



Ref : NEP 138-2016

October 20, 2016.

Subject Clarify the allocation of ordinary shares and financial management after the capital increase.

To President, the Stock Exchange of Thailand

According to the Stock Exchange asked NEP Realty and Industry Public Company Limited “the company” clarify the details about the allocation of ordinary shares and financial management after the ordinary shares have been is not enough for the purpose of issuing shares and plans to use the money.

The Company would like to clarify the following :

1. In the allotment of newly issued ordinary shares of 965,518,334 shares. Existing shareholders are entitled to subscribe for new shares from capital increase cum warrants. Exceeding their rights at the rate defined. In case there are remaining shares from the exercise of outstanding shares in the first round or whether there are any circumstances. Existing shareholders can exercise over the exercise (Oversubscription) in proportion to their shareholding by the subscription and payment of the shares during 26-30 September 2016.

Appears that Existing shareholders have the right to subscribe for ordinary shares cum warrants of 416,819,746 shares. Classified into shares in proportion to the shareholding of 219,508,642 shares, the right to subscribe for shares in excess of 197,311,104 shares and the new ordinary shares remaining from the allotment of 548,698,588 shares.

This is because there are more shares outstanding than the shares subscribed. It can be allocated to the intention of the subscription rights over all and no shareholder wishes to subscribe for shares within a specified period. Ordinary shares remaining from the allotment to existing shareholders above. The Company will cancel any common shares all the rest. The

Company informs shareholders known as the Notice of Extraordinary General Meeting of Shareholders No. 1/2559 dated August 1, 2016 and the date of the Extraordinary General Meeting of Shareholders; Financial Advisor clarified questions of the shareholders who attended the meeting on this issue as well.

2. In issuing the new shares at this time. The company intended to use the proceeds from the offering of shares to use in Business expansion, Working Capital, Energy savings projects (LED) and repayment of loans total amount of 434.30 million baht. However, it appears that the company has received payment in the amount of shares. Baht 187,568,885.70, which was not enough to according such purpose.

Thus, due to the use of proceeds from the capital increase in the project. The hemorrhaging of money from time to time. The period laid down starting third quarter of 2016 to the third quarter of 2019, the total duration of the project three years. Therefore, the Company plans to update the project plan and spend some money. In accordance with the amount of money received and other sources of funding to replace the money that did not meet the target.

However, the amount of 187,568,885.70 baht is enough money for the project in its early stages and it can make money back to the company within a short time. The Company is confident that the project can be carried out in accordance with the first phase planned. It will give a better performance of the company and ensuring its shareholders. For the next phase, the company will use the funds from other sources to meet the objectives of the companies.

Please be acknowledged for your information.

Yours sincerely,

(Mr.Pongkarn Hongskul)

Managing Director