



Ref: NEP065-2018

May 9, 2018

Subject: The Entry into the Connected Transaction
To: President
The Stock Exchange of Thailand

NEP Realty and Industry Public Company Limited (“the Company”) would like to notify the stock Exchange of Thailand that the Board of Directors meeting on 2/2018 held on March 14, 2018 resolved to approve the Company to enter into the transaction of purchase the machine with PAE PACK Co.,Ltd. (“PAE PACK”) who is Director and Authorized Director of PAE PACK, Mr. Veerachart Losiri, also holds the position of Director and Authorized Director of VAVA PACK Co.,Ltd. (“VAVA”) VAVA is the Major Shareholder of the Company equivalent to 19.78 of the total issued shares of the Company. Moreover, Mr. Veerachart Losiri is the shareholder of the Company equivalent to 1.39 of the total issued shares of the Company and Mrs. Ticomporn Losiri, Mr. Veerachart Losiri’s wife, also is the shareholder of the Company equivalent to 1.16 of the total issued shares of the Company. Thus, Mr. Veerachart Losiri is direct and indirect shareholder of the Company equivalent to 22.34 of the total issued shares of the Company.

The transaction of purchase the machine with PAE PACK regarded as the connected transaction relating to assets or service, by purchasing of machine for the phase 2 of the flexible packaging. The total value is 18,276,224.79 baht (including vat) or equivalent to 2.74 Of the net tangible asset value of the Company as of December 31, 2017, which is greater than 0.03% but less than 3.00% of the net tangible asset value of the Company. Therefore, the Company is required to obtain the approval from the Board of Directors meeting before the entry into the transaction and to disclose the information relating to the transaction to the Stock Exchange of Thailand.

The above connected transaction of purchasing machine regarding as the acquisition of assets in the proportion of 2.41% that calculated by based on total value of consideration paid or received. Therefore, the related transactions in lower than 15%. The Company does not report the transactions on assets acquisition and disposition of the listed companies.

Therefore, Information Memorandum on the Entry into Connected Transaction and the Acquisition of Assets, appears as Attachment.

Please be informed accordingly.

Yours sincerely,

(Mr.Vee Worasakyotin)

Managing Director

Information Memorandum on the Entry into Connected Transaction and the Acquisition of Assets

1) Transaction Date

The Company to enter into the transaction of purchase the machine for the Phase 2 of the flexible packaging with PAE PACK Co.,Ltd. Within May 31, 2018.

2) Relevant parties

Purchaser : NEP Realty and Industry Public Company Limited (“Company”)

Seller : PAE PACK Co.,Ltd. (“PAE PACK”)

3) Relationship

The director and Authorized Director of PAE PACK is Mr. Veerachart Losiri also is the Director and Authorized Director of VAVA PACK Co.,Ltd. (“VAVA”) VAVA is the Major Shareholder of the Company equivalent to 19.78 of the total issued shares of the Company. Moreover, Mr. Veerachart Losiri is the shareholder of the Company equivalent to 1.39 of the total issued shares of the Company and Mrs. Ticomporn Losiri, Mr. Veerachart Losiri’s wife, also is the shareholder of the Company equivalent to 1.16 of the total issued shares of the Company. Thus, Mr. Veerachart Losiri also is direct and indirect shareholder of the Company equivalent to 22.34 of the total issued shares of the Company as follows:

Connected persons	Details	Shareholding of the Company as of December 30, 2017 (shares)	% of the Company's paid-up capital
Mr. Veerachart Losiri	Director and Authorized Director of PAE PACK Co.,Ltd.	32,330,200	1.39
Mrs. Ticomporn Losiri	Mr. Veerachart Losiri’s wife	27,045,000	1.16
VAVA PACK Co.,Ltd	Mr. Veerachart Losiri Shareholder/Director/Authorized Director of VAVA PACK Co.,Ltd.	460,000,000	19.78

4) Total Transaction Value

The above connected transaction of purchasing machine for the phase 2 of the Flexible packaging regarding 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 SET Re: Disclosure of Information of Listed Concerning to the connected transactions B.E. 2546 (2003). The Connected transaction relating to assets or service, having the total value of the transaction of 18,276,224.79 baht (including vat) or equivalent to 2.74 Of the net tangible asset value of the Company as of December 31, 2017, which is greater than 0.03% but less than 3.00% of the net tangible asset value of the Company and within the past 6 months the Company did not had any connected transactions.

The Calculation of Net Tangible Asset (NTA)

$$\begin{aligned} \text{NTA}^* &= \text{Total Asset} - \text{Net Intangible Assets} - \text{Total Liabilities} - \text{Minority shareholders' equity (if any)} \\ &= 758,844,322 - 2,195,804 - 90,563,365 - 0 \\ &= 666,085,153 \text{ baht} \end{aligned}$$

Remark * Financial Statement as of December 31, 2017

$$\begin{aligned} \text{Size of Transaction} &= \frac{\text{The value of consideration}}{\text{NTA}} \\ &= \frac{18,276,224.79}{666,085,153} \\ &= 2.74\% \end{aligned}$$

The Transaction is regarded as acquisition of assets according to the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of information and Other Acts of Listed Companies Concerning the Acquisition and Disposal of Assets B.E. 2547 and the Notification of the Capital Market Supervisory Board No. Tor Jor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets in the proportion of 2.41% that calculated by based on total value of consideration paid or received. (Total assets as of December 31, 2017 is 758,844,322 baht)

The transaction value equivalent to lower than 15%. The Company does not report the transactions on assets acquisition and disposition of the listed companies and the Company has no acquisition transaction during the past 6 months.

5) Details of Assets Acquired

The Company will enter into the transaction of purchasing of machine for the phase 2 of the flexible packaging with PAE PACK Co.,Ltd. The total value is 18,276,224.79 baht (including vat) as follows:

ลำดับ	รายการเครื่องจักร	จำนวนเครื่อง	ราคา (บาท)
1	Gravure Printing machine 1100/8	1	4,003,102.21
2	Gravure Printing machine 1400/10	1	8,110,000.00
	2.1 COOLING WATER TANK 100 litres and WATER PUMP	1	27,562.50
	2.2 Support stainless plate	1	220,552.04
3	CENTERSEAL MACHINE	1	1,470,000.00
4	3 SISEDSEAL MACHINE	1	1,360,000.00
	4.1 REWIDER FOR SEAL MACHINE 600*600	1	43,023.37
5	REWIDER MACHINE	1	232,000.00
6	PUNCH HOLE MACHINE	1	786,000.00
7	BAG SEALING MACHINE 5 kg. 2 channel	1	355,843.80
8	BAG SEALING MACHINE 5 kg. 2 channel	1	472,500.00
		Sub total	17,080,583.92
		Vat 7%	1,195,640.87
		Grand Total	18,276,224.79

6) Criteria for the Determination of Transaction Value

The total value of transaction is 18,276,224.79 baht. The price fixing is an agreement between purchaser and seller and the purchase price is not lower than the appraisal price. (Pornsiam Consultant and Service Co.,Ltd. Assets Valuer as of March 6, 2018 the appraisal price of 17,080,583.92 baht (exclude vat))

7) Terms of payment

20% Down Payment and 80% After installation and Commissioning

Funding source, the Company will using proceeds from the capital increase to the private placement of the Extraordinary General Meeting of Shareholders No.1/2018 on January 18, 2018.

8) Opinion of the Board of Directors

The Board of Directors meeting on 2/2018 held on March 14, 2018 resolved to approve the Company to enter into the transaction of purchase the machine with PAE PACK Co.,Ltd. The opinion of the Board that the investment would be of utmost benefit to the Company because the price are reasonable, the machine are ready to manufacture and the Company focuses on the business growth expansion of Flexible packaging Phase 2.

9) Opinion of the Board of Audit Committee

-