

(Translation)

Ref. NEP146-2017

October 25, 2017

Subject : Resolutions of the Board of Directors approving the capital decrease, the capital increase, the allotment of newly issued ordinary shares to investors in private placement, the acquisition of assets and convening the Extraordinary General Meeting of the Shareholders No. 1/2018
(Revise 3)

To : President, The Stock Exchange of Thailand

Attachment : 1. Capital Increase Report Form (F 53-4)
2. Information Memorandum in relation to the allotment and offering of newly issued ordinary shares to investors in private placement

Following NEP Realty and Industry Public Company Limited's (the "Company") Board of Directors' Meeting No. 9/2017, held on October 25, 2017, (the "Meeting"), the Company would like to announce the Board of Directors' significant resolutions as follows:

1. Approved to propose to the Extraordinary General Meeting of the Shareholders No. 1/2018 (the "EGM") for consideration and approval of the reduction of the Company's registered capital from the existing registered capital of Baht 2,896,834,342 to Baht 2,348,135,754 by cancelling 548,698,588 shares at a par value of Baht 1.00 per share. As such shares are the remaining shares which reserved for the existing shareholders by right offering according to the resolution of the Extraordinary General Meeting of Shareholders No. 1/2016 held on September 2, 2016 in compliance with the provisions of the Public Company Act that require the Company to reduce the share capital by cancellation of registered shares that have not been issued prior to increase new share capital.

Currently, the Company has a paid-up capital of Baht 1,865,376,587 at a par value of Baht 1.00 per share, excluding shares allocated for the exercise of warrants to purchase the Company's ordinary shares No. 3 (NEP-W3) that remaining of 482,759,167 shares with a par value of Baht 1.00 per share.

2. Approved to propose to the EGM to amend Clause 4. of the Memorandum of Association of the Company to be accordance with the reduction of the registered share capital as by cancellation the existent contents and use the new contents as mention below:

"Clause 4. Registered Capital 2,348,135,754 Baht (Two Thousand Three Hundred Forty Eight Million One Hundred Thirty Five

		Thousand and Seven Hundred Fifty Four Baht)
Divided into	2,348,135,754 shares	(Two Thousand Three Hundred Forty Eight Million One Hundred Thirty Five Thousand and Seven Hundred Fifty Four shares)
Par value of	1.00 Baht	(One Baht)
Divided as follows;		
Ordinary shares	2,348,135,754 Shares	(Two Thousand Three Hundred Forty Eight Million One Hundred Thirty Five Thousand and Seven Hundred Fifty Four shares)
Preferred shares	- Shares	(-)"

3. Approved to propose to the EGM to increase registered capital of the Company from Baht 2,348,135,754 to Baht 2,808,135,754 by issuing 460,000,000 new ordinary shares with par value of Baht 1.00 per share for the allotment to VAVA PACK Company Limited under the private placement scheme. Therefore, the purpose of this capital increase is to expand the capacity of flexible packaging products, to repay the loans and used as working capital. Details are shown in Capital Increase Report Form (F 53-4) (Attachment 1).

4. Approved to propose to the EGM to amend Clause 4. of the Memorandum of Association of the Company to be accordance with the increasing of the registered share capital as by cancellation the existent contents and use the new contents as mention below:

"Clause 4.	Registered Capital	2,808,135,754 Baht	(Two Thousand Eight Hundred Eight Million One Hundred Thirty Five Thousand and Seven Hundred Fifty Four Baht)
	Divided into	2,808,135,754 shares	(Two Thousand Eight Hundred Eight Million One Hundred Thirty Five Thousand and Seven Hundred Fifty Four shares)
	Par value of	1.00 Baht	(One Baht)
Divided as follows;			
	Ordinary shares	2,808,135,754 Shares	(Two Thousand Eight Hundred Eight Million One Hundred Thirty Five Thousand and Seven Hundred Fifty Four shares)
	Preferred shares	- Shares	(-)"

5. Approved to propose to the EGM to allot 460,000,000 newly issued ordinary shares with par value of Baht 1 per share to VAVA PACK Company Limited (“VAVA”) under the private placement scheme, at the offering price of Baht 0.405 per share, in the total sum of Baht 186,300,000. The offering price is not deemed as a price of less than 90% of the market price. The market price is calculated from the weighted average price of the Company's ordinary shares traded on the Stock Exchange of Thailand (the “SET”) for 15 consecutive business days prior to the date on which the Board of Directors unanimously passed the resolution to propose such offering to the EGM, which is during the period of October 2, 2017 to October 24, 2017, equal to Baht 0.446 per share. (Information from www.set.or.th)

In addition, as this offering is considered the offering of new shares where by the exact offering price is determined by the shareholders’ meeting of the Company, the Company is required to obtain approvals not only from the EGM but also from the Office of the Security and Exchange Commission (the “SEC”) under the relevant notification of the Capital Market Advisory Board prior to the offering of its new shares to VAVA. Please refer to the Information Memorandum in relation to the allotment and offering of newly issued ordinary shares to investors in private placement (Attachment 2) for more information.

The Board of Directors has determined that VAVA will have to make a deposit of Baht 20,000,000 (Twenty Million Baht) to the Company by November 1, 2017 to announce the intention to subscribe the newly issued ordinary shares of the Company. In case that the Company does not received such deposit within the period specified by the Board of Directors, the Company may arrange the Board of Directors’ Meeting to annul the approval for the capital increase to offer the newly issued ordinary shares through VAVA and other related actions and annul the EGM to consider and approve the capital increase to offer the newly issued ordinary shares through VAVA and other related actions.

After the Company receives such deposit, the Company will have to refund the deposit with the conditions as follows:

- The Company does not receive the Shareholders’ Meeting approval for capital increase to offer the newly issued ordinary shares through Private Placement with a resolution of not less than three-fourth of the total votes of shareholders who attend the meeting and entitled to vote or the Company cancels the EGM on January 18, 2018.
- The Company does not receive approval from the SEC for the issuance and offering of ordinary shares to Private Placement investors.

The Company and VAVA is no relationship to each other. Therefore, the offering of newly issued ordinary shares of the Company to VAVA is not regarded as the connected transaction pursuant to the Notification of the Capital Market Advisory Board No. Tor Jor. 21/2551 Re: Rules on Connected Transactions dated 31 August 2008, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure and Acts of Listed Companies on Connected Transactions B.E. 2546 (2003) (and amended) dated 19 November 2003.

The above allocation of newly issued ordinary shares to VAVA (including their related persons) have obligate to make a tender offer, as prescribed in the Notification of the Capital Market Supervisory Board No. Tor Jor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers (and amended).

No matter what the price of the newly issued ordinary shares is different from the market price at the date of payment of the capital increase, VAVA agrees not to sell the newly issued ordinary shares (Silent Period) which receives from subscription for a period of 1 year from the trading date on the SET. Upon the expiry of the 6-month period of the prescribed time, VAVA can sell 25% of such shares.

Therefore, the Board of Directors and/or the Executive Committee and/or Managing Director and/or the person(s) who is authorized by the Board of Directors and/or the Executive Committee and/or Managing Director which in the level of Senior Executive Vice President up shall be authorized to perform various tasks related to the allocation and offering of newly issued ordinary shares to VAVA as follows:

- (1) To determine and amend any other details related to the issuance and allotment of newly issued ordinary shares to VAVA under the private placement scheme, the offering period and the offering price including the conditions and other relevant details as deemed appropriate to accomplish. This is subject to the scope approved by the Board of Directors and the EGM.
 - (2) To undertake any acts relating to or necessary for, as deemed fit, effecting the issuance and offer, and/or allotment of the newly issued ordinary shares, including but not limited to, to negotiate, execute, sign and/or amend any applications and/or documents necessary for or relating to the issuance, sale or allotment of the newly issued ordinary shares, submission of the application in relation to private placement with the SEC, the registration of capital reduction, capital increase and amendment of the Articles of Association of the Company with the Ministry of Commerce and/or the listing of the Company's newly issued ordinary shares on the SET.
 - (3) To liaise with government authorities or related regulators, such as the SEC, the MOC and the SET and any related person or organizations.
6. Approved the Company to sign a Share Subscription Agreement (the "SSA") with VAVA PACK Company Limited ("VAVA"). By the SSA, the Company agrees to propose to the shareholders' meeting to issue new ordinary shares not exceeding 460,000,000 shares offer to VAVA under the private placement scheme, at the offering price of Baht 0.405 per share which is not deemed as a price of less than 90% of the weighted average price of the Company's ordinary shares traded on the SET for 15 consecutive business days prior to the date on which the Board of Directors unanimously passed the resolution to propose such offering to the EGM. The Company and VAVA are not connected persons. The terms and conditions set in the summary of the details of the SSA are as follows:

No.	Topics	Details
1.	Parties	<ol style="list-style-type: none"> 1. NEP Realty and Industry Public Company Limited as the issuer 2. VAVA PACK Company Limited ("VAVA") as the subscriber
2.	Execution Date	October 25, 2017
3.	Issuance and subscription of new ordinary shares	<p>The Company agrees to issue and allot 460,000,000 new ordinary shares through private placement to VAVA at a subscription price of Baht 0.405 per share, equivalent to 24.66% of the total issued shares of the Company, and VAVA agrees to subscribe the newly issued ordinary shares that are allotted by the Company within 90 days from the date of the EGM approve the offering of the newly issued ordinary shares.</p>
4.	Subscription price	<p>The Company shall receive the payment for the subscription price of Baht 186,300,000 in total.</p>
5.	Conditions precedent to the completion of the transaction	<ol style="list-style-type: none"> 1. VAVA agree to make a deposit of Baht 20,000,000 (Twenty Million Baht) to the Company by November 1, 2017. In case that the Company does not received such deposit in the number as mention above and within the period specified, the Company may annul the shareholders' meeting. Therefore, the Company will have to refund the deposit with the conditions as follows: <ol style="list-style-type: none"> (1) The Company does not receive the Shareholders' Meeting approval for capital increase to offer the newly issued ordinary shares through Private Placement with a resolution of not less than three-fourth of the total votes of shareholders who attend the meeting and entitled to vote or the Company cancels the EGM on January 18, 2018. (2) The Company does not receive approval from the SEC for the issuance and offering of ordinary shares to Private Placement investors. 2. The Company and VAVA shall have obtained approvals in implementing the transaction which are required rules and regulations of the regulatory agency.

No.	Topics	Details
6.	Compulsory conditions after the transaction	<ol style="list-style-type: none"> 1. The Company and VAVA are no policy to changing the core business of the Company. The Company will continue to operate as usual. 2. VAVA agrees not to sell the newly issued ordinary shares (Silent Period) which receives from subscription for a period of 1 year from the trading date on the SET. Upon the expiry of the 6-month period of the prescribed time, VAVA can sell 25% of such shares. 3. VAVA including their related persons to VAVA under Section 258 of the Securities and Exchange Act will not send any person to be directors and/or management in the Company.
7.	Other conditions	VAVA agrees not to demand any damages or expenses from the Board of Directors and/or the Company no matter what the case due to the Company cannot issue and offer its new ordinary shares to VAVA unless deposits are demanded without interest.
8.	Governing law	Thai law

7. Approved the expansion of the flexible packaging business in the amount of Baht 75 million, comprising the construction of a factory warehouse at Baht 35 million and the purchase of machinery, equipment and related expenses to increase the production capacity of the flexible packaging products another Baht 40 million. This is to increase the proportion of high gross margin products.

In addition, the acquisition of assets mentioned above is the acquisition of assets according to the Notification of the Capital Market Supervisory Board No. TorJor 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Stock Exchange of Thailand Re: Disclosure of Information Concerning the Acquisition and Disposition of Assets of Listed Companies B.E. 2547. When considering the size of the transaction, the calculation method is based on various criteria, calculated from the Company's financial statements for the six-month period ended June 30, 2017, which was reviewed by the auditor of the Company. The highest transaction size when the size of the transaction is calculated based on the total value of consideration, which represents 9.83% of the total assets of the Company which is less than 15%.

In addition, the Company did not enter into the acquisition of assets with the connected persons of the Company, thus, the transaction is not regarded as the connected transaction pursuant to the Notification of the Capital Market Advisory Board No. Tor Jor. 21/2551 Re: Rules on Connected Transactions, and

the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure and Acts of Listed Companies on Connected Transactions B.E. 2546 (2003).

8. Approved to determine the Extraordinary General Meeting of the Shareholders No. 1/2018 on January 18, 2018 at 10.30 pm. at Arnoma Grand Room, 3rd Floor, Arnoma Hotel, Rajdamri Road, Pathumwan, Bangkok. The agendas will be as follows:

- Agenda 1 The matter to be informed by the Chairman of the Board of Directors
- Agenda 2 To consider and certify the minutes of the 2017 Annual General Meeting of Shareholders
- Agenda 3 To consider and approve the reduction of registered capital of the Company from Baht 2,896,834,342 to Baht 2,348,135,754 by cancelling 548,698,588 shares at a par value of Baht 1.00 per share
- Agenda 4 To consider and approve to amend Clause 4. of the Memorandum of Association of the Company to be accordance with the reduction of the registered share capital
- Agenda 5 To consider and approve the increasing of registered capital of the Company from Baht 2,348,135,754 to Baht 2,808,135,754 by issuing 460,000,000 new ordinary shares with par value of Baht 1.00 per share for the allotment to VAVA PACK Company Limited under the private placement scheme
- Agenda 6 To consider and approve to amend Clause 4. of the Memorandum of Association of the Company to be accordance with the increasing of the registered share capital
- Agenda 7 To consider and approve the allotment of 460,000,000 newly issued ordinary shares with par value of Baht 1 per share to VAVA PACK Company Limited ("VAVA") under the private placement scheme, at the offering price of Baht 0.405 per share, in the total sum of Baht 186,300,000 which the offering price is not deemed as a price of less than 90% of the market price
- Agenda 8 Other issues (if any)

The Record Date shall be November 24, 2017, for the right to attend the meeting and exercising votes at the Extraordinary General Meeting of the Shareholders No. 1/2018.

Please be informed accordingly.

Yours sincerely,

(Mr. Vee Worasakyothin)
Managing Director

(F 53-4)

CAPITAL INCREASE REPORT FORM
NEP REALTY AND INDUSTRY PUBLIC COMPANY LIMITED
October 25, 2017

NEP Realty and Industry Public Company Limited (the "Company") hereby report of the resolution of the Board of Directors' Meeting No. 9/2017, held on October 25, 2017 in respect of capital increase and share allotment as follows:

1. Capital Increasing

The meeting of the Board of Directors passed a resolution approving the increase of the Company's registered capital from Baht 2,348,135,754 to Baht 2,808,135,754 by issuing 460,000,000 newly ordinary shares with par value of Baht 1.00 per share, totaling Baht 460,000,000. Details of the each type of capital increase are as follows:

Type of capital increase	Type of share	Number of shares (shares)	Par value (Baht/share)	Total (Baht)
<input checked="" type="checkbox"/> Specifying the purpose of utilizing proceeds	Ordinary	460,000,000	1.00	460,000,000
	Preferred	-	-	-
<input type="checkbox"/> General mandate	Ordinary	-	-	-
	Preferred	-	-	-

2. Allotment of the newly issued ordinary shares

The meeting of the Board of Directors passed a resolution approving the allotment of issuing 460,000,000 newly ordinary shares with par value of Baht 1.00 per share, totaling Baht 460,000,000. Details of the each type of capital increase are as follows:

2.1 If specifying the purpose of utilizing proceeds

Allotted to	No. of shares	Ratio	Selling Price per share (Baht)	Subscription Date	Remarks
Investors in private placement which is VAVA PACK Company Limited ("VAVA")	460,000,000	-	0.405	Expect subscriptions and share payments within 90 days from the date of the	Please see details as note below

Allotted to	No. of shares	Ratio	Selling Price per share (Baht)	Subscription Date	Remarks
				Extraordinary General Meeting of the Shareholders No. 1/2018 approved.	

Note :

(A) Details of the allotment of the newly issued ordinary shares

The Board of Directors' Meeting approved to propose to the Extraordinary General Meeting of the Shareholders No. 1/2018 (the "EGM") for consideration and approve to allot 460,000,000 newly issued ordinary shares with par value of Baht 1 per share to VAVA under the private placement scheme, at the offering price of Baht 0.405 per share, in the total sum of Baht 186,300,000. The offering price is not deemed as a price of less than 90% of the market price. The market price is calculated from the weighted average price of the Company's ordinary shares traded on the Stock Exchange of Thailand (the "SET") for 15 consecutive business days prior to the date on which the Board of Directors unanimously passed the resolution to propose such offering to the EGM, which is during the period of October 2, 2017 to October 24, 2017, equal to Baht 0.446 per share. (Information from www.set.or.th)

In addition, as this offering is considered the offering of new shares where by the exact offering price is determined by the shareholders' meeting of the Company, the Company is required to obtain approvals not only from the EGM but also from the Office of the Security and Exchange Commission (the "SEC") under the relevant notification of the Capital Market Advisory Board prior to the offering of its new shares to VAVA. Please refer to the Information Memorandum in relation to the allotment and offering of newly issued ordinary shares to investors in private placement (Attachment 3) for more information.

The Board of Directors has determined that VAVA will have to make a deposit of Baht 20,000,000 (Twenty Million Baht) to the Company by November 1, 2017. In case that the Company does not received such deposit within the period specified by the Board of Directors, the Company may arrange the Board of Directors' Meeting to annul the approval for the capital increase to offer the newly issued ordinary shares through VAVA and other related actions and annul the EGM to consider and approve the capital increase to offer the newly issued ordinary shares through VAVA and other related actions.

On October 30, 2017, the Company already received a deposit of Baht 20,000,000 (Twenty Million Baht) from VAVA.

After the Company receives such deposit, the Company will have to refund the deposit with the conditions as follows:

- The Company does not receive the Shareholders' Meeting approval for capital increase to offer the newly issued ordinary shares through Private Placement with a resolution of not less than three-fourth of the total votes of shareholders who attend the meeting and entitled to vote or the Company cancels the EGM on January 18, 2018.
- The Company does not receive approval from the SEC for the issuance and offering of ordinary shares to Private Placement investors.

The Company and VAVA is no relationship to each other. Therefore, neither major shareholders nor controlling person of VAVA are not (a) executive (b) major shareholders (c) controlling person (d) person to be nominated for executive or controlling person position (e) the related person or a close relative of the person under (a) to (d) of the Company. Thus, the offering of newly issued ordinary shares of the Company to VAVA is not regarded as the connected transaction pursuant to the Notification of the Capital Market Advisory Board No. Tor Jor. 21/2551 Re: Rules on Connected Transactions dated 31 August 2008, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure and Acts of Listed Companies on Connected Transactions B.E.2546 (2003) (and amended) dated 19 November 2003.

The above allocation of newly issued ordinary shares to VAVA (including their related person) have obligate to make a tender offer, as prescribed in the Notification of the Capital Market Supervisory Board No. Tor Jor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers (and amended).

No matter what the offering price of the newly issued ordinary shares is different from the market price at the date of VAVA make payment of the capital increase, VAVA agrees not to sell the newly issued ordinary shares (Silent Period) which receives from subscription for a period of 1 year from the trading date on the SET. Upon the expiry of the 6-month period of the prescribed time, VAVA can sell 25% of such shares.

Therefore, the Board of Directors and/or the Executive Committee and/or Managing Director and/or the person(s) who is authorized by the Board of Directors and/or the Executive Committee and/or Managing Director which in the level of Senior Executive Vice President up shall be authorized to perform various tasks related to the allocation and offering of newly issued ordinary shares to VAVA as follows:

- (1) To determine and amend any other details related to the issuance and allotment of newly issued ordinary shares to VAVA under the private placement scheme, the offering period and the offering price including the conditions and other relevant details as deemed appropriate to accomplish. This is subject to the scope approved by the Board of Directors and the EGM.
- (2) To undertake any acts relating to or necessary for, as deemed fit, effecting the issuance and offer, and/or allotment of the newly issued ordinary shares, including but not limited to, to negotiate, execute, sign and/or amend any applications and/or documents necessary for or relating to the

issuance, sale or allotment of the newly issued ordinary shares, submission of the application in relation to private placement with the SEC, the registration of capital reduction, capital increase and amendment of the Articles of Association of the Company with the Ministry of Commerce and/or the listing of the Company's newly issued ordinary shares on the SET.

- (3) To liaise with government authorities or related regulators, such as the SEC, the MOC and the SET and any related person or organizations.

(B) Details of VAVA PACK Company Limited (“VAVA”)

1. General information on VAVA

VAVA was established in 1997 with a registered capital of Baht 400 million and paid-up capital of Baht 300 million. VAVA is a leader in the production of big bag and packaging industry with modern machinery and team with over 20 years of experience, there are 3 packaging factories: Big Bag Factory, PE Blow Film Factory and Flexible Packaging Factory. VAVA's factories have approved ISO9001/2008 GMP HACCP ISO14001 HALAL and Green Industry Level 3.

VAVA's Production of Revenue and Packaging Product Details

- (A) Big bags have proportion of revenue is about 80% of total revenue which are made of plastic, size approximately 105 x 110 x 115 centimeters, for use in moving goods. It has a weight of 500 kilograms to 2,000 kilograms, which provides more transportation and storage. Currently, the capacity is 15,000 tons/year. [The raw materials are plastic pellets mixed in proportion to produce big bags of size, weights and fiber according to transportation characteristics which has special durability.](#)
- (B) PE Blow film have proportion of revenue is about 10% of total revenue which is made from plastic about 23 x 37 inches for packing. It has a weight of 5 kilograms to 50 kilograms. Currently, the capacity is 2,500 tons/year. [The raw materials are plastic pellets mixed in proportion to produce plastic film by thickness, size and quality required to blow and cut into bags to use as packaging or to use as support bags in big bags again to prevent moisture.](#)
- (C) Flexible Packaging have proportion of revenue is about 10% of total revenue which is made by forming of multi-layer plastic film; for example LLDPE / HDPE / PP Shrink Film for cutting and forming. Currently, the capacity is 1,200 tons/year. [The material is a film to be coated together with the layer and the thickness required to use in packaging such as rice bags, snacks bags, shampoo bags, detergents, etc.](#)

Therefore, VAVA will not compete with the Company and VAVA will stop production and distribution of flexible packaging products within 3 months from the date that VAVA will purchase newly issued ordinary shares of NEP Realty and Industry Public Company Limited (the “Company”) that allocated to VAVA as a specific person under the private placement scheme because VAVA wants to focus on producing and selling big bags which VAVA has skill, investment and high proportion of income. Most of the customers of VAVA are large industry that uses big bags to

transport goods, meanwhile, the flexible packaging's consumer products of the Company are consumer products for retail sale. Therefore, the Company's and VAVA's future operations will be as follows;

Product	The Company *	VAVA
Big bags	No production and distribution	Production and distribution Customers are the transportation industry
PE Blow film	No production and distribution	Production and distribution Customers are the consumer goods industry.
Flexible Packaging	Production and distribution Customers are the consumer goods industry.	Stop production and distribution of flexible packaging products within 3 months from the date that VAVA will purchase newly issued ordinary shares of the Company

Remark: Beside the Company produces Flexible Packaging , the Company also produces small plastic bags for packing 15 kilogram of goods such as rice, animal feed, etc. The raw materials are film plates to print the product name, companies' logo and properties as required by customers. Then put on the plastic bags to pack the products. Therefore, the product characteristics and customer groups are different from the Big bags.

2. List of VAVA's shareholders as of September 7, 2017

Name	Number of Shares	% of registered capital
1. Mr. Veerachart Losiri	850,000	21.2500
2. Miss Varunporn Losiri	772,500	19.3125
3. Mr. Veerapat Losiri	772,500	19.3125
4. Master Veerapoj Losiri	772,500	19.3125
5. Master Veerapan Losiri	772,500	19.3125
6. Mrs. Ticomporn Losiri	50,000	1.2500
7. Mrs. Tichakorn Chaiaeim	10,000	0.2500
Total	4,000,000	100.0000

3. List of VAVA's director

Name	Position
Mr. Veerachart Losiri	Director, Authorized Director and Managing Director

4. Summary of financial statements of VAVA

Statement of financial position

Unit : Million Baht

Items	Statement of financial position		
	31 Dec 14	31 Dec 15	31 Dec 16
Assets :			
Current Assets	450.26	571.86	657.61
Non-Current Assets	614.99	694.78	637.12
Total Assets	1,065.25	1,266.64	1,294.73
Liabilities :			
Current Liabilities	588.66	587.67	545.79
Non-Current Liabilities	120.58	176.03	172.13
Total Liabilities	709.24	763.70	717.92
Shareholders' Equity :			
Paid-up Capital	200.00	300.00	300.00
Retained Earnings	156.01	202.94	276.81
Total Shareholders' Equity	356.01	502.94	576.81
Total Liabilities and Shareholders' Equity	1,065.25	1,266.64	1,294.73

comprehensive income

Unit : Million Baht

Items	Statement of comprehensive income		
	31 Dec 14	31 Dec 15	31 Dec 16
Income From Sales	1,111.63	1,294.32	1,454.45
Sales Expenses	(1,021.30)	(1,121.42)	(1,262.34)
Gross Profit	90.33	172.90	192.11
Other Income	4.48	1.78	4.66
Profit before Expenses	94.81	174.68	196.77
Selling Expense	(18.34)	(29.70)	(34.16)
Administrative Expense	(55.25)	(66.00)	(60.45)
Total Expenses	(73.59)	(95.70)	(94.61)
Earnings before Finance Costs	21.22	78.98	102.16
Finance Costs	(19.90)	(27.68)	(28.30)
Net Profit	1.32	51.30	73.86

5. Relationship between VAVA and the Company

VAVA and their related parties	Details	Shareholding of the Company		Shareholding of the Company	
		Prior to allot to VAVA		After allot to VAVA	
		Number of shares	% of the Company's paid-up capital ¹	Number of shares	% of the Company's paid-up capital ²
1. VAVA	Private Placement that the Company has issued and allotted new ordinary shares of the Company in this time	-	-	460,000,000	19.78
2. Mr. Veerachart Losiri	Major Shareholder, Director, Authorized Director and Managing Director	32,330,200	1.73	32,330,200	1.39
3. Mrs. Ticomporn Losiri	Mr. Veerachart Losiri's wife	25,210,100	1.35	25,210,100	1.09
Total		57,540,300	3.08	517,540,300	22.26

Remark: ¹ Paid-up capital of the Company as of September 30, 2017 is Baht 1,865,376,587 divided into ordinary shares 1,865,376,587 shares with a par value of Baht 1.00 per share.

² Paid-up capital of the Company after the offering and allotment of new ordinary shares of the Company to VAVA at 2,325,376,587 Baht, divided into ordinary shares 2,325,376,587 shares with a par value of Baht 1.00 per share.

In addition to the holding of the Company's shares of VAVA and their related parties as described above, currently, VAVA has no relationship with the Company, or with (1) directors and executives, (2) controlling person (3) major shareholders of the Company, or other companies which have person described in (1), (2) or (3) as a major shareholder or controlling person. Therefore, VAVA

intends to invest for purchasing of the Company's shares as an investor only. VAVA includes person associated with VAVA under Section 258 of the Securities and Exchange Act will not send person or agents to be directors, management or controlling person. As a result, the management and internal control of the Company remain unchanged.

The Company and VAVA is no relationship to each other. Therefore, neither major shareholders nor controlling person of VAVA are not (a) executive (b) major shareholders (c) controlling person (d) person to be nominated for executive or controlling person position (e) the related person or a close relative of the person under (a) to (d) of the Company. Thus, the offering of newly issued ordinary shares of the Company to VAVA is not regarded as the connected transaction pursuant to the Notification of the Capital Market Advisory Board No. Tor Jor. 21/2551 Re: Rules on Connected Transactions dated 31 August 2008, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure and Acts of Listed Companies on Connected Transactions B.E.2546 (2003) (and amended) dated 19 November 2003.

2.2 If under a general mandate

Allotted to	Type of shares	Number of shares (shares)	Percentage of paid-up capital	Note
-	Ordinary	-	-	-
	Preferred	-	-	

2.3 The Company's plan in case there is a fraction of shares remaining

There will not be any remaining shares.

2.4 The Excess of Share Allotment

As of October 25, 2017, the paid-up capital of the Company is 1,865,376,587 shares with a par value of Baht 1.00 per share and has non allotment of new ordinary shares in an amount of 548,698,588 shares with par value of Baht 1 per share, totaling Baht 548,698,588, (excluding shares allocated for the exercise of warrants to purchase the Company's ordinary shares No. 3 (NEP-W3) that remaining of 482,759,167 shares with a par value of Baht 1.00 per share) which the Board of Directors' Meeting No. 9/2017, held on October 25, 2017 passed resolution of the decrease those whole of registered capital before these increase capital.

3. Schedule for the shareholders' meeting to approve the capital increase and allotment

The Extraordinary General Meeting of the Shareholders No. 1/2018 shall be held on January 18, 2018 at 10.30 am. at Arnoma Grand Room, 3rd Floor, Arnoma Hotel, Rajdamri Road, Pathumwan, Bangkok. The determination of the shareholders, who shall be entitled to attend the meeting, shall be made on the Record Date of November 24, 2017.

4. Approval of the capital increase / share allotment by relevant governmental agency and condition for such approval (if any)

- 4.1 Approval of the Extraordinary General Meeting of the Shareholders No. 1/2018 on the decrease and increase of registered capital and the offering and allotment of new ordinary shares of the Company to VAVA under the private placement scheme and other related matter.
- 4.2 The Company will register the decrease and increase of registered capital and amend the clauses that related to the decrease and increase of capital in the Memorandum of Association and the change of paid-up capital with Department of Business Development, Ministry of Commerce.
- 4.3 The Company will submit the application to the Office of the Securities and Exchange Commission for approval the offering of newly issued ordinary shares to VAVA on a Private Placement basis which is an offering where the offering price is fixed by the shareholders' meeting as specified in the Notification of the Capital Market Supervisory Board No. Tor Jor. 72/2558 Re: Approval for the Listed Companies to Offer Newly Issued Shares to Investors in Private Placement.
- 4.4 The Company will submit the application form to the Stock Exchange of Thailand for approval of the newly issued ordinary shares as said above to listing in the Stock Exchange of Thailand.

5. Objectives of the capital increase and plans for utilizing proceeds received from the capital increase

Objectives of the capital increase	Remaining proceeds from the prior capital increase RO* (Million Baht)	The capital increase in this time (Million Baht)	Period
1. Expansion of the Company's business by investing in machine to increase production line of Flexible Packaging Products include being the expense of installing the machine. - Flexible Packaging Business Phase 1 - Flexible Packaging Business Phase 2	3.90 -	- 40.00	Quarter 3/2017 Year 2018
2. Working capital in production - Improvement of machine and equipment production line and also used as working capital for the production of plastic bags including operating expenses	96.36	-	Year 2017 - 2019

Objectives of the capital increase	Remaining proceeds from the prior capital increase RO* (Million Baht)	The capital increase in this time (Million Baht)	Period
- Working capital in Flexible Packaging Business which the main raw materials are film, printing and solution, labor costs and overhead including operating expenses	-	81.30	Year 2018
3. Expansion of the Company's business by building a warehouse for Flexible Packaging Business	-	35.00	Year 2018
4. Repayment of loans			
- Short-term loans from financial institutions	-	5.00	Year 2018
- Foreign loans	-	25.00	Year 2019
Total	100.26	186.30	

Remark: * The Company received the proceeds from the offering and allotment of newly issued ordinary shares to the existing shareholders in proportion to their shareholding (Right Offering: RO) according to the resolution of the Extraordinary General Meeting of the Shareholders No. 1/2016 held on September 2, 2017 in the total number of Baht 185.77 million. As at June 30, 2017, the Company used Baht 85.51 million from the RO capital increase, the remaining proceeds from the capital increase were Baht 100.26 million.

The Company has the remaining 208,409,779 unexercised warrants to purchase the Company's ordinary shares No. 3 (NEP-W3) (The Company has 482,759,167 shares reserved for the exercise of warrants). The exercise ratio is 1 unit of warrant for 1 ordinary share. The exercise price is Baht 0.55. The last exercise date is September 15, 2019. The purpose to use the funds in this section is to reserve for debt repayment and/or use as capital to conduct business and expand investment in the future. However, the time to receive capital remains uncertain. This is subject to the exercise of the warrants to purchase the Company's ordinary shares.

The capital increase and the use of this capital increase are the projections. The Company's objective is to use the proceeds from the capital increase in this time as follows:

5.1 Expansion of flexible packaging capacity Phase 2: The total budget of the project is Baht 156.30 million, consisting of the second phase of the production line of Baht 40.00 million, the construction of flexible packaging warehouse of Baht 35.00 million, and use as working capital of flexible packaging of Baht 81.30 million. The second phase is to increase the production line of flexible packaging to increase the proportion of high gross margin products. The expected return on

investment (IRR) from the flexible packaging business is not less than 11.50%. The company has already prepared the area. This may involve the following risks:

- The Company plans to expand its second phase of flexible packaging and warehouse construction. The Company needs to apply for a factory extension from the Department of Industrial Works, Ministry of Industry and must be licensed prior to installation machines. However, the plant is located in the industrial zone, the Company is confident that the Company is qualified to apply for a factory expansion license.
- Risk from VAVA, who is a new investor, may overlap with the Company's business. Since VAVA and VAVA's shareholders are engaged in businesses and investments in businesses similar to those of the Company's businesses. This may not maintain SET's listing status or the criteria for the public offering. However, VAVA agrees not to compete with the Company and will cease production and distribution of Flexible Packaging within 3 months from the date that VAVA acquired the Company's new ordinary shares. Moreover, products, raw materials and machines used in production and customers of VAVA are different from the Company. Then, the Company can control this risk.
- Risk from delay in purchasing, installation of machines and to improve the production line in line with existing production line. Due to machines and components that to be use in the installation of several flexible packaging lines are ordered from multiple vendors, there is a risk of delays in ordering components to integrate into complete production line. The installation of the main machine components must be consistent with the existing production line, in order to be able to produce smoothly and replaceable with the lowest raw material available in the production line. Therefore, there may be a risk of delays in the installation of the production line that may require relocation to be in the right line or range to supply raw materials in both production lines corresponds to the capacity of each machine. However, the Company has experience in installing the first phase of the flexible packaging production line, so the restriction has been made. The production of the flexible packaging is not very complicated, then the Company can control the risk.
- Risk of sale of product. Due to the new production line, the Company will have a higher volume of finished goods. Therefore, the sale of fast-growing products may not be as expected. However, the Company has prepared the sales plan concisely and in advance. There are some target customers that the Company has already marketed. This reduces the risk of distribution.

The total volume of plastic packaging production in 2016 is 1,714,430 tons and the total plastic packaging sales of 1,256,268 tons, down from the previous year by 0.62% and 0.70%, respectively. Import value and export value totaled Baht 20,368 million and Baht 38,832 million, increase of 8.02% and 18.94%, respectively. Imports grew less than exports, indicating that plastic packaging continued to expand. In 2017, the plastic packaging is expected to grow at a rate of 4% - 5% as a result of the growth of the food industry. Therefore, the flexible packaging will account for about 25% of total plastic packaging.

This flexible packaging is suitable for consumer goods which can be found in shops and convenience stores such as snacks, rice, liquid soap and fabric softener. This type of flexible packaging is growing as retail consumer goods. This is likely due to the increasing population and the expansion of urban society for more convenient shopping.

Several types of flexible packaging producers can be grouped as follows:

- (1) Large size manufacturers have sales of more than Baht 1,000 million per year, quality and volume of production at a high level.
- (2) Medium size manufacturers have sales of more than Baht 300 - 1,000 million per year which have quality system standards and intermediate production volumes such as Prime Packaging Co., Ltd. and Pack Printer Co., Ltd., which the Company has positioned as a manufacturer in this level.
- (3) Small size manufacturers have sales of less than Baht 300 million per year, most of them are small producers with production capacity and quality production is not high.

Target customers:

- (1) Flexible packaging customers that has been marketed by the Company before production. It consists of several industries such as rice, food and animal feed.
- (2) The old plastic packaging customers that want to change the packaging to be modern, more durable and beautiful.
- (3) New customers that factory is located in Navanakorn Industrial Promotion Zone, Nakhon Ratchasima, as well as the Company's factory location and the factory in the area nearby the Company's factory location. The manufacturer of the product such as rice, sugar and flour producers, including VAVA's former customers.

*Source * : - Department of Packaging and Materials Technology, Faculty of Agro-Industry, Kasetsart University
- Packaging Industrial Intelligence Unit
- All4PACK*

5.2 Repayment of loans: The total budget of Baht 30.00 million is divided into Baht 5.00 million to repayment short-term loans from financial institutions and to repayment loans from foreign Baht 25.00 million in order to reduce the burden of financing to repay and reduce interest expenses.

6. Benefits which the Company and Shareholders will receive from the Capital Increase and Share Allocation

6.1 VAVA is a large company engaged in packaging business for more than 20 years with sales of more than 1,400 million baht per year, can be beneficial in introducing business partners and recommending customers to the Company. In addition, after 3 months from the purchase of new

ordinary shares of the Company, VAVA will stop producing and selling flexible packaging products. This will give the Company a chance to market to VAVA's existing customers. This will increase the Company's revenue potential from the flexible packaging business.

- 6.2 Repayment of loans from financial institutions and loans from foreign amount of Baht 30.00 million reduce the burden of financing to repay and reduce interest expenses and as a result, the debt-to-equity ratio declined from 0.17 times to 0.13 times (based on the Company's financial statements ending June 30, 2017).
- 6.3 At present, the gross profit margin of sack products is approximately 1.6% of sales value (according to the Company's financial statements ending June 30, 2017). However, when the Company invested in both two phases of flexible packaging for the purpose of the Company, this would lead to a higher gross profit margin as flexible packaging products had higher margins than sack products and when the Company has a higher proportion of flexible packaging, it will increase gross margin. In addition, the Company has raised Baht 30 million from the offering of newly issued ordinary shares to VAVA to repay the loan. As a result, the interest expenses will decrease by approximately Baht 1.3 million per year. Therefore, the loss of the Company will decrease and will be profitable in the long run.
- 6.4 The second phase of flexible packaging investment will increase the Company's flexible packaging capacity. It is an opportunity to earn more. It also makes the line of flexible packaging more stable and flexible, because the machine can be used in production line replacement.

7. Benefits which the shareholders will receive from the capital increase and share allotment

7.1 Increase Book Value

The capital increase to VAVA in this time which is capital offering at a price of less than 90% of the weighted average price of the Company's ordinary shares for 15 consecutive business days, which is during the period of October 2, 2017 to October 24, 2017 at an offering price of Baht 0.405 per share which higher than book value per share (as of June 30, 2017) that equal to Baht 0.35 per share. As a result, the book value increased to Baht 0.36 per share as follows:

Details	June 30, 2017	Offering to VAVA	
		Value/Number/Price	After offering
Shareholders' Equity (Million Baht)	653.76	186.30	840.06
Number of paid-up shares (shares)	1,865,376,587	460,000,000	2,325,376,587
Book value per share (Baht)	0.35	0.405	0.36

7.2 Maximize profitability and pay dividends

The Company has continued to suffer losses in 2016 and the first six months of 2017, the net loss was Baht 70.90 million and Baht 24.65 million, respectively. Without any expansion, the Company could suffer loss and reduce the shareholders' equity. However, the capital increase to VAVA will give the Company has enough money to expand both of the two lines' flexible packaging to meet the target. The rate of return on investment in the flexible packaging business is not less than

11.50%. If it is in line with the plan and projection, it is expected that the Company will generate operating profit for the year within 4 years after the expansion. This is to increase the dividend payout potential to the shareholders of the Company. However, at the beginning of the year, the Company will continue to suffer losses due to the low proportion of flexible packaging, which will not be profitable for the Company.

7.3 Policy of Paying Dividend

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. Therefore, it depends on the economy and the future of the Company's operation as important.

7.2 Rights in Dividend for Subscribers of Capital Increase

VAVA will receive dividend from the Company's operation when VAVA is listed as a shareholder in the shareholder's register book of the Company.

8. Other details necessary for the shareholders to approve the capital increase and share allotment

8.1 No matter what the offering price of the newly issued ordinary shares is different from the market price at the date of VAVA make payment of the capital increase, VAVA agrees not to sell the newly issued ordinary shares (Silent Period) which receives from subscription for a period of 1 year from the trading date on the SET. Upon the expiry of the 6-month period of the prescribed time, VAVA can sell 25% of such shares.

8.2 Other details necessary for the allotment of the capital increase, please consider the Information Memorandum in relation to the allotment and offering of newly issued ordinary shares to investors in private placement (Attachment 3).

9. Schedule of action where the Board of Directors of the Company passes a resolution approving the capital increase and share allotment

Procedure	Date
Board of Directors' Meeting No. 9/2017 to approve the increase of registered capital, the allocation of newly issued ordinary shares and related matters.	October 25, 2017
Date to determine the shareholders' right to attend the Extraordinary General Meeting of the Shareholders No. 1/2018 (Record Date)	November 24, 2017
The Extraordinary General Meeting of the Shareholders No. 1/2018	January 18, 2018
Registration date for the reduction of registered capital, the increasing of registered capital and related matters at Department of Business Development, Ministry of Commerce	Within 14 days from the date of the Extraordinary General Meeting of the Shareholders No. 1/2018 approves the capital reduction/increase
Date to allotment and offering newly issued ordinary shares to investors in private placement	After obtaining the approval from the Office of the

Procedure	Date
	Securities and Exchange Commission, therefore within 3 months from the date of approval of the shareholders' meeting
Date of registration of paid-up capital received from investors in private placement matters at Department of Business Development, Ministry of Commerce	Within 14 days from the date that the Company receives the payment for the capital increase
Listing of the newly issued ordinary shares to be listed securities in the Stock Exchange of Thailand	Within 14 days from the last date that the Company receives the payment for the capital increase

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

Please be informed accordingly.

Sincerely yours,

.....

.....

(Pol.Gen. Somchai Vanichsenee)
Authorized Director

(Mr. Vee Worasakyothin)
Authorized Director

**Information Memorandum in relation to
the allotment and offering of newly issued ordinary shares to investors in private placement**

According to the Board of Directors Meeting of NEP Realty and Industry Public Company Limited (the "Company") No. 9/2017, held on October 25, 2017, has resolved to approve for submission to the Extraordinary General Meeting of the Shareholders No. 1/2018 for consideration and approval of the allotment of capital increase ordinary shares of the Company in the amount not exceeding 460,000,000 shares, with the par value of Baht 1.00 per share for offering to VAVA PACK Company Limited ("VAVA") under the private placement scheme, at the offering price of Baht 0.405 per share, in the total sum of Baht 186,300,000.

Therefore, the Company has prepared the Information Memorandum in relation to the allotment and offering of newly issued ordinary shares to investors in private placement which consists of the important information effected to the decision of shareholders for consideration and approval of the increase of registered capital of the Company and the allotment and offering of newly issued ordinary shares to investors in private placement as follows:

1. Details of offering of newly issued ordinary shares to investors in private placement

1.1 Number of shares to be offered and type of investors to be offered

The Company shall allot newly issued ordinary shares in the amount not exceeding 460,000,000 shares, with the par value of Baht 1.00 per share for offering to VAVA PACK Company Limited ("VAVA") under the private placement scheme as specified in the Notification of the Capital Market Supervisory Board No. Tor Jor. 72/2558 Re: Approval for the Listed Companies to Offer Newly Issued Shares to Investors in Private Placement dated 28 October 2015 (and amended) at the offering price of Baht 0.405 per share, in the total sum of Baht 186,300,000.

For more information about VAVA, please refer to "Details of VAVA PACK Company Limited ("VAVA")" as detailed in the Capital Increase Report Form (F53-4) (Attachment 2) Clause 2.1 (B).

Shareholder structure before and after the offering of newly issued ordinary shares

Name	Before the Offering (November 24, 2017)		After the Offering	
	Number of Shares	%	Number of Shares	%
Group of Mr. Veerachart Losiri *	57,540,300	3.08	517,540,300	22.26
Group of Kanjanajaree family **	307,160,200	16.47	307,160,200	13.21
Ministry of Finance	295,847,860	15.86	295,847,860	12.72
Mr. Nuttapol Jurangkul	180,865,900	9.70	180,865,900	7.78

Name	Before the Offering (November 24, 2017)		After the Offering	
	Number of Shares	%	Number of Shares	%
Group of Pattararangrong family ***	112,121,900	6.01	112,121,900	4.82
Other Shareholders	911,840,427	48.88	911,840,427	39.21
Total Shares	1,865,376,587	100.00	2,325,376,587	100.00

Remark: * Group of Mr. Veerachart Losiri consists of

- Mr. Veerachart Losiri 32,330,200 shares
- Mrs. Ticomporn Losiri 25,210,000 shares
- VAVA PACK Company Limited - shares

Therefore, no other person holds the Company's shares representing Mr. Veerachart Losiri that will make the holding of the Company's shares totaling 25.00% of the paid-up capital of the Company.

** Group of Kanjanajaree family consists of

- Miss Narulporn Kanjanajaree 187,260,200 shares
- Miss Orrayaporn Kanjanajaree 64,900,000 shares
- Mr. Pornprasert Kanjanajaree 55,000,000 shares

*** Group of Pattararangrong family consists of

- Mr. Borphit Pattararangrong 108,111,500 shares
- Mr. Kitti Pattararangrong 3,000,000 shares
- Mr. Passapol Pattararangrong 1,010,400 shares

1.2 The determination of the offering price and the market price

The Company considers the appropriate of the offering price based on financial position, performance, Book Value per share, Book Value per share adjusted by market value of property and investment in listed companies (Adjusted Book per share), comparative valuation by market approach by book value approach (Price per Book Value) and also, consider the market price per share in the Stock Exchange of Thailand (the "SET") without using the net cash flow method since the Company has continued losses, which may be inappropriate at this time. Details are as below;

Valuation Methods	Price (Baht per share)
Book value per share as of June 30, 2017	0.350
Book value per share as of June 30, 2017 adjusted by market value of assets type property and investment in listed companies as of October 24, 2017	0.379
Price per book value of 2 companies that is similar to the Company and listed in the SET as of October 24, 2017	0.491 - 0.566
The weighted average market price of the Company's ordinary shares traded on the SET for 7 - 360 days from October 25, 2016 – October 24, 2017 as of October 24, 2017	0.381 - 0.452

Valuation Methods	Price (Baht per share)
The weighted average market price of the Company's ordinary shares traded on the SET for 15 days from October 2, 2016 – October 24, 2017 (information as of October 25, 2017)	0.446
The offering price to VAVA	0.405

1) Consideration of book value per share: The Company uses the statement of financial position as of June 30, 2017, the book value per share is as follows:

<u>Details</u>	<u>Value</u>	
Total Assets	763.25	Million Baht
<u>Deduct</u> Total Liabilities	109.48	Million Baht
Shareholders' Equity as of June 30, 2017	653.77	Million Baht
<u>Divide</u> Total paid-up shares	1,865,376,587	Shares
Book value per share	<u>0.350</u>	Baht

2) Consideration of book value per share adjusted by market value of assets type property and investment in listed companies (Adjusted book per share): The Company uses the statement of financial position as of June 30, 2017, the adjusted book value per share is as follows:

<u>Details</u>	<u>Value</u>	
Shareholders' Equity as of June 30, 2017	653.77	Million Baht
Difference between book value of assets that appraised		
- Difference of land, building and machines (1)	12.04	Million Baht
- Difference of Nava Nakorn Plc's shares (2)	<u>42.09</u>	Million Baht
Shareholders' Equity adjusted by market value of assets	<u>707.90</u>	Million Baht
<u>Divide</u> Total paid-up shares	1,865,376,587	Shares
Book value adjusted by market value of assets	<u>0.379</u>	Baht per share

Note : (1) Compare book value of fixed assets with appraised value

Unit : Million Baht

Fixed assets that are appraised *	Book value	Appraised value	Difference
Land	27.22	43.70	16.48
Building and structure	90.89	101.81	10.92
Machines and equipment	99.87	84.51	-15.36
Total assets that are appraised	217.98	230.02	12.04

* Summary of valuation assumptions by Pornsiam Consouantand & Service Co.,Ltd.

Appraisal date	September 28, 2017	October 2, 2017
Type of assets	Land with total land area of 19 rai – 3 ngan - 45 square wa Factory building with office 12 items	Machines and equipment totaling 117 items to produce plastic bags by all machines are active

	and the development of merger on the land	
Location	999/5 Road within the project of Nava Nakorn Industrial Estate, Mittraphap Road, Tambon Na Klang, Sungnoen District, Nakhon Ratchasima Province	
Ownership	NEP Realty and Industry Public Company Limited	
Appraisal purpose	To know the market value	Public purposes
Details of assets that are appraised and appraisal	<p>1) Land : Land Title Deed No. 36779 - 36781 total 3 plots of land consecutively. North and south next to the road of the project road 110 meters wide and 225 meters, deep 250 meters. Away from Mittraphap Road 1.18 kilometers.</p> <p>Appraisal by comparison to market price 4 land that is located within Nava Nakorn Industrial Estate, away from Mittraphap Road 1.17 – 2.80 kilometers for 3 land and next to the ring road around the city, away from Mittraphap Road 30 kilometers for 1 land. Then analyze the price adjustment by 1. Location 2. Environment 3. Public utility 4. Urban Planning 5. Road Condition 6. Land Area 7. Shape and 8. Width to Land Area</p> <p>2) Factory building : consist of 12 buildings as following;</p> <ol style="list-style-type: none"> 1. Office building 2 floors 2. Factory building with office No.1 3. Factory building with office No.2 4. Office building 1 floor 5. Building for storing raw materials and finished goods <p>Building 6 – 12 are cafeteria building, maintenance waste storage building, parking building, etc.</p> <p>Valuated by new net cost. (New replacement cost less depreciation)</p>	<p>Machines and equipment totaling consist of printing machine, plastic machine, weaving machine, sealing and folding machine, laminating machine, cutting machine and sealing machine, etc. Valuation based on fair market value of machinery and equipment</p> <p>Appraisal based on fair market value of machines and equipment according to the Valuers Association of Thailand and Thai Valuers Association by determine the fair market value (FMV) from new replacement cost deduct total depreciation.</p> <p>The total depreciation is determined from life of the machines, lifetime of the physical work and conditions of the machines.</p> <p>Therefore, the fair value of the machines is calculated individually and then combined after.</p>

(2) Compare book value of investments in Nava Nakorn Public Company Limited

Investments in Nava Nakorn PLC	245.95	Million Share
Closing price of Nava Nakorn PLC' shares as of October 24, 2017	1.50	Baht
Value on market price of investments in Nava Nakorn PLC	368.93	Million Baht
Book value as of June 30, 2017	326.84	Million Baht
Different	42.09	Million Baht

Consideration is made by comparing with the market price on Price per Book Value method which consideration from the book value per share of the Company compares to closing price per book value of listed companies that trade on the SET and being in the same sector of packaging business as the Company. There are 2 companies in sample that produce flexible packaging as the Company which are TPBI Public Company Limited (TPBI) and Nippon Pack Public Company Limited (NPP). Because the Company considers that the Company manufactures and sells plastic bags and in 2017 the Company has invested in flexible packaging line for commercial and consumer goods (Flexible Packaging), commencing commercial operation in May 2017. And by TPBI and NPP are only two listed companies on the SET that produce and distribute the flexible packaging for commercial and consumer goods as well as the business of the Company. Moreover, most of the other revenues of both companies are from plastic packaging products as well as the Company. In addition, the Company believes that the closing price on the book value of the two listed companies is used as a basis for comparing the offering price and the market price only.

The Company's business and revenue generation compared to TPBI and NPP for 2016 are as follows;

	NEP		TPBI		NPP	
Sector	Plastic packaging - Plastic bags - Flexible packaging for commercial and consumer goods		Plastic packaging - Plastic bag handle Garbage bag - Flexible packaging for commercial and consumer goods		Plastic packaging - Plastic packaging under vacuum forming such as trays for foods - Flexible packaging for commercial and consumer goods	
Revenues structure	2016	%	2016	%	2016	%
Plastic bags	285.57	100.00	0	0	0	0
Flexible Packaging	0	0	347.04	6.91	294.77	31.92
Plastic sacks	0	0	3,207.51	63.83	0	0
Film	0	0	623.27	12.40	0	0
Other sales	0	0	719.29	14.31	0	0
PET bottles	0	0	0	0	106.44	11.31
Packaging under vacuum	0	0	0	0	118.07	12.55

	NEP		TPBI		NPP	
Foods and beverages business	0	0	0	0	395.60	42.03
Other revenues	0	0	127.86	2.55	26.32	2.79
Total	285.57	100.00	5,024.98	100.00	941.20	100.00

Therefore, the Company retains historical data for the period of 7 - 360 days from October 25, 2016 to October 24, 2017, which details the value of the Company's ordinary shares by compares the closing price per book value as follows;

Symbols	7 days	15 days	30 days	60 days	90 days	180 days	360 days
TPBI	2.068	2.081	2.089	2.058	2.021	2.058	2.225
NPP	0.905	0.937	0.975	0.867	0.783	0.793	1.009
Average	1.487	1.509	1.532	1.463	1.402	1.426	1.617
Book value of the Company (Baht per share)	0.350						
Price (Baht per share)	0.520	0.528	0.536	0.512	0.491	0.499	0.566

Note : Reference to the data used in the calculation from www.efinancethai.com as of October 25, 2017

3) Consideration of market price per share of the Company in the Stock Exchange of Thailand (Market price per share) based on the weighted average market price of the Company's shares traded on the Stock Exchange of Thailand (the "SET"). The weighted average market price of the Company for the period of 7 - 360 days is calculated from October 25, 2016 to October 24, 2017, which details the value of the Company's ordinary shares by the weighted average market price method is as follows;

The market price of the Company	7 days	15 days	30 days	60 days	90 days	180 days	360 days
High price	0.490	0.490	0.490	0.490	0.490	0.490	0.490
Low price	0.420	0.420	0.400	0.380	0.350	0.330	0.330
Average closing price	0.452	0.452	0.433	0.417	0.409	0.376	0.368
Weighted average price	0.451	0.452	0.444	0.434	0.415	0.396	0.381

Note : Reference to the data used in the calculation from www.efinancethai.com as of October 25, 2017

4) **The weighted average** market price for the last 15 consecutive business days prior to the date on which the Board of Directors resolved to offer the newly issued ordinary shares as follows:

No.	Date	Total Volume (Shares)	Total Value (Baht)
1	October 2, 2017	10,724,401	4,571,160
2	October 3, 2017	7,137,200	3,065,220
3	October 4, 2017	3,575,650	1,528,560

No.	Date	Total Volume (Shares)	Total Value (Baht)
4	October 5, 2017	2,541,400	1,093,400
5	October 6, 2017	2,014,900	866,210
6	October 9, 2017	25,531,565	11,565,710
7	October 10, 2017	2,737,500	1,250,080
8	October 11, 2017	1,985,333	896,350
9	October 12, 2017	2,869,966	1,296,090
10	October 16, 2017	4,866,800	2,225,260
11	October 17, 2017	1,429,800	643,440
12	October 18, 2017	2,904,800	1,322,690
13	October 19, 2017	907,100	408,620
14	October 20, 2017	1,988,300	894,760
15	October 24, 2017	27,506,814	12,393,990
	Total	98,721,529	44,021,540

$$\begin{aligned}
 \text{The weighted average price for 15 consecutive trading days (The Market Price)} &= \frac{\text{Total Value (Baht)}}{\text{Total Volume (Shares)}} \\
 &= \frac{44,021,540}{98,721,529} \\
 &= 0.446 \text{ Baht per share}
 \end{aligned}$$

Reference : The Stock Exchange of Thailand

In addition, the Company has considered the potential of VAVA, which is a big company with over 20 years of experience. It has the availability of finance that can support the business such as marketing, production and finance. It can also be helpful in introducing partners that are beneficial to the Company's business. As a result, VAVA's investment will be able to sustainably benefit the business of the Company and the Company's shareholders.

The Board of Directors considered that share price based on market price especially the weighted average market price of the Company's ordinary shares traded on the SET is a reasonable way to determine the share price of the Company. The market price is the price that reflects the stock price in terms of supply and demand in the SET that actual trading of the Company's shares based on the investor's investment. Investors are able to receive information and news about the Company, including news on various factors that may affect the operation of the Company. This reflects the stock price of the Company traded on the SET.

Details of the determination of the Market Price

"Market Price" means the weighted average price of the Company's ordinary shares traded on the SET for at least 7 consecutive business days but no more than 15 consecutive business days and being the period prior to the date on which the Company's Board of Directors passes the resolution to propose an agenda item to the shareholder meeting for approval of the Company's increasing of the capital to private placement.

The offering price of newly issued ordinary share to VAVA of Baht 0.405 per share is 9.19% discount from the market price which is not deemed as a price of less than 90% of the weighted average price of the Company's ordinary shares traded on the SET for 15 consecutive business days and being the period prior to the date on which the Company's Board of Directors passes the resolution to propose an agenda item to the shareholder meeting for approval of the Company's increasing of the capital to private placement , which is during the period of October 2, 2017 to October 24, 2017 in accordance with the rules in the Notification of the Capital Market Supervisory Board No. ThorChor. 72/2558 Re: Approval for the Listed Companies to Offer Newly Issued Shares to Investors in Private Placement (and amended).

Therefore, if the offering price to VAVA that less than 90% of the weighted average price of the Company's ordinary shares traded on the SET for 7-15 consecutive business before the first date that the Company offers newly ordinary shares of the Company to the private placement pursuant to rules stipulated in the Notification of the Stock Exchange of Thailand Bor Jor (Wor) 17/2558 Re: Silent period for offering shares or convertible securities to Private Placement dated 29 April 2015, the newly issued ordinary shares is required not to trade for a period of 1 year from the first trading date on the SET (Silent Period). Upon the expiry of 6 months period of the prescribed time, the private placement could sell 25% of such shares.

No matter what the offering price of the newly issued ordinary shares is different from the market price at the date of VAVA make payment of the capital increase, VAVA agrees not to sell the newly issued ordinary shares (Silent Period) which receives from subscription for a period of 1 year from the trading date on the SET. Upon the expiry of the 6-month period of the prescribed time, VAVA can sell 25% of such shares.

The Board of Directors gave opinion that the offering price to VAVA at the price of Baht 0.405 per share is 9.19% discount from the market price which considered to the weighted average price of the Company's ordinary shares traded on the SET for 15 consecutive business days and being the period prior to the date on which the Company's Board of Directors passes the resolution to propose an agenda item to the shareholder meeting for approval of the Company's increasing of the capital to private placement that is reasonable because it is an additive value compared to the book value per share that equal to 0.35 Baht per share or equal to 15.71% of the book value per share (as of June 30, 2017) and being the price that higher

than the book value per share adjusted by market value of assets type property and investment in listed companies.

1.3 Method for the offering and allotment

The offering of newly issued ordinary shares to VAVA which is for private placement, the Company has reasons and necessity as detailed in Clause 4. "Opinion of the Board of Directors of the Company (6) Reason and necessity of the offering newly issued ordinary shares to private placement" which this offering and allotment the shareholders' meeting is fix the offering price. Thus, the Company must obtain approval from the shareholders' meeting by not less than three-fourth of the total votes of shareholders who attend the meeting and entitled to vote, and the Company must receive approval from the Office of the Security and Exchange Commission (the "SEC") in accordance with the Notification of the Capital Market Supervisory Board associated before the offering and allotment to VAVA.

1.4 Criteria and method for private placement investor selection

The Board of Directors of the Company selects the investors in private placement which is VAVA because VAVA has over 20 years of experience in packaging business. Currently, VAVA's main business is the production and distribution of big bags used in transportation business including also has the potential for capital. Currently, VAVA has assets of Baht 1,295 million, sales of Baht 1,455 million per year and net profit of Baht 75 million per year. In addition, VAVA has expressed intention to invest in the Company's shares clearly and wants to hold the Company's shares in the long run. This will help guide business partners which will benefit the Company in the future.

Therefore, VAVA and its shareholders have also invested in companies that similar to the business of the Company but different product styles. The Company produces and distributes plastic bags and flexible packaging while other companies produce soft plastic bags which have different styles of usage and customer groups.

Certification from the Board of Directors regarding the Consideration and Investigation of the Private Placement Investors' Information

The Board of Directors certifies that from the consideration and examination of information of VAVA, the Board of Directors has proceeded with discretion and considers that the investors are qualified for investing in the newly issued ordinary shares of the Company.

The Board of Directors has determined that VAVA will have to make a deposit of Baht 20,000,000 (Twenty Million Baht) to the Company by November 1, 2017 to announce the intention to subscribe the newly issued ordinary shares of the Company. In case that the Company does not received such deposit within the period specified by the Board of Directors, the Company may arrange the Board of Directors' Meeting to annul the approval for the capital increase to offer the newly issued ordinary shares through VAVA and other related actions and annul the Extraordinary General Meeting of the Shareholders

No. 1/2018 to consider and approve the capital increase to offer the newly issued ordinary shares through VAVA and other related actions.

On October 30, 2017, the Company already received a deposit of Baht 20,000,000 (Twenty Million Baht) from VAVA.

After the Company receives such deposit, the Company will have to refund the deposit with the conditions as follows:

- The Company does not receive the Shareholders' Meeting approval for capital increase to offer the newly issued ordinary shares through Private Placement with a resolution of not less than three-fourth of the total votes of shareholders who attend the meeting and entitled to vote or the Company cancels the EGM on January 18, 2018.
- The Company does not receive approval from the SEC for the issuance and offering of ordinary shares to Private Placement investors.

1.5 Relationship between VAVA and the Company

Please see information about VAVA, in "Details of VAVA PACK Company Limited ("VAVA")" as detailed in the Capital Increase Report Form (F53-4) (Attachment 2) Clause 2.1 (B).

2. Objectives of the Capital Increase and Plan for Utilizing Proceeds

The Company has objectives of the capital increase to finance and invest flexible packaging business of Baht 156.30 million and repay loan of Baht 30.00 million, totaling Baht 186.30 million. Details are as follows;

2.1 Expand flexible packaging business

Unit : Million Baht

Objective for utilizing	Capacity (Million square meters/year)	Action taken	This capital increase	Total
Machines for production line Phase 1	24	44.00		
Machines for production line Phase 2 *	24		40.00	
Warehouse building *			35.00	
Working capital (Raw materials, labor costs and production overheads)			81.30	
Total	48	44.00	156.30	200.30

Note : Additional investments for the flexible packaging business including Machines for production line Phase 2 and a warehouse building that can be started to build within 3 months from the

Extraordinary General Meeting of the Shareholders No. 1/2018 approve the capital increase to VAVA and expect to complete within 2018.

The Company intends to invest in the flexible packaging business with a total budget of Baht 200.30 million which the Extraordinary General Meeting of Shareholders No. 1/2017 held on September 2, 2016 approved the offering of newly issued ordinary shares to the existing shareholders proportionately to invest the business. However, the Company could sell the newly issued ordinary shares to the existing shareholders partially. As a result, the Company only purchased and installed machines for Phase 1 of production line. Moreover, the Company still needs Baht 159.30 million (total investment of Baht 200.30 million) to invest in two phases of the flexible packaging business. The offering of newly issued ordinary shares to VAVA in this time will allow the Company to earn enough money to invest in the flexible packaging business and has more working capital to sufficiently buy raw materials, pay labor cost and overhead cost.

The financial position of the Company as of December 31, 2016 and June 30, 2017 and the results of operations for the year 2016 and the first six months of the year 2017 are as follows;

Unit : Million Baht

Statement of financial position and performance	December 31, 2016	June 30, 2017
Assets		
Cash and temporary investment	162.31	103.31
Other current assets	58.80	82.65
Total current assets	221.11	185.96
Total non-current assets	548.36	577.29
Total assets	769.47	763.25
Liabilities		
Current liabilities	50.66	75.72
Non-current liabilities	40.40	33.76
Total liabilities	91.06	109.48
Total shareholders' equity	678.41	653.76
Total liabilities and shareholders' equity	769.47	763.25
<i>Performance for the year 2016 and the first six months of the Year 2017</i>		
Revenues	301.56	160.53
Costs	293.71	157.93
Expenses	99.65	40.00
Share of profit and income tax	20.90	12.75
Net profit (loss)	(70.90)	(24.65)
Cash flow		
Cash flow provided by (used in) operating activities	(72.45)	(30.12)

The Company has suffered loss for many years. In 2016 and the first six months of 2017, the loss was Baht 70.90 million and Baht 24.65 million, respectively. This is mainly due to the Company's gross margin is not enough for operating expenses. Therefore, the Company has used cash and temporary investment to support its operating expenses. As a result, cash and temporary investment decreased from Baht 162.31 million at the end of 2016 to Baht 103.31 million as at June 30, 2017.

The Company started production and distribution of flexible packaging using Phase 1 of production line in May 2017. Currently, the Company is in the process of increasing its production capacity to increase its gross profit margin. However, the gross margin of Phase 1 of production line was not enough for operating expenses as well as an investment in Phase 2 of production line may take 7 - 9 months (Receive payment of the offering of newly issued ordinary shares from VAVA within 3 months and the Company will buy and install machines for 4 - 6 months). As a result, the Company needed cash and temporary investment of Baht 103.30 million for operating expenses in the second half of 2017 until 2019, before Phase 2 of the flexible packaging business started earning commercial revenues. It will be used as working capital to buy raw materials, pay labor cost and overhead cost for plastic bags production and Phase 1 of the flexible packaging production line, as approved by the Extraordinary General Meeting of the Shareholders No. 1/2016 on September 2, 2016. As a result, the Company had no cash left to invest in Phase 2 of the flexible packaging production. If the Company brings cash and temporary investment of Baht 103.30 million to invest in Phase 2 of the flexible packaging production line of Baht 40.00 million and to construct a warehouse buildings of Baht 35.00 million (totaling Baht 75.00 million). As a result, the Company has a shortfall of about Baht 25 million, which is insufficient for loan repayment (Baht 30.00 million), and no working capital for buying raw materials, pay labor cost and overhead cost for the flexible packaging business. Also, the Company has no intention of borrowing more money because it will increase operating expenses and to solve a problem of accumulated losses delayed, including a risk of making money to repay loan. For that reason, the Company is necessary to increase the capital to expand Phase 2 of the flexible packaging business.

The working capital of Baht 81.30 million that will be received from the offering of newly issued ordinary shares to VAVA, the Company will reserve to buy raw materials such as film, paint and printing solutions, pay labor costs and overhead cost. For the flexible packaging business (Phase 1 and 2) as well as operating expenses, the Company estimates that the flexible packaging business will have 45-day Cash Cycle (the current account receivable turnover is 40 days, the inventory turnover is 35 days, and the creditors' turnover is 30 days). The above mentioned working capital is sufficient for the flexible packaging business (Phase 1 and 2) according to the data from June to September 2017 and the future trend, because the Company just started to produce and sell the flexible packaging.

The flexible packaging business is a production of products made from film that is branded and then coated together into sheets according to the desired thickness and then cut to the desired size, such as rice bags, snack sacks, dried fruits sacks, shampoo sacks, soap sack, floor scrub bags and

laundry detergent bags, etc. The Company has already installed Phase 1 of the production line. It has a capacity of 24 million square meters per year and has commercial revenues since May 2017. If the Extraordinary General Meeting of Shareholders No. 1/2018 approves the Company to increase its capital and offer its ordinary shares to VAVA, the Company will purchase machines for Phase 2 of production lines with a capacity of 24 million square meters per year. (At present, the Company does not purchase machines in advance.) When the Company invests in both production lines, the Company will have the flexible packaging capacity of 48 million square meters per year within Year 2018.

The Company has experienced in production and distribution of Phase 1 of the flexible packaging and found that gross margin can be achieved for the purpose. The Company wishes to invest more in Phase 2 of the flexible packaging. As a result, the Company is confident that the Company will be able to use its proceeds from the offering of newly issued ordinary shares to VAVA to invest in Phase 2 of the flexible packaging production and construction of a warehouse buildings certainly. When the Company invested in the both phases of the flexible packaging business, the Company has the ability to generate more revenue. Estimated proportion of revenue of plastic bags to revenue of flexible packaging is equal to 33%: 67%. The flexible packaging business has an Internal Rate of Return (IRR) of not less than 11.50%, a payback period is 6 years and 6 months after expand the investment. If it is in line with the plan and projection, it is expected that the Company will be able to generate operating profit for the year. However, at the beginning of the year, the Company will continue to suffer losses due to the low proportion of flexible packaging, which will not be profitable for the Company.

Summarize the important of assumptions for the flexible packaging's cash flow forecasts (Phase 1 and 2)

The Company has a 10-years financial projection based on depreciation of machines. Management of the Company had set the assumptions and information used for Phase 1 and 2 of the flexible packaging's cash flow projections based on the actual production and distribution of Phase 1 of the flexible packaging from June to September 2017. The assumptions for the year 2023 - 2026 are assumptions as in the year 2022. The Company did not prepare the sensitivity analysis because the projection was based on caution. The summary is as follows;

1. Total investment in the flexible packaging business Baht 178.44 million divided into
 - 1) In the year 2017, the Company invested in Phase 1 of the flexible packaging production line of Baht 46.23 million (using proceeds from the capital increase to the existing shareholders) and the prior year, the Company invested in land, building of Baht 57.21 million (using working capital that these amounts are allocated according to the usage area of the flexible packaging products) totaling Baht 103.44 million which the Company has already completed.
 - 2) In the year 2018, the Company has a plan to invest in Phase 2 of the flexible packaging production of Baht 40.00 million and a warehouse building of Baht 35.00 million, totaling Baht 75.00 million. The Company will proceed when receive approval from the Extraordinary General Meeting of Shareholders No. 1/2018.

2. After investment in Phase 2 of the flexible packaging production line, the Company will have a production capacity of not less than 30% of the total capacity. It is expected to increase its production capacity by an average of 10% per year with a maximum production capacity of 70% of total capacity.
3. The Company has an average selling and administrative expenses of 14% of total revenues and a share of profit from associated companies of Baht 20.70 million per annum throughout the projection period.

Necessary of the expansion of Phase 2 of the flexible packaging

The average gross margin of the Company in the case of expansion of Phase 2 of the flexible packaging production line is higher than non-expansion of Phase 2 of the flexible packaging production line. With the expansion of investment will increase the Company's revenue. Therefore, gross margin is sufficient for operating expenses faster than the non-expansion of Phase 2 of the flexible packaging production. If the Company does not receive the proceeds from the offering of capital increase shares, it will not have enough money to expand its investment in Phase 2 of the flexible packaging production and used as working capital to buy raw materials. This will make gross profit not just for operating expenses and may cause the Company to suffer from operating loss.

2.2 Repayment of loans Baht 30.00 million

The Company will use the money from the proceeds of the offering of newly issued ordinary shares to VAVA of Baht 30.00 million to repayment loans which device to 1) Repayment of long-term debt that to be due within 1 year (since June 30, 2017) to financial institution of Baht 5.00 million and 2) Repayment of foreign loans that to be due in 2019 amounting to Baht 25.00 million. This is to reduce the burden of financing and reduce interest expenses without reducing working capital.

Please see more information in “Objectives of the capital increase and plans for utilizing proceeds received from the capital increase” as detailed in the Capital Increase Report Form (F53-4) (Attachment 2) Clause 5.

3. Effects on Shareholders from the Offering of Newly issued Ordinary Shares through Private Placement

Effect to existing shareholders which may occur from the offering of newly issued ordinary shares to investors in private placement are as follows:

(1) Control Dilution

$$= \frac{\text{Shares offering to PP}}{\text{(Paid-up shares + Shares offering to PP)}}$$

$$= \frac{460,000,000}{(1,865,376,587 + 460,000,000)}$$

$$= 19.78\%$$

Therefore, the private placement will reduce the voting rights of shareholders by 19.78%

(2) Earnings per share Dilution

$$= \frac{(\text{Earnings per shares before offering} - \text{Earnings per share after offering})}{\text{Earnings per shares before offering}}$$

By which

Earnings Per Share before offering = Net Profits / Total issued shares before offering

Earnings Per Share after offering = Net Profits / Total issued shares after offering

This offering has no effect on EPS dilution due to the Company has net loss.

(3) Price Dilution

$$= \frac{(\text{Market price before offering}^* - \text{Market price after offering}^{**})}{\text{Market price before offering}}$$

By which

* Market price before offering = The weighted average price of the Company's ordinary shares traded on the Stock Exchange of Thailand for 15 consecutive business days prior to the date on which the Board of Directors' Meeting No. 9/2017, held on October 25, 2017, which is during the period of October 2, 2017 to October 24, 2017, equal to Baht 0.446 per share.

** Market price after offering = $\frac{(\text{Market price} \times \text{Paid-up shares}) + (\text{PP price} \times \text{Shares offering to PP})}{(\text{Paid-up shares} + \text{Shares offering to PP})}$

$$= \frac{(0.446 \times 1,865,376,587) + (0.405 \times 460,000,000)}{1,865,376,587 + 460,000,000}$$

$$= \text{Baht 0.438 per share}$$

$$= \frac{(0.446 - 0.438)}{0.446}$$

$$= 1.79\%$$

Therefore, from the offering price to private placement of Baht 0.405 per share, the Price Dilution will be dilute by 1.79%.

(4) Financial Status Before and after the offering of newly issued ordinary shares to

VAVA

The offering of newly issued ordinary shares to VAVA, the Company will receive the proceeds from the capital increase of Baht 186.30 million. This will make the Company has better financially. After the offering of newly issued ordinary shares to VAVA, the Company's equity will increase from Baht 653.76 million to Baht 840.06 million. As a result, the Company has the potential to expand its Phase 2 of the flexible packaging production, have enough working capital and no more loans. This will enable the Company to make faster profits.

(5) The worthiness that the shareholders will receive compared to the impact of the shareholders' voting rights.

Although the capital increase and allotment of newly issued ordinary shares to Private Placement will affect the shareholders as described above, however, the capital increase and the allotment of newly issued ordinary shares will help strengthen the Company's financial position. This will allow the Company to utilize the proceeds of the capital increase to expand its investment and business operations more effectively as planned. This will result in a better prospect for the Company's operations, which will benefit the shareholders in the form of dividends in the future. Therefore, when considering potential impacts on the Company's shareholders, including:

1. Price Dilution : The market price of the Company's ordinary shares will be affected by the decrease of 1.79%.

2. Earnings per share Dilution (EPS) : Currently, the Company is still at a loss which also cannot be calculated. If the Company receives a capital increase and can generate profits, it will increase the EPS.

3. Control Dilution: The shareholders will be affected from the reduction in control dilution and voting right by 19.78%.

However, despite the above effects, if the Company receives the capital increase, the Company will be able to generate more revenue and profit. This is a good result for the Company and its shareholders in the future. In addition, the current book value is Baht 0.35 per share, after the recapitalization to private placement will increase to Baht 0.36 per share. (Because the Company offered to sell newly issued ordinary shares to VAVA at Baht 0.405 per share which is higher than the book value of Baht 0.35 per share)

In addition, VAVA has begun negotiations to offer to subscribe new ordinary shares of the Company since the first quarter of 2017. The weighted average trading price of the Company's ordinary shares in the Stock Exchange of Thailand is Baht 0.374 per share, Baht 0.340 per share and Baht 0.396 per share in the first, second and third quarters of 2017, respectively. However, the weighted average trading price of the Company's ordinary shares in the Stock Exchange of Thailand 15 business days prior to the date on which the Board of Directors of the Company has resolved to offer the newly issued ordinary shares to VAVA is Baht 0.446 per share. Although the Company is trying to offer newly issued ordinary shares of the Company at the market price, but with the limited demand for the Company's funds to generate profits for the Company and the Company's ordinary shares in the Stock Exchange of Thailand raised during the period

prior to the Board of Directors had the resolution to offer the newly issued ordinary shares to VAVA, then the Company needed to offer its newly issued ordinary shares to VAVA at a price of Baht 0.405 per share, representing a discount of 9.19%.

In addition, if the plan and the projection are in place, the Company expects that at the beginning the Company may still suffer losses, but in the long term, the Company can generate operating profits and increase return on equity (ROE).

4. Opinion of the Board of Directors of the Company

The Board of Directors' Meeting No. 9/2560 held on October 25, 2016, comprised of 6 directors from 9 directors, quorum in accordance with the Company's Articles of Association. There were 3 directors who did not attend the meeting due to sick leave and 1 director had mission in foreign country. The Board of Directors had opinions regarding the capital increase and the offering of newly issued ordinary shares to the Private Placement as follows:

(1) Reason and necessity of capital increase

The Board of Directors is of the opinion that the Company has a need to increase capital to support the expansion of its business for flexible packaging business to increase the proportion of high gross margin products. As a result, the Company's performance improved. This is to reduce the burden of repayment of loans and financial costs which is a good return to the Company and shareholders for the following reasons and necessities:

The Company has continued to suffer losses. The main cause is the Company's gross loss. In the past, the Company has improved the production process of plastic bag packaging products in order to replace the jute packaging products that the Company has discontinued. This result the Company began to have gross profit margin in 2016. However, the Company still had low gross profit margin which was not enough for operating expenses. As a result, the Company had net loss for the year 2016 of Baht 70.90 million.

In 2017, the Company invested in Phase 1 of the flexible packaging and commenced commercial operation in May 2017. At present, the gross margin is about 20% of the total sale which is higher than the gross profit margin of plastic bag products with gross margin of approximately 1.6% of sales value (according to the financial statements for the six-month period ended June 30, 2017) and at the moment, the Company is in the process of increasing production capacity. However, the gross margin from Phase 1 of the flexible packaging was still not enough for operating expenses. The Company intends to increase the proportion of the flexible packaging products with high margins by invest in Phase 2 of the flexible packaging of the production line to increase the gross margin to be enough for operating expenses to generate net profit and can stop the decline of the shareholder's equity in each year.

When the investment in Phase 1 and Phase 2 of the flexible packaging production line is completed, the Company will have higher income. Therefore, the Company is necessary to provide working capital to purchase raw materials and to reserve for production expenses. In addition, the Company will use

the proceeds from the capital increase to repay the loans which will be due by 2019, which the Company does not need to provide interest-bearing loans to repay the debt or do not need money to use in the business to repay debt. This will allow the Company to have working capital to buy raw materials and reserve sufficient production expenses.

As of June 30, 2017, the Company had the proceeds from the capital increase to the existing shareholders in the previous year in 2016 with the remaining amount of Baht 100.26 million. Later, the Company expanded Phase 1 of the flexible packaging production of Baht 3.90 million. The remaining portion was working capital for the plastic bags business and was the operating expense of the Company during 2017-2019.

(2) Feasibility of plans for utilizing the fund received from the offering shares

The Board of Directors is of the opinion that if the Company can distribute such newly issued ordinary shares to private placement within a short period of time, this will allow the Company to start investing in the Phase 2 of the flexible packaging production line faster. Since the Company has experienced the Phase 1 of the flexible packaging, it will enable the Company to generate more profit from its operations and also contribute to the Company's performance and security. The Company has prepared the Phase 2 of the flexible packaging production line in the same factory as the Phase 1 of the flexible packaging production line. After the Phase 2 of the production line, the factory building of the flexible packaging is limited. Therefore, it is necessary to expand the storage space. An additional 3,500 square meters of a warehouse space has been built. The Company has provided space at its factory at Nava Nakorn Industrial Estate, Sungnoen District, Nakhon Ratchasima Province as well.

(3) Reasonability of the capital increase, the plan for utilizing proceeds received from the offering and the project operation, and funding adequacy

The Board of Directors is of the opinion that the Company is required to improve its performance from net loss to net profit by increasing the proportion of the flexible packaging products with gross margins higher than the plastic bag products. Therefore, it is necessary to invest in the production line of the flexible packaging products in order to have sufficient gross margin to cover operating expenses. It can generate net profit and can stop the decrease of shareholders' equity each year.

Plans for the flexible packaging

Phase	Budget (Million Baht)	Capacity (Million square meters per year)	Progress and plans
1	44.0	24	The Company has installed Phase 1 of the flexible packaging. At present, the capacity is about 15 million square meters per year and it is in the process of increasing capacity. However, gross profit from this production line is not sufficient to cover the operating expenses of the Company.

Phase	Budget (Million Baht)	Capacity (Million square meters per year)	Progress and plans
2	40.0	24	The Company will receive shares subscription payment for the offering of newly issued ordinary shares to VAVA within three months from the date of approval of the Extraordinary General Meeting of Shareholders No.1/2018. The Company will purchase and install of machines within 4 - 6 months. The addition of Phase 2 of the flexible packaging will allow the Company to generate additional gross margin for its operating expenses.

When investing in Phase 1 and Phase 2 of the flexible packaging products, the Company has a total capacity of 48 million square meters per year.

Funding for the flexible packaging projects

Details		Funding
<i>Successfully implemented</i>		
Investment in land and building (Allocated by area value)	57.21 Million Baht	The Company has invested in land and factory building using working capital. The installation of Phase 1 of the flexible packaging machine, using proceeds from the right offering to existing shareholders in 2016.
Production line of Phase 1 of the flexible packaging	46.23 Million Baht	
Total	<u>103.44</u> Million Baht	
<i>Not yet implemented</i>		
Production line of Phase 2 of the flexible packaging	40.00 Million Baht	The Company will use the proceeds from the offering of newly issued ordinary shares to VAVA of Baht 156.30 million from the proceeds of Baht 186.30 million which it is enough to invest.
Warehouse building for the flexible packaging	35.00 Million Baht	
Working capital (raw material cost, labor cost and overhead cost)	81.30 Million Baht	
Total	<u>156.30</u> Million Baht	

Moreover, the expansion is a long-term investment. Therefore, this offering of newly issued ordinary shares is a good investment because it is a long-term source of funding. This is enough for capital needs and interest free funds. Unlike loans, which are regular expenses which is a recurring expense for the Company's operating expenses. When the Company receives money from the offering of newly issued ordinary shares, the Company will use the money to expand the packaging business immediately by purchasing of machinery and equipment for the Phase 2 of the flexible packaging production line and construction of the flexible packaging's warehouse building. In addition, the Company has prepared the money to repay the loan and reserve for working capital which makes the proceeds from the offering of newly issued ordinary shares to the private placement is sufficient to use the money of the Company.

(4) Impact on the business operation, financial status and overall operation of the Company as a result of the capital increase and implementation of the proceeds utilization plan or the projects

The Board of Directors is of the opinion that this offering of newly issued ordinary shares to the private placement is a good result for the Company's business operations, and it strengthens financial position and the financial liquidity of the Company. In addition, this capital increase will reduce the Company's debt to equity ratio from 0.17 times as of June 30, 2017 to 0.13 times after the capital increase. In addition, the future revenue structure of the Company has changed. The proportion of plastic bags product revenue to flexible packaging revenue from 100 : 0 changed to about 33 : 67. This will result in sustainable business operations without any impact on the Company as following;

- The Company will not have any impact on the Company's business as the Company continues to operate the packaging business as usual. However, this capital increase will allow the Company to increase the proportion of high gross margin products. In addition, the Company's key asset uses are the same.

- The Company will not be affected by the financial situation due to this capital increase the Company has a better financial status, the liquidity is higher and there is enough of the demand for capital. In addition, the proceeds from this capital increase will be spent on long-term investments, which will make the source and use of funds more appropriate.

- The Company will not be affected by the operating results due to this capital increase will allow the Company to have sufficient capital to invest in its business, increase productivity and revenue. This will improve the Company's performance.

However, if the Company cannot issue and offer newly ordinary shares to private placement in this time or not fully sold, this will affect the expansion plan of the Phase 2 of the flexible packaging business, which will lead to the loss of the opportunity to expand into high gross margin products. This may result in the Company not being able to generate operating profit.

(5) Determination of the offering price and appropriateness of the offering price of newly issued ordinary share to Private Placement

The offering price of newly issued ordinary shares to VAVA at the price of Baht 0.405 is 9.19% discount from the market price. The Board of Directors deems that the offering price is reasonable because the offering price is not deemed as a price of less than 90% of the weighted average price of the Company's ordinary shares traded on the SET and higher than the book value of the Company and also higher than the book value of the Company adjusted by market value of assets type property and investment in listed companies as detailed in Clause 1.2 "The determination of the offering price and the market price".

(6) Reason and necessity of the offering newly issued ordinary shares to private placement

The Board of Directors selected to issue and offer newly issued ordinary shares to private placement that it takes short time and the process is not complicated. In addition, the Extraordinary General Meeting of the Shareholders No. 1/2016 held on September 2, 2016 approved the allotment of newly issued ordinary shares to existing shareholders in proportion to the number of shares held by each shareholder (Right Offering) already and there were only 416,819,746 shares subscribed from the offering amount of 965,518,334 shares, representing 43.17% of the total offered shares. Total proceeds from the capital increase amounted to Baht 187.57 million, which was not enough for the purpose of using in the flexible packaging production. However, the Company still needs capital to expand the flexible packaging business to reduce operating losses. The Company has no intention of borrowing money while the Company still faces operating loss. This will result in higher operating expenses and a delayed recovery solution, including the risk of making money to repay the loan. For that reason, the Company is necessary to increase the capital to expand Phase 2 of the flexible packaging business. Moreover, VAVA has expressed its intention to subscribe new ordinary shares of the Company to the Company. The Board of Directors deems that the funding from the Private Placement is appropriate for the Company in this time. The purpose of the increasing capital as detailed in the topic "Objectives of the capital increase and plans for utilizing proceeds received from the capital increase" in the Capital Increase Report Form (F53-4) (Attachment 2) Clause 5.

5. Relationship between VAVA (the "Private Placement") and the Company

VAVA and their related parties	Details	Shareholding of the Company		Shareholding of the Company	
		Prior to allot to VAVA		After allot to VAVA	
		Number of shares	% of the Company's paid-up capital ¹	Number of shares	% of the Company's paid-up capital ²
1. VAVA	Private Placement that the Company has issued and	-	-	460,000,000	19.78

VAVA and their related parties	Details	Shareholding of the Company Prior to allot to VAVA		Shareholding of the Company After allot to VAVA	
		Number of shares	% of the Company's paid-up capital ¹	Number of shares	% of the Company's paid-up capital ²
	allotted new ordinary shares of the Company in this time				
2. Mr. Veerachart Losiri	Major Shareholder, Director, Authorized Director and Managing Director	32,330,200	1.73	32,330,200	1.39
3. Mrs. Ticomporn Losiri	Mr. Veerachart Losiri's wife	25,210,100	1.35	25,210,100	1.09
Total		57,540,300	3.08	517,540,300	22.26

Remark: ¹ Paid-up capital of the Company as of September 30, 2017 is Baht 1,865,376,587 divided into ordinary shares 1,865,376,587 shares with a par value of Baht 1.00 per share.

² Paid-up capital of the Company after the offering and allotment of new ordinary shares of the Company to VAVA at 2,325,376,587 Baht, divided into ordinary shares 2,325,376,587 shares with a par value of Baht 1.00 per share.

In addition to the holding of the Company's shares of VAVA and their related parties as described above, currently, VAVA has no relationship with the Company, or with (1) directors and executives, (2) controlling person (3) major shareholders of the Company, or other companies which have person described in (1), (2) or (3) as a major shareholder or controlling person. Therefore, VAVA intends to invest for purchasing of the Company's shares as an investor only. VAVA includes person associated with VAVA under Section 258 of the Securities and Exchange Act will not send person or agents to be directors, management or controlling person. As a result, the management and internal control of the Company remain unchanged.

The Company and VAVA is no relationship to each other. Therefore, neither major shareholders nor controlling person of VAVA are not (a) executive (b) major shareholders (c) controlling person (d) person to be nominated for executive or controlling person position (e) the related person or a close relative of the person under (a) to (d) of the Company. Thus, the offering of newly issued ordinary shares of the Company to VAVA is not regarded as the connected transaction pursuant to the Notification of the Capital Market Advisory Board No. Tor Jor. 21/2551 Re: Rules on Connected Transactions dated 31

August 2008, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure and Acts of Listed Companies on Connected Transactions B.E.2546 (2003) (and amended) dated 19 November 2003.

6. Any other terms or conditions with the private placement

The Company and VAVA have the terms and conditions which set in the summary of the details of the Share Subscription Agreement are as follows:

No.	Topics	Details
1.	Parties	1. NEP Realty and Industry Public Company Limited as the issuer 2. VAVA PACK Company Limited (“VAVA”) as the subscriber
2.	Execution Date	October 25, 2017
3.	Issuance and subscription of new ordinary shares	The Company agrees to issue and allot 460,000,000 new ordinary shares through private placement to VAVA at a subscription price of Baht 0.405 per share, equivalent to 24.66% of the total issued shares of the Company, and VAVA agrees to subscribe the newly issued ordinary shares that are allotted by the Company within 90 days from the date of the EGM approve the offering of the newly issued ordinary shares.
4.	Subscription price	The Company shall receive the payment for the subscription price of Baht 186,300,000 in total.
5.	Conditions precedent to the completion of the transaction	1. VAVA agree to make a deposit of Baht 20,000,000 (Twenty Million Baht) to the Company by November 1, 2017. In case that the Company does not received such deposit in the number as mention above and within the period specified, the Company may annul the shareholders’ meeting. Therefore, the Company will have to refund the deposit with the conditions as follows: (1) The Company does not receive the Shareholders’ Meeting approval for capital increase to offer the newly issued ordinary shares through Private Placement with a resolution of not less than three-fourth of the total votes of shareholders who attend the meeting and entitled to vote or the Company

No.	Topics	Details
		<p>cancels the EGM on January 18, 2018.</p> <p>(2) The Company does not receive approval from the SEC for the issuance and offering of ordinary shares to Private Placement investors.</p> <p>2. The Company and VAVA shall have obtained approvals in implementing the transaction which are required rules and regulations of the regulatory agency.</p>
6.	Compulsory conditions after the transaction	<p>1. The Company and VAVA are no policy to changing the core business of the Company. The Company will continue to operate as usual.</p> <p>2. VAVA agrees not to sell the newly issued ordinary shares (Silent Period) which receives from subscription for a period of 1 year from the trading date on the SET. Upon the expiry of the 6-month period of the prescribed time, VAVA can sell 25% of such shares.</p> <p>3. VAVA including their related persons to VAVA under Section 258 of the Securities and Exchange Act will not send any person to be directors and/or management in the Company.</p>
7.	Other conditions	VAVA agrees not to demand any damages or expenses from the Board of Directors and/or the Company no matter what the case due to the Company cannot issue and offer its new ordinary shares to VAVA unless deposits are demanded without interest.
8.	Governing law	Thai law

On October 30, 2017, the Company already received a deposit of Baht 20,000,000 (Twenty Million Baht) from VAVA.

7. Warranty of the Company's Board of Directors regarding the capital increase

The Board of Directors certifies that the Board of Directors has performed its duties with honesty, and has carefully preserved the benefits of the Company in relation to the capital increase. However, in the case that such performance of duty cause damage to the Company, the shareholders are entitled to file a lawsuit to claim for damages from such director on behalf of the Company as specified in Section 85 of the Securities and Exchanges Act B.E. 2535 (1992) (as amended). In addition, in the case that such performance of duty causes a director or his/her related person to obtain undue benefit, the

shareholders shall be entitled to file a lawsuit to claim for such benefit from such director on behalf of the Company as specified in Section 89/18 of the Securities and Exchanges Act B.E. 2535 (1992) (as amended). Moreover, the Board of Directors certifies that the Board of Directors has exercised due care in the consideration and examination of the information of VAVA, and is of the opinion that VAVA has a potential investor and invest in the Company.

The Company hereby certifies that the information contained in this report form is true and complete in all respects and do not mislead in any way as far as investors know.

Please be informed accordingly.

Yours sincerely,

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.....

(Pol.Gen. Somchai Vanichsenee)

(Mr. Vee Worasakyothin)

Authorized Director

Authorized Director