

Information Memorandum on the Issuance and Offering of the Newly Issued Shares through Private Placement

Porn Prom Metal Public Company Limited

The Board of Directors' Meeting of Porn Prom Metal Public Company Limited (the "Company") No.5/2016, held on September 28, 2016, has passed the resolution approving the issuance and offering of 80,000,000 ordinary shares, at the offering price of 2.46 baht per share through private placement and will propose this matter to the Extraordinary General Meeting of Shareholders No.1/2016 by November 16, 2016 for consideration.

The information on the issuance and offering of the ordinary shares through Private Placement, which is essential for the decisions making of the shareholders are as follows

1. Details of the offering

1) Details of the Offering

The Offering 80,000,000 ordinary shares, newly issued at a par value of 0.50 baht per share, representing 20.00 percent of paid-up shares after the capital increase or 20.00 percent of total voting rights of the Company after the capital increase.

The Company expects to complete the offering of newly issued ordinary shares through Private Placement within six months after all the following condition precedents have been satisfied:

- 1.1) The Company shall receive Shareholders' Meeting approval for the issuance and offering of ordinary shares through Private Placement with a resolution of not less than three-fourth of the total votes of the shareholders who attend the meeting and entitled to vote.
- 1.2) The Company shall receive an approval from the Securities and Exchange Commission ("the SEC") for the issuance and offering of ordinary shares through Private Placement.

Upon the completion of newly issued ordinary shares, the shareholding of the PP investor who subscribed for the newly issued shares will represent 20.00 percent of the total paid-up shares of the Company. Therefore, Mr. Suppachak Trairatanobhas has no obligation to conduct a mandatory tender offer in accordance with 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.

2) Type of the Investors

An individual investor who is not considered institutional investor, subsidiaries, nor the connected person of the Company. In addition, Mr. Suppachak Trairatanobhas will not have any management position in the Company nor involve in the Company's business operation.

3) The offering and allotment

The Company expects to offer sale of the newly issued ordinary shares through Private Placement with details as aforementioned in No. 2 when the following conditions have been satisfied:

- 3.1) The Company shall receive Shareholders' Meeting approval for the issuance and offering of ordinary shares through Private Placement with a resolution of not less than three-fourth of the total votes of the shareholders who attend the meeting and entitled to vote.
- 3.2) The Company shall receive an approval from the Securities and Exchange Commission ("the SEC") for the issuance and offering of ordinary shares through Private Placement.

4) Price determination and market price

The offering price is determined by the approved fixed price by the shareholders which shall be granted permission from the SET and the SEC as specified by the Notification of the Capital Market Supervisory Board TorJor.72/2558 Re: the Approval for the Private Placement of Listed Companies.

The offering price of 2.46 baht per share is 9.23 Percent discount from the market price which is calculated from the volume weighted average trading price of the Company's ordinary share during the last 15 consecutive trading days prior to the date which the Board of Director's meeting for consideration and approval of the newly issued shares. In this regard, the market price of the ordinary shares is at 2.71 baht per share.

The determination of the discount from the market price was made based on the negotiation, which the Board of Directors has taken into account the best interest of the Company and consider the discount from the market price as appropriated.

Nevertheless, should the offering price be lower than 90 percent of the market price of the Company's shares traded 7-15 days prior to the first trading date of the newly issued shares, the PP investor is prohibited from selling his shares for the period of one year from the first trading date (Silent Period). Upon the expiry of six months period of the prescribed time, the PP investor will be allowed to sell 25 percent of the total amount of shares prohibited for sale.

2. Information and Details of the Private Placement Investor

The individual investor who will be allocated the newly issued shares of the Company is Mr. Suppachak Trairatanobhas ("PP Investor"), who has expressed interests in an investment in the newly issued shares of the Company through this offering.

Detail of the PP Investors can be summarized as follows:

Name	Mr. Suppachak Trairatanobhas
Nationality	Thai
Address	17/282 Moo 14

	Bang Plee Yai, Samutprakarn
Occupation	Business Man
Experienced	- CEO of QTC Global Power Co., Ltd. - Managing Director, PrimeStreet Advisory Thailand - Managing Director, Cambridge Capital - Managing Director of Siam Alpha Equity PTE Singapore
Relationship with the Company	Not a connected person of the Company nor has other relationship with the Company

Certification from the Board of Directors regarding the Consideration and Investigation of PP Investor's Information

The Board of Directors certifies that from the consideration and examination of information of Mr. Suppachak Trairatanobhas, the Board of Directors has proceeded with discretion and considered that the investor is qualified for an investment and has strong financial capability to invest in the newly issued ordinary shares of the Company.

3. Relationship with the PP Investor

The Company has no relationship with the PP investor.

4. Objectives of the Capital Increase and Plan for Use of Proceeds

4.1 To increase liquidity and reduce financial cost for Porn Prom Metal Public Company Limited.

Company plans to use the proceeds of approximately 20 to 50 million baht to repay short-term loans to increase its funding ability for the production expansion of both subsidiaries as well as other potential future projects.

4.2 To expand production capacity of the Company's subsidiaries to increase their competitiveness

(1) Premium Flexible Packaging Co., Ltd. (PFP), in which the Company currently holds approximately 99 percent shares, manufactures flexible packaging products and distributes to various industries such as food processors, cosmetics manufacturers, pharmaceutical manufacturing companies, and consumer products manufacturers. Flexible packaging products are currently in demand and is in highly competitive industry. To increase its competitiveness, the company plans to uses the proceeds to invest in new machines as well as to repay existing raw materials debt of approximately 50 million baht to increase its liquidity and increase production capacity. The plan is expected to commence during the fourth quarter of 2016.

(2) Solar PPM Co., Ltd. (SPPM), in which the Company currently holds approximately 60 percent shares, manufactures and installs solar photovoltaic panels. Solar power is one of the growing alternative energy

solutions with an increasing industry competition. As a result, the company plans to spend approximately 120 million baht to increase its capacity to meet with the growing demand. The plan is expected to commence during the third quarter of 2017.

In addition to objective of utilizing plan for proceed mentioned above, the Company is also currently studying for Solar Rooftop project. This project type is EPC - F (Engineering Procurement Construction + Finance) which the Company will be invest for construction and collect revenue from the amount of electricity generated that sell to the factory owner. The financing structure is expected to be Equity: Loan, 80: 20 and the amount of equity required is approximately 40-100 million baht.

5. Effect on Shareholders from the Issuance and Offering of Ordinary Shares through Private Placement

Effect on Shareholders	Calculation Method
1. Control Dilution	$= \text{PP Shares} / (\text{Total paid-up shares} + \text{PP Shares})$ $= 80,000,000 / (320,000,500 + 80,000,000)$ $= 80,000,000 / 400,000,500$ $= 20.00 \%$
2. Price Dilution	$= (\text{Pre-PP Market Price} - \text{Post-PP Market Price}^1) / \text{Pre-PP Market Price}$ $= (2.71 - 2.66) / 2.71$ $= 1.85\%$
3. Earning per share dilution	$= (\text{Earning per share before PP}^2 - \text{Earning per share after PP}^3) / \text{Earning per share before PP}$ $= (0.027 - 0.021) / 0.027$ $= 22.22\%$

Remarks:

$$\begin{aligned}
 1. \text{ Post-PP Market price} &= \frac{(\text{Pre-PP Market price} \times \text{total paid-up shares}) + (\text{PP Price} \times \text{PP Shares})}{(\text{Total paid-up shares} + \text{PP Shares})} \\
 &= \frac{(2.71 \times 320,000,500) + (2.46 \times 80,000,000)}{400,000,500} \\
 &= 2.66
 \end{aligned}$$

2. Pre-PP Earning per share = Net Income / Total paid-up shares

3. Post-PP Earnings per share = Net Income / (Total paid-up shares + PP Shares)

The effects from the allocation of shares to the Private Placement are 20.00 percent control dilution, 1.85 percent price dilution, and 22.22 percent earning per share dilution. However, the Company believes that the capital increase for business expansion as abovementioned shall generate fruitful returns which will compensate such dilution and will enhance long-term benefits to the Company and its shareholders in the future.

6. Other Significant Conditions or Agreements with the PP Investors

Referring to the Board of Directors' resolution from the Board of Directors' meeting No.5/2016, held on September 28, 2016, the PP investor is prohibited from selling their shares for the period of one year (Silent Period) from the first trading date.

7. Shareholding Structure

The Company's major shareholders, as of the latest book closing date on September 22, 2016, are as follows:

Shareholders	No. of shares before PP	%	Shareholders	No. of shares after PP	%
1. Tankaisorn Family	115,829,600	36.20	1. Tankaisorn Family	115,829,600	28.96
Mrs.Kanokkorn Tankaisorn	112,400,000	35.12	Mrs.Kanokkorn Tankaisorn	112,400,000	28.10
Mr. Taweekiat Tankaisorn	1,000,000	0.31	Mr. Taweekiat Tankaisorn	1,000,000	0.25
Mrs. Worakarn Tankaisorn	1,200,000	0.37	Mrs. Worakarn Tankaisorn	1,200,000	0.30
Miss Apantree Tankaisorn	1,229,600	0.38	Miss Apantree Tankaisorn	1,229,600	0.31
2. Pornpilailuck Family	105,025,500	32.82	2. Pornpilailuck Family	105,025,500	26.26
Mr. Chamnarn Pornpilailuck	102,325,500	31.98	Mr.Chamnarn Pornpilailuck	102,325,500	25.58
Mrs. Tuenjai Pornpilailuck	1,500,000	0.47	Mrs. Tuenjai Pornpilailuck	1,500,000	0.37
Mr. Krit Pornpilailuck	1,200,000	0.37	Mr. Krit Pornpilailuck	1,200,000	0.30
3. Mr. Suppachak Trairatanobhas	-	-	3. Mr. Suppachak Trairatanobhas	80,000,000	20.00
4. Mr. Chaiwat Kruachaaaim	8,617,800	2.69	4. Mr. Chaiwat Kruachaaaim	8,617,800	2.15
5. Mr. Prapol AtsawaTeeratum	7,617,400	2.38	5. Mr. Prapol AtsawaTeeratum	7,617,400	1.90
6. Mr. Pichet Kositwongsakul	5,546,200	1.73	6. Mr. Pichet Kositwongsakul	5,546,200	1.39
7. Mr. Somchai Apichartsataporn	4,487,400	1.40	7. Mr. Somchai Apichartsataporn	4,487,400	1.12
8. Thai NVDR Co.,Ltd.	4,463,700	1.39	8. Thai NVDR Co.,Ltd.	4,463,700	1.12
9. Nippon Pack (Thailand) Public Company Limited	3,627,100	1.13	9. Nippon Pack (Thailand) Public Company Limited	3,627,100	0.91
10. Ms. Supawan Teerathongkum	2,451,000	0.77	10. Ms. Supawan Teerathongkum	2,451,000	0.61
11. Mr. Pisit Aumpaipipatkul	2,415,300	0.75	11. Mr. Pisit Aumpaipipatkul	2,415,300	0.60
12. Other Shareholders	59,919,900	18.72	12. Other Shareholders	59,919,900	14.98
Total	320,000,500	100.00	Total	400,000,500	100.00

Remark The number of shares after PP is based on the assumption that other shareholders do not change their shareholding since the latest closing date of share register book on September 22, 2016, and is adjusted by the number of the newly issued ordinary shares offered through private placement.

8. Directors and/or Shareholders who has Interests

- None -

9. Conditions for entering into the transaction

9.1 The Company shall receive Shareholders' Meeting approval for the issuance and offering of ordinary shares through Private Placement with a resolution of not less than three-fourth of the total votes of the shareholders who attend the meeting and entitled to vote.

9.2 The Company shall receive an approval from the Securities and Exchange Commission ("the SEC") for the issuance and offering of ordinary shares through Private Placement.

10. The Board of Directors' Opinion

10.1 Reasons and necessity for the capital increase

Due to high competition in the industry, the Company sees the necessity in the capital increase for the use of working capital and capacity expansion to increase its competitiveness to prepare for the changing economic condition and market trend. Plans for the use of the proceeds are as follows:

- Expand production capacity of its subsidiaries, namely Premium flexible Packaging Co., Ltd. and Solar PPM Co., Ltd. The Company is currently studying Solar Rooftop project which is a trending alternative energy solutions. The feasibility study of the project suggests that the project could be completed by the second quarter of 2017. The Company sees the need to prepare itself both in terms of marketing and funding to promptly respond to market demand which would benefit the Company in the long run.
- To use as a working capital for Porn Prom Metal Public Company Limited.

10.2 Reason and necessity of the offering of newly issued ordinary shares through private placement

The Board of Directors has the opinion that the offering of newly issued ordinary shares through private placement, without any offering to existing shareholders or to public, would ensure the amount of capital needed in the desired timely manner, where funding from existing shareholders and other investors could be difficult given the current economic condition and the capital market situation. In addition, the Company believes that the selected investor is strong in funding capability and could introduce business opportunities which would bring benefits to the Company in the future.

10.3 Feasibility of the plan for the use of proceeds receiving from the offering

Porn Prom Metal Public Company Limited was established on September 21, 1992. To date, the Company has been operating for 24 years with subsidiaries which constantly generating revenue for the Company. With long

standing business operation, the Company has great customer base who believes in the Company and its products. The Company plans to use the proceeds from the capital increase for capacity expansion and feasibility study of the Solar Rooftop project, as well as for the Company's working capital. There is a high possibility that Solar Rooftop project will be successful. The study is expected to be completed by the second quarter of 2017.

10.4 Reasonability of the capital increase, the plan for utilizing proceeds received from the offering and the project

From the business operation report, Premium Flexible Packaging Co., Ltd. is a growing business both in terms of an increasing number of customers and product orders. For the company to fully serve its customers, the company needs to invest in more machines to increase its production capacity and prepare the raw materials. Referring to the plan for use of the proceeds stated under Objectives of the Capital Increase and Plan for Use of Proceeds, the Company considers the amount stated to be appropriate because the Company has thoroughly conducted the study and indicated the specific timing of each propose.

Regarding Solar PPM Co., Ltd., the installation for new machines for Phase 1 is completed and will begin production in the fourth quarter of 2016. For Phase 2, the company plans to expand the capacity by third quarter of 2017 to meet with the government policy of each customer and the company's marketing plan as well as to support future orders. The company considers plan for use of the proceeds stated in Objectives of the Capital Increase and Plan for Use of Proceeds as appropriate because the Company has successfully completed Phase 1.

In addition, while the study for the expansion of the subsidiaries is being conducted, the Company plans to use the proceeds to immediately pay its short-term loans to increase funding ability in preparation for the future expansion of the two subsidiaries. Therefore, the Company is certain that the proceeds from capital increase is sufficient.

10.5 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 capital increase for future expansion would generate returns to the Company in the future. The proceeds from the capital increase would enhance the Company's financial strength which would allow the company to make the worthy investment as planned. However, the Board of Directors view that, prior to any investment, the Company should consider the feasibility study as necessary as to reduce investment risk and maximize benefits to the Company and its shareholders.

In addition, the capital increase would decrease the Company's debt to equity ratio. According to financial statement as at June 30, 2016, the Company's debt to equity is at 1.55 times, which after the capital increase would reduce to 1.15 times. The lower debt to equity ratio would strengthen the Company's funding ability in the future.

10.6 Determination of the PP price appropriateness of PP Price of newly issued ordinary share to Private Placement

The Board of Directors has the opinion that the offering price of 2.46 baht per share which is 9.23 Percent discounted from the weighted average trading price of the Company's ordinary share during the last 15 consecutive trading days prior to the date which the Board of Director's meeting for consideration and approval of the newly issued shares is deemed appropriated by the Company. The discount in the offering price comes from the negotiation with the selected investor and has already reflected recent price fluctuation. The Board of Directors has considered that, given shareholders' best interest, the determination of price is appropriate. However, the Company shall receive Shareholders' Meeting approval for the issuance and offering of ordinary shares through Private Placement with a resolution of not less than three-fourth of the total votes of the shareholders who attend the meeting and entitled to vote.

11. Warranty of Directors

The Board of Directors certifies that the Board of Directors has performed its duty with honesty and has carefully preserved the benefit of the Company in relation to the increase of the registered capital. 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. 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.

12. Opinions of Audit Committee and/or Company Directors, which differ from the Board of Directors

- None -

Please be informed accordingly

Sincere yours,

(Mrs.Kanokkorn Tankaisorn)

Deputy Managing Director