



บริษัท พรพรหมเมทัลทอล จำกัด (มหาชน)  
PORN PROM METAL PUBLIC COMPANY LIMITED

No. PPM 015/2016

September 28, 2016

**Subject** The Issuance and offering of the Newly Issued Shares through Private Placement and the Extraordinary General Meeting Shareholders No.1/2016 (6<sup>th</sup> amendment)

**To** President  
The Stock Exchange of Thailand

**Attachment** 1. Information Memorandum on the Issuance and Offering of the Newly Issued Shares through Private Placement  
2. Capital Increase Report

The Board of Directors' Meeting of Porn Prom Metal Public Company Limited (the "Company") No.5/2016, held on September 28, 2016 at conference room, Porn Prom Building 2, No. 229 Nakhonratchasrima Road, Dusit, Bangkok has passed the resolutions as follows:

1. Resolved to propose to the Extraordinary General Meeting of Shareholders No.1/2016 for the consideration and approval of the capital reduction from 240,000,000 baht to 239,999,972 baht due to the remaining 56 ordinary shares from the allocation for the Company's warrant (PPM-W1) by eliminating the unsubscribed shares and for consideration and approval for the amendments of No.4 of the Company's Memorandum of Association to be in accordance with the capital reduction. The Board of Directors' Meeting has also passed the resolutions approving the delegations of authorities in relevant areas as deemed appropriate.
2. Resolved to propose to the Extraordinary General Meeting of Shareholders No.1/2016 for the consideration and approval of the capital increase from 239,999,972 baht to 280,559,972 baht and for consideration and approval of the amendments of No.4 of the Company's Memorandum of Association to be in accordance with the capital increase. The capital increase is divided as follows:
  - Increase registered capital by issuing 80,000,000 newly issued ordinary shares at the par value at 0.50 baht per share for the allotment to Mr. Suppachak Trairatanobhas (PP Investor)
  - Increase registered capital by issuing 1,120,000 newly issued ordinary shares at the par value at 0.50 baht per share to accommodate the rights adjustment of the Company's warrants PPM-W1 as a result of rights adjustment specified by Notification of PPM-W1 rights adjustment dated May 3, 2016 pertaining dividend payout ratio, and by Notification of PPM-W1 rights adjustment dated June 2, 2016 pertaining change in par value.



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However, this capital increase for private placement does not adhere to the conditions for the right adjustment of the Company's warrants PPM-W1.

3. Resolved to propose to the Extraordinary General Meeting of Shareholders No.1/2016 for the consideration and approval for the allocation of 80,000,000 newly issued ordinary shares at the par value at 0.50 baht per share to the specific investor, namely Mr. Suppachak Trairatnobhas by private placement. The offering price of the aforementioned shares is 2.46 baht per share with the total offering value of 196,800,000 baht. The offering price is 9.23 percent discounted from the market price of the Company's shares at 2.71 baht, assuming that the market price is equal to a weighted average price of the Company's share traded on MAI during the 15 consecutive trading days prior to the date which the Board of Directors' Meeting passed the resolutions to proposed to the shareholders' meeting for the consideration and approval of the capital increase. In addition, the Board of Directors' Meeting has also passed the resolutions approving the delegations of authorities in relation to the issuance, the offering, and the allocation of the mentioned newly issued shares as deemed appropriate. Details of the allocation are as shown on the information Memorandum on Issuance and Offering of the Newly Issued Shares through Private Placement (Attachment No.1). 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. In addition, the Company resolved to propose the allotment of 1,120,000 newly issued ordinary shares issued at 0.50 par value to accommodate the rights adjustment of the Company's warrant PPM-W1.
4. Resolved that the Extraordinary General Meeting of Shareholders No.1/2016 be held on November 16, 2016 at 2.00 p.m., at Porn Prom Metal Public Company Limited, No. 229 Nakhonratchasima Road, Dusit, Bangkok. The agendas are as follows :
  - 1) To certify a minutes of the 2016 Annual General Meeting of Shareholders
  - 2) To consider the capital reduction from 240,000,000 baht to 239,999,972 baht due to the remaining 56 ordinary shares from the allocation for the Company's warrant (PPM-W1) by eliminating the unsubscribed shares, to consider the amendments of No.4 of the Company's Memorandum of Association to be in accordance with the capital reduction, and to approve the delegations of authorities in relevant areas as deemed appropriate.
  - 3) To consider the capital increase from 239,999,972 baht to 280,559,972 baht as follows:



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- 3.1 Increase registered capital by issuing 80,000,000 newly issued ordinary shares at the par value at 0.50 baht per share and allot to Mr. Suppachak Trairatanobhas (PP Investor)
- 3.2 Increase registered capital by issuing 1,120,000 newly issued ordinary shares at the par value at 0.50 baht per share to accommodate the rights adjustment of the Company's warrants PPM-W1.
- 3.3 The amendments of No.4 of the Company's Memorandum of Association to be in accordance with the capital increase.
- 4) To consider and approve the allocation of newly issued ordinary shares as follows:
  - 4.1 To sell to the specific investor through Private Placement
  - 4.2 To accommodate rights adjustment of the Company's warrants PPM-W1
- 5) Other matters (if any)
5. To define October 13, 2016, as the Record Date for determining the shareholders who are entitled to attend of the Extraordinary General Meeting of Shareholders No.1/2016, and to define October 14, 2016 as the closing date of share register book for gathering the shareholders' name under section 225 of the Securities and Exchange Act.

Please be informed accordingly.

Sincerely yours,

(Mrs. Kanokkorn Tankaisorn)

Deputy Managing Director



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PORN PROM METAL PUBLIC COMPANY LIMITED

(F53-4)

**Capital Increase Report**  
**Porn Prom Metal Public Company Limited**  
**September 28, 2016**

Porn Prom Metal Public Company Limited (the “Company”), hereby report on the resolution of the Board of Directors’ Meeting No.5/2016, held on September 28, 2016, relating to a capital increase share allotment as follows :

**1. Capital Increase**

The Board of Directors’ Meeting has passed a resolution approving the increase of Company’s registered capital from 239,999,972 baht to 280,559,972 baht by issuing 81,120,000 ordinary shares issued at a par value of 0.50 baht per share, totaling 40,560,000 baht. The details of the capital increase are as follows:

Type	Type of Share	Number of Shares (Shares)	Par Value (Baht/share)	Total (Baht)
<input checked="" type="checkbox"/> Specifying the purpose of utilizing proceeds	Ordinary Shares	81,120,000	0.50	80,559,860
<input type="checkbox"/> General Mandate				

**2. The Allotment of New Shares**

The Board of Directors’ Meeting has passed a resolution approving the allotment of 81,120,000 ordinary shares issued at a par value at 0.50 baht per share, totaling 40,560,000 baht. Details are as follows:

Allotted to	Number of Shares	Ratio (old : new)	Offering Price (Baht/share)	Subscription and payment period	Note
1. Specific Investor (Private Placement), Mr. Suppachak Trairatanobhas	80,000,000	N/A	2.46	Please see remark no.3	-
2. Accommodate rights adjustment of PPM-W1	1,120,000	N/A	N/A	-	-



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Remarks:

1. The details of the specific investors are as follows :

1) **Name** Mr. Suppachak Trairatanobhas

**Nationality** Thai

**Address** 17/282 Moo 14

Bang Plee Yai, Samutprakarn

**Occupation** Business man

**Current Work Experience**

- CEO of QTC Global Power Co., Ltd. (Alternative Energy Business)

% of Share Possession - None -

**Work Experience in the past**

- Managing Director, PrimeStreet Advisory Thailand (Financial Advisor Business)

% of Share Possession - None -

- Managing Director, Cambridge Capital (Financial Advisor Business)

% of Share Possession - None -

- Managing Director of Siam Alpha Equity PTE Singapore (Consulting and investment management)

% of Share Possession - None -

**Relationship to the Company** Not a connected person of the Company and has no other relationship with the Company

2. The price is determined using the fixed price approved by the shareholders which is not lower than 90 percent of the market price, as specified by the Notification of the Capital Market Supervisory Board TorJor. 72/2558 Re: the Approval for the Private Placement of Listed Companies. 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. However, the offering of newly issued ordinary shares through private placement the Company has agreed with the Private Placement by referring to the Board of Directors' resolution from the Board of Directors' meeting No.5/2016, held on September 28, 2016, the



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PP investor is prohibited from selling their shares for the period of one year (Silent Period) from the first trading date.

3. The date and time of the subscription and payment period of the newly issued shares shall be determined later on by Mr. Chamnam Pornpilailuck or person(s) authorized by Mr. Chamnam Pornpilailuck, who shall have authorization to consider and decide on matters related to entering into the joint investment, and have authorization to (1) negotiate, make agreements, and sign the documents and contracts related to the issuance and offering of ordinary shares through private placement (2) sign applications and necessary documents in relation to the issuance and offering of ordinary shares through private placement, including contracting and submitting any applications, waiver letters, other documents or evidences to the government agencies or other offices and (3) take other actions necessary for and related to the issuance and offering of ordinary shares through private placement.

### **3. Schedule for Extraordinary General Meeting of Shareholders to Approve the Capital Increase/Share Allotment**

The Extraordinary General Meeting of Shareholders No.1/2016 of the Company is scheduled to be held on November 16, 2016 at 2.00 p.m., at Porn Prom Metal Public Company Limited, No. 229 Nakhonratchasrima Road, Dusit. Details are as follows:

- The share register will be closed to share transfers in order to determine the right to attend this meeting from – until the meeting has been duly convened.
- The share register will be recorded for share transfer in order to determine the right to attend the Extraordinary General Meeting of Shareholders on October 13, 2016 (Record Date), and October 14, 2016 (the next business day from the record date) will be the book-closing date, on which the shareholder list as specified in section 225 (as amended) of the Securities and Exchange Act shall be complied.

### **4. The Approval of the Capital Increase/Share Allotment by Relevant Governmental Agency and Conditions Thereto (If Any)**

- 4.1 The Company shall receive the 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 shareholders who attend the meeting and entitled to vote.
- 4.2 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.



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4.3 The Company shall register the company increase, paid-up capital, and the amendment to the Memorandum of Association with the Department of Business Development, the Ministry of Commerce.

4.4 The Company shall apply for approval from the Stock Exchange of Thailand on listing the new ordinary shares on the Market for Alternative Investment (“MAI”)

## 5. Objectives of the Capital Increase and Plans for Utilizing Proceeds Received from the Capital Increase

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

Porn Prom Metal Public Company Limited manufactures and distributes metal products for various industries. The Company's products include copper and brass strips, sheets, tubes, stainless steel and steel wire, aluminum coils and sheets, and stainless steel coils and sheets. The Company also provides some metal products for construction projects such as copper tube and insulation. The Company plans to use the proceeds of approximately 20-50 million baht to repay short-term loans immediately after receiving the proceeds from the capital increase to increase its funding ability for the production expansion of both subsidiaries as well as other potential future projects. **By representing approximately 21% of short-term loans from financial institutions, according to a statement of financial position of the company as of June 30, 2016 237.12 million baht.**

5.2 To expand production capacity and increase liquidity 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 of approximately 7.75 million baht as well as to repay existing raw materials debt of approximately 31 million baht and the rest will be add liquidity. Total funding will be used to expand production capacity and liquidity of approximately 50 million baht. However the PFP financial statement as December 31, 2015 PFP has a quick ratio of only 0.39 times.**

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.

**Current projects in the first phase was conducted successfully installed machines. And will begin production by orders of customers within the month October 2559. SPPM plans to invest in the second phase**





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by the studying from the experience in manufacturing in the first phase as a guideline for investment, which is currently in the feasibility study of the project, progress is satisfactory. And because the government has tried to encourage the private sector to build a solar power plant. With the support of the other, whether the tax incentives and benefits to create incentives for investment to customers, such as tax exemption of imported raw materials, production of solar panels as a result of foreign clients are interested in the production of solar cells and assembly of solar panels, with a production base in Thailand. So there is a high possibility that more investment. The expected internal rate of return from the project will not be lower than 10 percent.

Plans for the utilization of funding at this time by the studying from the first phase SPPM expected to need the capital to invest in production in second phase approximately 120 million baht, comprising the machines are imported approximately 115 million baht and for improve the factory building approximately 5 million baht and it is expected that the fund received from the capital increase will be spent for the mentioned purpose at least in the third quarter of 2017 which the executives have contemplated and have opinion that it is the right time because the production in the first phase SPPM received order for continuous and full production capacity of machinery and to provide timely production of customers order. SPPM needs to invest in the second phase. It must provide the officers with specialized training to operate machinery. If SPPM received funding before during the third quarter of 2017 will bring capital, such as the cash flow of SPPM to pending the investment plans in the second phase further.

The information of the production in the second phase can be summarized as follows :

**Project Type :** Manufactures and installs solar photovoltaic panels size 600 MW.

**Expected budget in primary stage :** approximately 120 million baht

**Status and progress of the project :** During the study phase

**Risk associated with the project :**

- Risk from technology that is constantly evolving

Solution Tracking technology in continuous production. By studying the job from abroad regularly. If there is any type of technology that meets manufacturing lines will develop products SPPM, technology and market demands.

- The risks of nuclear power plants because of the affordable prices.





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Solution SPPM informs the customers about the negative effect of the use of nuclear energy which are harmful to nature. The most customers understand and take into consideration the safety and quality of goods, rather than.

- The risk from Exchange rate fluctuations

Solution Foreign exchange trading contracts with financial institutions to reduce the risk thereof.

In addition to the objectives of the utilizing plan for the proceeds mentioned above, the Company is also currently studying for Solar Rooftop project. The project type is EPC + F (Engineering Procurement Construction + Finance) in 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 20 equity : 80 loan, where the amount of equity required is approximately 40-100 million baht.

The company will report the progress of the operation in the next future. By the company will decide to take action or sign any contracts, agreements and/or related events related significantly. The Company will notify shareholders. The Company shall seek for approval on the acquisition of the assets in compliance with the required process, related rules, and regulations, including the Capital Market Supervisory Board TorJor. 20/2551 Re: Rules on Significant Transactions Constituting Acquisition or Disposition of Assets and the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Actions of a Listed Company on Acquisition or Disposition of Assets B.E. 2004 dated October 29, 2004.

#### **6. Benefits which the Company will receive from the capital increase/share allotment**

To prepares the financial objectives discussed in Section 5 and will increase the liquidity of business operations, which will increase potential for expansion and support the operations of the Company.

#### **7. Benefits which shareholders will receive from the capital increase/share allotment**

The Company has financial strength resulting the completion in business plan and this benefit to the shareholders.

The shareholders will be allotted increase ordinary share capital, have the right on dividend and right to attend the meeting with right of vote: The Company has policy to pay the dividend to the shareholders at rate 30 percent of the net profit of each year but considering the performance and investment plan of the Company at that time as well.



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

Please see details in the information Memorandum on the Issuance and Offering of Ordinary Shares through private placement in making decision on approving the capital increase/share allotment.

**9. Schedule of actions if the board of directors passes a resolution approving the capital increase/allotment of new shares:**

No	Procedures of the capital increase	Date/Month/Year
1.	The Board of Directors' Meeting No.5/2016 to approve the issuance and offering of ordinary shares through private placement, the capital increase, the amendment to the memorandum of association and the allotment of the newly issued ordinary shares	September 28, 2016
2	The date on which the recorded shareholders shall have the rights to attend the extraordinary general meeting of shareholders No.1/2016 (Record Date)	October 13, 2016
3	The closing date on which the name list of shareholders is compiled under section 225 of the Securities and Exchange	October 14, 2016
4.	The Extraordinary General Meeting of Shareholders No.1/2016	November 16, 2016
5	The date of registration of the EGM resolution on capital increase with Department of Business Development, the Ministry of Commerce	Within 14 days from the EGM
6	Subscription period for the private placement	After receiving the approval from the SEC

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

Please be informed accordingly.

Sincerely yours,

(Mrs. Kanokkorn Tankaisorn)

Deputy Managing Director