



บริษัท เอ็นอีที อสังหาริมทรัพย์และอุตสาหกรรม จำกัด (มหาชน)
NEP REALTY AND INDUSTRY PUBLIC COMPANY LIMITED
Public Company Registration No. 0107537000831



(Translation)

NEP-AC 017/2024

May 15, 2024

Subject : Management's Overall analysis "1st Quarter of Year 2024 as of March 31, 2024"

To : The President
The Stock Exchange of Thailand

Overall achievement

NEP Realty and Industry Public Company Limited would like to inform overall achievement of the 1st Quarter of Year 2024 as of March 31, 2024 by comparing with the same period of year 2024 as follows;

For the past 3 mounts of Quarter 1 ended of March 31, 2024

The company has operating results for the 3-month period of the first quarter of 2024, ending March 31, 2024, with a net profit of 1.13 million baht. Compared to the same period of 2023, which had a net loss of 6.12 million baht, operating losses decreased by 7.25 million baht due to the following important reasons:

1. Sales revenue and other income

The company had sales revenue in the first quarter of 2024, ending March 31, 2024, in the amount of 15.38 million baht, compared to 2023. There was sales income of 35.32 million baht, a decrease of 19.94 million baht or a decrease of 56.46 percent due to decreased sales of plastic sacks and flexible packaging products. This is because the company has stopped producing and selling plastic sacks and flexible packaging products from February 23, 2024.

Other income in 2024 had an income of 0.73 million baht, compared to 2023 with an amount of 0.74 million baht, a decrease of 0.01 million baht, with no significant change in items.



2. Cost of Sales & Gross Profit

In the 1st Quarter of Year 2024 as of March 31, 2024, Cost of sales amounted to 20.38 million baht, compared to the same period of 2023 which with a cost of sales of 38.36 million baht, decreased by 17.98 million baht or 46.87 % while sales decreased 56.46 % It shows that the company has high unit costs. Therefore, there is still a gross loss of 32.54 % and because the company has stopped producing and selling plastic sacks and flexible packaging products. As a result, the company had to record losses from unused raw materials and deteriorated products in the amount of 3.2 million baht in cost of sales.

The company has a plan to stop operations in businesses that are making losses. and reduce the size of the organizational structure to clearly reduce fixed costs So that the company has positive cash flow. And there is cash from selling assets to use as working capital for new business plans in the future.

3. Distribution Costs

In the 1st Quarter of Year 2024 as of March 31, 2024, distribution costs amounted to 0.94 million baht, or 6.10 % of sales, compared to the same period of 2023. distribution costs amounted to 2.64 million baht or 7.48 % of sales. Distribution costs decreased. Because the company has stopped producing and selling plastic sacks and flexible packaging products. This results in costs associated with product sales and sales staff. Including the cost of producing sample products has decreased.

4. Administrative Expenses

In the 1st Quarter of Year 2024 as of March 31, 2024, administrative Expenses were 12.07 million baht or accounted for 78.49 % of sales revenue to compare with the same period of year 2023, it was 7.47 million baht or accounted for 20.86 % of sales revenue. Administrative expenses were 4.7 million baht higher than the same period last year. Because the company will pay compensation in case of termination of employees. Because there is a plan to stop producing and selling plastic sacks and flexible packaging products. The company laid off all production line employees. Marketing and sales departments and some support lines



5. Benefit management

In the 1st Quarter of Year 2024 as of March 31, 2024, benefit management amounted 1.62 million baht, compared to the same period of 2023 with benefit management amounted 3.24 million baht, a decrease of 1.62 million baht or a decrease of 50 % because the company has improved its organizational structure due to the plan to end the production and distribution of plastic sacks and flexible packaging products.

6. Financial expenses

In the 1st Quarter of Year 2024 as of March 31, 2024, financial expense was 0.07 million baht to compare with the same period of year 2023, it was 0.05 million baht. The company's financial expenses will be interest from the hire purchase contract. and interest from purchasing raw materials by paying through the bank (TR). The company has no long-term debt from financial institutions. and due to the plan to end the production and distribution of plastic sacks and flexible packaging products. The company has a smaller production volume. And there is also a decrease in the amount of orders for raw materials used in the production of products.

7. Return on Investment

In the 1st Quarter of Year 2024 as of March 31, 2024, the profit from investments 20.11 million baht, compared to the same period in 2023, amounting to 9.56 million baht, an increase of 10.55 million baht, because associated companies had increased profits from the previous year.

Balance sheet

1. Total assets: As of March 31, 2024, NEP has total assets of 596.38 million baht, which decreased by 6.92 million baht or accounted for 1.15 % from December 31, 2023.

1.1 Current assets: As of March 31, 2024, the total value was 25.25 million baht, a decrease of 2.48 million baht or accounted for 8.94 % from 2023. The details of the decrease include a reduction of cash by 0.67 million baht due to losses from operations, Trade receivables and inventories decreased by 7.36 million baht and 9.56 million baht, respectively. Due to the cessation of production and distribution of plastic sacks and flexible packaging products. As a result, the company's income decreased. Current assets increased from items classified as unused machinery and equipment resulting from the discontinuation of product production. It is an asset held for sale of 13 million baht.



1.2 Non-current assets: As of March 31, 2024, the total value was 571.13 million baht, an increase of 4.43 million baht or accounted for 0.77 %. The major increase was from profit sharing of investments, amounting to 20.11 million baht. Additionally, assets such as estate, buildings, and equipment reduced by 97.83 million baht from investment property classification, 79 million baht. This is due to the company's land and building rental plan. and from the classification list of machines and equipment that are not in use from ceasing product production to assets held for sale, 13 million baht

2. Total liabilities: NEP has total liability 28.12 million baht as of March 31, 2024, decreased from December 31, 2023 in the amount of 8.05 million baht or a decrease of 22.26 %, with details of important changes as follows;

2.1 Current liabilities: As of March 31, 2024, The amount was 25.72 million baht, a decrease of 7.56 million baht or a decrease of 22.72 % The debt is paid according to the due date. And the quantity of orders for raw materials used in the production of products decreased as orders decreased as well.

2.2 Non-current liabilities: As of March 31, 2024, the amount was 2.4 million baht, a decrease of 0.5 million baht or a decrease of 17.08 % this is a decrease from lease liabilities of 0.52 million baht and an increase from non-current liabilities and employee benefits of 0.03 million baht. The company has no long-term debt from financial institutions.

3. Shareholder equity: Was 568.26 million baht as of March 31, 2024, An increase from December 31, 2023 of 1.13 million baht or an increase of 0.19 % because the company has a net profit.

Future trends

The meeting of the Board of Directors Meeting of NEP Realty and Industry Public Company Limited (“the Company”) No. 18/2023 held December 21, 2023, the meeting resolved to approve the principles of the 2024 annual business plan, which is a plan Stop producing and distributing plastic sacks and flexible packaging products. and the layoff of employees in all production lines Marketing and sales division and some support lines Including selling assets, machinery, equipment, vehicles, and raw materials that are not in use. The company has a plan to stop operations in businesses that are making losses. and reduce the size of the organizational structure. To clearly reduce fixed costs in order for the company to have



positive cash flow and there will be cash from the sale of assets to be used as Working Capital for new business plans in the future.

Later, at the Board of Directors Meeting of NEP Realty and Industry Public Company Limited (“the Company”) No. 1/2024 on January 18, 2024, the Board of Directors' meeting passed a resolution. Stay informed of progress to solve the loss problem according to the business plan for 2024, with the following action plans:

1. Announcement of the termination of the production and distribution of plastic sacks and flexible packaging products, signed on January 9, 2024.
2. Stop production and sales on February 23, 2024 onwards.
3. Lay off all employees in the production line. Marketing and sales department and some support departments, totaling 108 people. Group 1, ending on February 24, 2024, totaling 75 people. Group 2, ending on March 24, 2024, totaling 12 people. Group 3, ending on May 1, 2024, totaling 21 people.
4. Open an auction to sell assets that are machinery, equipment, vehicles, and raw materials that are not in use. Announced on the company website from 19 January - 20 February 2024. The bid envelope will open on February 20, 2024, with the winning bidder announced on March 1, 2024, after a committee meeting approves the sale of unused assets, machinery, equipment, vehicles and raw materials.
 - The Company's Board of Directors Meeting No. 2/2024 on February 28, 2024 unanimously approved the sale of 5 items of machinery and 4 cars to third party bidders. and deems it appropriate to open a second round of bidding to select bidders at an appropriate and acceptable price.
 - The company opens an auction to sell assets that are unused machinery, equipment, vehicles, and raw materials (2nd round), announced on the company website. From March 7, 2024 - March 18, 2024, with the bidding envelope opened on March 19, 2024, March 2024 and the winner announced. Auction price on March 25, 2024. The Company's Board of Directors Meeting No. 3/2024 on March 21, 2024 unanimously approved the sale of 19 items of machinery, 1 vehicle, 10 items of trailer equipment, 8 items of unused raw materials, other equipment and appliances. A total of 4 office items will be awarded to a third party bidder. and



expected to move machinery, equipment, vehicles, and raw materials that are not in use They must leave the company's area and be completed by May 2024.

- The company still has assets including equipment, tools, and machine parts. Unused and unnecessary supplies and other miscellaneous assets that must be kept for use in the new business plan. The accounting department is in the process of summarizing remaining assets to be current. Before opening the third round of bidding.
5. Announcement for renting factory space and buildings. During March - April 2024
 - The company has announced the rental of factory space and buildings. There are 2 customers and brokers interested in coming to see the factory area and buildings, and 1 customer is in the process of making a decision. That customer will request another visit to the area at the end of May 2024. And if the tenant is interested in renting, they can negotiate details and conditions. between themselves in the period June - July 2024, which the assessment of rental income recognition from originally scheduled for June 2024 may be delayed by approximately 2 - 4 months until payment is due. To wait for consideration of the most appropriate decision between the tenant and the landlord. before presenting to the Board of Directors for approval.
 6. Study new business with long-term potential for further investment within 2024

Please be informed accordingly.

Sincerely yours,

Mr. Weerachart Lohsiri

Managing Director