. 3 and the ordinary shares from the exercise of the rights under the Warrant No.3 on SET

### **5. Objectives of the Capital Increase and Plans for Utilizing Proceeds Received from the Capital Increase**

NEP would like to decrease capital for reducing the remaining ordinary shares and to increase capital for RO in order to use as working capital as well as invest in the following companies

1. Allocate to original shareholders of company according to proportion of shares which shareholder holding each case (Right Offering) in order to current capital to invest in the expansion of the new business which is flexible packaging. Flexible packaging has higher profit margin than PP woven bag. Also the fund will use for working capital for the new and existing project.

2. Allocated to accommodate the exercise of warrants to purchase common shares of Class 3 (NEP-W3) issued to existing shareholders who have the right to subscribe for increase capital ordinary shares in the offering to company's existing shareholders in proportion to their shareholding (Right Offering) to attract (Sweetener) to partner with existing shareholders to subscribe for shares and working capital of the company.

The use of funds are as follows:

Intended use of the funds	Amount	Period
<p>1. The expansion of the Company are as follows</p> <ul style="list-style-type: none"> <li>- Renovate the factory</li> <li>- Expand business by investing in the new machines to expand production line into Flexible Packaging</li> <li>- Phase 1</li> <li>- Phase 2</li> </ul>	<p>Million Baht 6</p> <p>Million Baht 44</p> <p>Million Baht 40</p> <p>Total Million Baht 90</p>	<p>Start in Q4/2016</p> <p>install the new machines during Q4/2016, Expected to recognized revenue in Q1/2017 onward.</p> <p>install the new machines during Q4/2017 Expected to recognized revenue in Q2/2018 onward.</p>
<p>2. The company's working capital for the existing business</p> <p>The company's working capital for Flexible Packaging</p>	<p>Million Baht 137</p> <p>Million Baht 80</p>	<p>At present till 2018</p> <p>At present till 2018</p>
<p>3. Energy Saving project (LED)</p>	<p>Million Baht 4</p>	<p>At present till 2018</p>
<p>4. Pay back loan to financial institute</p>	<p>Million Baht 123.3</p>	<p>Q3/2016-Q3/2019</p>
<p>Total</p>	<p>Million Baht 434</p>	

#### **6. Benefits which the Company and Shareholders will Receive from the Capital Increase and Share Allocation**

As long term funding for the expansion of the new product line that will generate higher profit margin than the existing product. The new product will increase the profit of the whole Company. Also the fund will use for working capital and support future expansion.

### 7. Benefits the Shareholder will receive from the Capital Increase and Share Allocation

7.1 The shareholders who exercise the warrants are entitled to receive dividends in the future and have the same right as the existing shareholders. The Company has a dividend policy to pay out as least 50% of its net profit after tax stated in the separate financial statements and after deduction for various reverses.

7.2 Subscribers of new shares issued for this capital increase will be entitled to receive dividends from the Company's business operations starting from the date that shareholders' names are listed in the share registration submitted to the Ministry of Commerce.

7.3 Other  
-None-

### 8. Other Details Necessary for Shareholders to Approve the Capital Increase and Share Allocation

-None-

### 9. Schedule of Actions where the Board of Directors of the Company Passed a Resolution Approving the Capital Increase or Allocation of New Shares

No	Procedure	Date
1	The date of the Board of Directors' meeting No. 6/2016	8 July 2016
2	The date for determining the shareholders who have right to attend the Meeting of Shareholders (Record date)	26 July 2016
3	The date for closing of share register book to collect the list of shareholders to attend the Meeting of Shareholders	27 July 2016
4	The Extraordinary General Meeting of Shareholders No. 1/2016	2 September 2016
5	The date for determining the list of shareholders who have the right to subscribe to the Rights Offering shares (Record Date)	12 September 2016
6	The date for closing of the share register book to collect the list of shareholders who have to right to subscribe to the newly issued shares to be issued and offered to the existing shareholding	13 September 2016
7	Subscription and payment period	26 - 30 September 2016
8	The date of the registration of the resolution of capital increase and other related matters at the Department of Business Development, Ministry of Commerce	Within 14 days after the last subscription day

The Company hereby certifies that the information contained in this report is true and complete in all respects.

Sincerely yours,

(Gen. Worapan Worasakyothin)

(Mr.Nipit Arunvongse Na Ayudhya)

(Authorized Director)

(Authorized Director)

*- Translation -*

**Indicative Terms of the Warrants to Purchase the Ordinary Shares of NEP Realty and Industry Public Company Limited No. 3 issued and offered to the Existing shareholders in proportion to their respective shareholding (NEP-W3) and Effects on the Shareholders**

<b>Issuer</b>	NEP Realty and Industry Public Company Limited (the “ <b>Company</b> ” or “ <b>NEP</b> ”)
<b>Name of Warrant</b>	Warrants to purchase the ordinary shares of NEP Realty and Industry Public Company Limited No.3 (the “ <b>Warrants No.3</b> ” or “ <b>NEP-W3</b> ”)
<b>Type of Warrant</b>	Registered and transferable
<b>Address of Issuer</b>	at 41 Soi 5, Phaholyothin Rd., Samsennai, Phaya Thai Bangkok
<b>Issuance Amount</b>	Not exceeding 482,759,167 units  The issuance of the Warrants No 3 shall be conducted after the Extraordinary General Meeting of Shareholders No. 1/2016 approves the issuance of the Warrants.
<b>No. of Ordinary Shares Reserved for the Exercise of the Warrants</b>	Not exceeding 482,759,167 shares (at the par value of Baht 1.00 each)
<b>Offering Method</b>	Allocated and offered to the existing shareholders who subscribe to the Right Offering shares (“Sweetener”) at the ratio of 2 newly issued shares for 1 unit of newly issued warrants (NEP-W3).  However, the person who will exercise NEP-W3 need to be a shareholder of the Company at the exercise date.
<b>Offering Price</b>	Baht 0
<b>Tenor of the Warrants</b>	3 Years from the issuance and offering date of the Warrants
<b>The Issuance and offering Date of the Warrant No.3</b>	The Board of Directors of the Company and/or Executive Committee and/or the Managing Director or the person entrusted by the Board or the Executive Committee or the Managing Director shall be authorized to determine the issuance and offering date of the Warrants No.3 after the Extraordinary General Meeting of Shareholders No. 1/2016 in obtained.
<b>Exercise Ratio</b>	1 unit of NEP-W3 for 1 newly issued ordinary share (subject to the change in accordance with the conditions for rights adjustment of the Warrant).
<b>Exercise Price</b>	Baht 0.55 per share
<b>Exercise Period</b>	The holders of the Warrants No.3 can exercise their rights under the Warrant No.3 on the 15 <sup>th</sup> of June, September and December of each calendar year throughout the tenor of the Warrants No.3 and the 3 <sup>rd</sup> anniversary of the issuance and offering date of the Warrants No.3
<b>The First Exercise Date</b>	The 15 <sup>th</sup> of December 2016
<b>The Last Exercise Date</b>	The last exercise date of the Warrants No.3 shall be on the 3 <sup>rd</sup> anniversary of the issuance and offering date of the Warrants No.3. If the last exercise date falls on a non-business day, the last exercise date shall then be changed to the last business day prior to the last exercise date as aforementioned.
<b>Period for Notification of Intention to exercise the Warrants</b>	The Holders of the Warrant No. 3 who wish to exercise their rights to purchase ordinary share of the Company shall notify their intention to exercise such rights between 9.00 a.m. and 3.30 p.m., within 7 days prior to each exercise date. For the last exercise date, the holders of the Warrant No.3 shall notify their intention to exercise their rights under the Warrants No.3 of not less than 15 days prior to the last exercise date.
<b>Irrevocability of Notification of Intention to Exercise the Warrants</b>	The Holders of the Warrants No. 3 who show their intention to exercise the right to purchase ordinary shares under the Warrants No. 3, shall not be allowed to revoke such intention unless the written consent of the Company is obtained.

<b>Offering Period</b>	The Warrant No. 3 shall be offered and finished within 1 year from the date on which the Meeting of Shareholders approves the issuance and offering of the Warrants No. 3., the Board of Directors of the Company and/or Executive Committee and/or the Managing Director or the person entrusted by the Board or the Executive Committee or the Managing Director shall consider and determine the conditions and details of offering thereafter.
<b>Registrar of the Warrant No.3</b>	The Thailand Securities Depository Co., Ltd. (TSD)
<b>Secondary Market of Newly Issued Warrants (NEP-W3)</b>	The Company shall apply for the listing of NEP-W3 on the SET
<b>Secondary Market of Newly Issued Ordinary Shares</b>	The Company shall apply for the listing of the newly issued shares from the exercise of NEP-W3 on the SET
<b>Conditions for Rights Adjustment</b>	<p>The company shall adjust the exercise price and exercise ratio to ensure that the benefits of the holders of Warrants No.3 are not less favorable in the event that any of the followings events occur:</p> <ol style="list-style-type: none"> <li>1. The Company changes the par value of its shares as a result of the split or consolidation of its issued shares;</li> <li>2. The Company pays out all or parts of its dividends with its ordinary shares to its shareholders;</li> <li>3. The Company offers to sell its ordinary shares to the existing shareholders and/or the public and/or the private placement and the average price per share of the newly issued shares is lower than “the market price of the Company’s ordinary shares” and the difference is larger than 10%;</li> <li>4. The Company offers to sell to the existing shareholders and/or the public and/or the private placement any new securities e.g. convertible debentures, warrants or convertible debts which give rights to the Warrant Holders to convert to or purchase ordinary shares of the Company (hereinafter referred to as “the New Securities”) and the average price per share of the newly issued ordinary shares to accommodate the exercise of rights is lower than the market price of the Company’s ordinary shares and the difference is larger than 10%;</li> <li>5. The Company pays out dividend more than 70% of its net profits after tax for each accounting period from the Warrants’ issue date until the Warrants’ expiration date; and</li> <li>6. If there are any events not mentioned in a) through e) that cause the Warrant Holders to lose his/her rights and benefits, the Company shall determine the fair Exercise Price and/or the Exercise Ratio, which shall not lessen the shareholders’ benefits.</li> </ol>
<b>Reasons to Increase Newly Issued Ordinary Shares for adjustment of Exercise Rights</b>	To accommodate changes of exercise price and exercise ratio in the event of rights adjustment subject to terms and conditions of the Warrants No.3, which events stipulated under Clause 11 (4) (b) of Notification No.Tor Chor. 34/2551 issued by the capital Market Supervisory Board.
<b>Other Conditions</b>	The Board of Directors of the Company and/or Executive Committee and/or the Managing Director or the person entrusted by the Board or the Executive Committee or the Managing Director shall be authorized to determine and amend the criteria, conditions and other details related to the issuance and offering of the Warrants No.3 in all respects as deemed appropriate and subject to the conditions of the applicable law such as the allocation and the offering date for of the Warrant No.3 etc., as well as to be authorized to do any other action which is necessary or appropriate for, or in connection with the issuance and offering of the Warrants No.3 in all respects including but not limited to contacting, Preparing or submitting any

	documents which is necessary for or submitting any document which is necessary for or in connection with the issuance and offering of the Warrant No.3 as well as listing the Warrants No.3 on The Stock Exchange of Thailand (SET) Including proceeding with obtaining the permission from other relevant authorities and appointing any substitute to perform the same etc.
<b>Dilution Effects</b>	See the following pages for details.

### Dilution Effects

Due to the board of the director's approval of the issuance and offering of newly issued ordinary shares with the Warrant No. 3 (NEP-W3) to the existing shareholders simultaneously, the effects to shareholders shall be considered in the cases as the followings:

1. Right offering of new ordinary shares to existing shareholders in proportionate of their shareholding, by ratio of 3 existing ordinary shares to 2 new ordinary shares at the price of Baht 0.45 per share. However, in the event that there are new ordinary shares remaining unsubscribed from the allocation to the existing shareholders on a pro rata basis, The Company will allocate the shares until the shares are exhausted or until there are no shareholders expressing their intention to purchase such shares.
2. Warrants to purchase the ordinary shares of the Company offering to existing shareholders who subscribe the Right Offering Share at the ratio of 2 Right Offering Share per 1 unit of Warrant for free, by 1 unit of Warrant will be entitled to purchase 1 new ordinary share at the price of Baht 0.55 per share.

Therefore, the effects to shareholders shall be considered into 3 cases as the followings:

- Scenario 1** The existing shareholders fully subscribe the newly issued ordinary shares from right offering according to their rights, and fully exercise the right of the Warrant No. 3.
- Scenario 2** The existing shareholders fully subscribe the newly issued ordinary shares from right offering according to their rights, but the other warrant holders fully exercise the right of the Warrant No. 3.
- Scenario 3** The existing shareholders do not subscribe all of the newly issued ordinary share from right offering according to their rights but the other existing shareholders fully subscribe the newly issued ordinary shares over their subscription right and no remaining unsubscribed newly issued ordinary shares, and the other warrant holders fully exercise the right of the Warrant No. 3.

#### 1. Control Dilution

Formula of Control Dilution =  $1 - [Q_o / Q_n]$

Where;

$Q_o$  = The total shares which the shareholders will receive in each Scenario as followings;

Scenario 1  $Q_o = Q_a + Q_r + Q_w$

Scenario 2  $Q_o = Q_a + Q_r$

Scenario 3  $Q_o = Q_a$

$Q_n$  = The total shares in each Scenario as following;

Scenario 1 - Scenario 3  $Q_n = Q_a + Q_r + Q_w$

Where;

$Q_a$  = The existing paid-up shares of 1,448,277,501 shares

$Q_r$  = Additional newly issued ordinary shares from the right offering 965,518,334 shares

$Q_w$  = Additional new ordinary shares derived from exercising the right of the warrant allocated to the existing shareholders who subscribe the newly issued ordinary shares of 482,759,167 shares

Effect of control dilution in each Scenario is as follows;

Scenario 1	Scenario 2	Scenario 3
0.00%	16.67%	50.00%

In the Scenario that the existing shareholders fully subscribe the newly issued ordinary shares and fully exercise the right of the warrant (Scenario 1), the existing shareholders will not be affected by control dilution due to the issuance and offering according to their rights. However, in the case that the existing

shareholders do not subscribe the newly issued ordinary shares according to their rights for the whole amount, but the other existing shareholders fully subscribe the newly issued ordinary shares over their subscription right, and the other warrant holders fully exercise the right of the Warrant No. 3 (Scenario 3), the existing shareholders shall be affected by control dilution equal to 50.00%.

## 2. Price Dilution

$$\text{Formula of Price Dilution} = (\text{Po} - \text{Pn}) / \text{Po}$$

Where;

Pa	=	The weighted average of the price of the Company's shares during 15 trading days prior to the date of the Board of Directors' meeting on July 8, 2016 (June 16, 2016 – July 7, 2016) of Baht 0.57 per share.
Pr	=	The offering price for right offering of Baht 0.45 per share
Pw	=	The exercise price of the warrant allotted to the existing shareholders who subscribe the newly issued ordinary share and are allotted which is Baht 0.55 per share.
Po	=	Po of each Scenario as following;
	Scenario 1	Po = $[(\text{Pa} \times \text{Qa}) + (\text{Pr} \times \text{Qr}) + (\text{Pw} \times \text{Qw})] / (\text{Qa} + \text{Qr} + \text{Qw})$
	Scenario 2	Po = $[(\text{Pa} \times \text{Qa}) + (\text{Pr} \times \text{Qr})] / (\text{Qa} + \text{Qr})$
	Scenario 3	Po = $[(\text{Pa} \times \text{Qa})] / \text{Qa}$
Pn	=	The average share price of total shares after including the newly issued ordinary shares from right offering and the new ordinary shares derived from exercising the right of the Warrant No.3.
	Scenario 1	Pn = $[(\text{Po} \times \text{Qa}) + (\text{Pr} \times \text{Qr}) + (\text{Pw} \times \text{Qw})] / (\text{Qa} + \text{Qr} + \text{Qw})$
	Scenario 2	Pn = $[(\text{Po} \times \text{Qa}) + (\text{Pr} \times \text{Qr})] / (\text{Qa} + \text{Qr})$
	Scenario 3	Pn = $[(\text{Po} \times \text{Qa})] / \text{Qa}$

Effect of price dilution in each case is as follows;

Scenario 1	Scenario 2	Scenario 3
0.00%	-0.89%	7.60%

In the Scenario that the existing shareholders fully subscribe the newly issued ordinary shares and fully exercise the right of the warrant or not (Scenario 1 and 2), the existing shareholders will not be affected by price dilution. However, In the Scenario 3 that not all of newly issued ordinary shares are exercised by the existing shareholders, the price of the Company's shares shall be diluted by 7.60% based discount on RO price from the current market price of 0.57 Baht per share, which is the weighted average market price of the Company's shares during the period of 15 consecutive business days prior to the date of the Board of Directors' Meeting No. 6/2016 held on July 8, 2016 (during June 16, 2016 – July 7, 2016).

### Calculation of Reserved Shares for NEP-W2 and NEP-W3 to the Total Paid-up Shares

Paid-up shares	= 1,448,277,501
RO Shares	= 965,518,334
Reserved shares for NEP-W2	= 470,469,485
Reserved shares for NEP-W3	= 482,759,167
Total Paid-up Shares After the Capital Increase	= Paid-up shares + RO Shares = 1,448,277,501 + 965,518,334 = 2,413,795,835

The Ratio of Shares from Warrant Conversion to Total Paid-up Shares  
 = (Reserved shares for NEP-W2 + Reserved shares for NEP-W3) / Total Paid-up Shares After the Capital Increase  
 = (470,469,485 + 482,759,167) / 2,413,795,835  
 = 39.49%



*-Translation-***The information that must be disclosed to the shareholders when listed companies increase capital or allocate capital increase shares****The details of the offering**

NEP Realty and Industry Public Company Limited (the “**Company**” or “**NEP**”) proposes to the EGM No. 1/2016 held on July 8, 2016 to consider and approve the increase of capital of Baht 1,478,277,501 by issuing 1,478,277,501 new shares at a par value of 1.00 Baht per share. The allocation of those shares are as follows:

- (1) 965,518,334 newly issued ordinary shares to be offered to the existing shareholders proportionate to their percentage holding (Rights Offering) at the ratio of 3 existing ordinary shares to 2 newly issued ordinary shares at the offering price of 0.45 Baht per share.
- (2) 482,759,167 newly issued shares at a par value of 1.00 Baht per share to be reserved for the exercise of NEP-W3.
- (3) 30,000,000 newly issued shares to accommodate the right adjustment due to the offering of shares at the price lower than 90 percent of the market price to the existing shareholders proportionate to their respective shareholding (Right Offering).

**The Use of Funds**

NEP would like to increase capital in order to use as investment in the new production line which is flexible packaging. Flexible packaging has higher profit margin than PP woven bag. Also the fund will use for working capital for the new and existing project.

The use of funds are as follows:

Use of Funds	Percentage of the use of Funds
Expand to flexible packaging	21%
NEP’s Working Capital for existing product and flexible packaging	50%
Energy Saving project	1%
Pay back loan	28%

NEP has the Timeline and plan of the use of fund as follow:

Source of Funds	Company	Use of Funds	Amount (MB)	%	Timeline
Rights Offer	NEP	Renovate factory	6.0	0.9	Q4/2016
Rights Offer	NEP	- Flexible packaging Phase 1	44.0	6.3	Q4/2016
		- Flexible packaging Phase 2	40.0	5.7	Q4/2017
Rights Offer	NEP	Energy Saving project	5.0	0.6	At present to 2018
Rights Offer	NEP	Working Capital	217.0	31.0	At present to 2018
Rights Offer	NEP	Pay back loan	123.3	17.6	Q3/2016-Q3/2019
Warrants	NEP	Working Capital	265.5	37.9	Q4/2016-Q4/2019
<b>Total</b>			699.8	100.0	

**The BOD’s opinion, rationale for the need of funds and the impact on NEP’s financial performance.**

NEP opined that there is an opportunity for investing in flexible packaging and there is a room to grow in the flexible packaging business. According to the business study the Company believes that flexible packaging will grow rapidly in both revenue and profit. Therefore, NEP opined that investment in the flexible packaging will help the Company to generate more profit.

The assumption of investment in the flexible packaging can be divided into two phase. First phase uses million baht 44. Second phase uses million baht 40. During 4<sup>th</sup> quarter 2016, the Company will start install the new machines and test run the machines and expected to generate revenue start from January, 2017 onward. The production capacity target for the first phase is 44,697 square meters per day and the production capacity will gradually increase to 89,395 square meters per day by 3<sup>rd</sup> quarter of 2017. For the second phase

production capacity target is 122,918 square meters per day by mid-June 2018. Moreover, flexible packaging has gross profit margin of 25% which is higher than the PP woven bag (existing business) that has gross profit margin only at 3%.

**The Opinion of the BOD about the appropriate price and method.**

The Board of directors opined that the capital increase and the offer price shall be appropriate and the plan of the use of fund is solid and it is possible to generate the profit for the Company in near future.

The factor of setting RO price at 0.45 Baht per share with a discount from the market price is to persuade the existing shareholders to subscribe for the new shares of the Company as a Sweetener. However, the Company will gain this amount for supporting its business without any interest.

**Form to Report on Names of Members and Scope of Work of the Audit Committee**

The Board of Directors meeting/shareholders meeting of NEP Realty and Industry Public Company Limited No. 6/2016 held on July 8, 2016 resolved the meeting's resolutions in the following manners:

Appointment of the audit committee/Renewal for the term of audit committee:

Chairman of the audit committee                       Member of the audit committee

As follows:

(1) Mr. Narong Phaholvej    Chairman of the audit committee

(2) Mrs. Chantira Srimoungpan                                      Member of the audit committee

, the appointment/renewal of which shall take an effect as of July 8, 2016

The audit committee is consisted of:

1. Chairman of the audit committee, Mr.Narong Phaholvej , remaining term in office 1 year
2. Member of the audit committee, Mrs. Chantira Srimoungpan, remaining term in office 1 years
3. Member of the audit committee, Gen. Sa-Ngiam Sawangkawat , remaining term in office 2 years

Secretary of the audit committee Mr. Pirun Punjajitti

Enclosed hereto is 1 copies of the certificate and biography of the audit committee. The audit committee number(s) 2 has/have adequate expertise and experience to review creditability of the financial reports.

The audit committee of the company has the scope of duties and responsibilities to the Board of Director on the following matters:

1. To review the Company's financial reporting process to ensure that it is accurate and adequate
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit
3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business
4. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year
5. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company
6. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:

- (a) an opinion on the accuracy, completeness and creditability of the Company's financial report
  - (b) an opinion on the adequacy of the Company's internal control system
  - (c) an opinion of the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business
  - (d) an opinion on the suitability of an auditor
  - (e) an opinion on the transactions that may lead to conflicts of interests
  - (f) an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter
  - (g) other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors subject to the scope of duties and responsibilities assigned by the Company's board of directors
7. To perform any other act as assigned by the Company's board of directors, with the approval of the committee

The company hereby certifies that

- 1. The qualifications of the aforementioned members meet all the requirements of the Stock Exchange of Thailand; and
- 2. The scope of duties and responsibilities of the audit committee as stated above meet all the requirements of the Stock Exchange of Thailand

Gen. .... Director  
(Worapan Worasakyothin)

..... Director  
(Mr.Nipit Arunvongse Na Ayudhya)

