

**Information Memorandum on Listing of Chow Energy Company Limited
On The Stock Exchange of Thailand and the Market for Alternative Investment**

Chow Energy Co., Ltd. ("CE"), a subsidiary of the Company, intends to list its stocks on the Stock Exchange of Thailand ("SET") or the Market for Alternative Investment ("mai") (hereinafter referred to as the "Stock Exchange"). CE increased its registered capital from 221,536,980 Baht to 570,000,000 Baht by offering 34,846,302 new ordinary shares each of 10 Baht par value to CE's existing shareholders in proportion to shareholding. Afterward, CE will be transformed into a public limited company and raise its registered capital from 570,000,000 Baht to 760,000,000 Baht, with a change of its par value to 0.50* Baht per share (By resolution of the Board of Directors meeting of Chow Energy Co., Ltd. No.1/2016 held on 24 February 2016 approved the change in par value from par value of Baht 0.10 each to par value of Baht 0.50 each). The 380,000,000 new ordinary shares each of 0.50 Baht par value will be issued for initial public offering (IPO) and also to the Company's existing shareholders in proportion to shareholding (pre-emptive rights). Such IPO and pre-emptive rights offering to the existing shareholders of the Company are deemed as an asset disposal transaction of a listed company pursuant to Notification of the Stock Exchange of Thailand regarding Disclosure of Information and Other Acts of Listed Companies concerning the Acquisition and Disposition of Assets B.E. 2547 (2004), and the amendment pursuant to Notification of the Capital Market Supervisory Board No. ThorJor. 20/2551, as well as Section 89/29 of the Securities and Exchange Act, B.E. 2551 (2008), thereby the maximum transaction size by the total value return method is 2.35% of the Company and subsidiary according to the consolidated financial statements as at 31 December 2015, which is lower than 15%. Therefore, the Company is not required to disclose those transactions. However, the Company has duty to disclose plan to list CE in the Stock Exchange of Thailand, according to the Stock Exchange of Thailand's regulation Re: Rules, Conditions and Procedure to disclosure the information memorandum and any the listed company practice, as the Company has its investment in CE, a subsidiary of Company, more than 10 percent of the paid-up capital of CE. In addition, the Company will submit the plan on the listing of CE on the Stock Exchange and the capital increase with IPO and pre-emptive rights offering to the Company's shareholders meeting for consideration and approval. Details of the information memorandum are as follows:

1. Date of entering into the transaction

Listing of CE on the Stock Exchange by offering of new ordinary shares through IPO and pre-emptive rights offering to the existing shareholders of the Company shall take place upon obtaining permission from the Office of the Securities and Exchange Commission ("Office of the SEC").

2. Parties concerned

Seller of securities	:	Chow Energy Co., Ltd. ("CE")
Buyer of securities	:	General public and the Company's shareholders

3. General characteristics of asset acquisition transaction and transaction size

For listing on the Stock Exchange, CE will increase its registered capital from 570,000,000 Baht to 760,000,000 Baht by offering 380,000,000 new ordinary shares each of 0.50 par value, the allotment of which is as detailed below:

- 1) Pre-emptive rights offering of 95,000,000 shares each of 0.50 Baht par value to the Company's shareholders in proportion to shareholding
- 2) Initial public offering (IPO) of 285,000,000 shares each of 0.50 Baht par value and the remaining portion of shares from pre-emptive rights offering

After the issuance and offering of 380,000,000 new ordinary shares, the Company's holding proportion of ordinary shares of CE after CE's listing on the Stock Exchange will decrease from 90.93% to 68.20% of its paid-up capital of 760,000,000 Baht, or a 25.00% decrease in shareholding proportion.

The above transaction for listing of CE on the Stock Exchange is deemed as an asset disposal transaction of a listed company pursuant to Notification of the Stock Exchange of Thailand regarding Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (2004), and the amendment pursuant to Notification of the Capital Market Supervisory Board No. ThorJor. 20/2551, as well as Section 89/29 of the Securities and Exchange Act, B.E. 2551 (2008), thereby the maximum transaction size by the total value return method is 2.35% of the consolidated the total value return of the Company and subsidiary according to the consolidated financial statements as at 31 December 2015. Details of calculation of the asset disposal transaction size by four methods are as follows:

Basis of calculation	Calculation	Transaction size (%)
1. Asset value method	$\frac{\% \text{ of NTA of CE in the disposal proportion}}{\text{NTA of Company and subsidiary}}$	$= ((90.93\% - 68.20\%) * -7.57) / 965.05$ $= -0.18\%$
2. Net profit method	$\frac{\% \text{ of net profit of CE in the disposal proportion}}{\text{Net profit of Company and subsidiary}}$	$= ((90.93\% - 68.20\%) * 29.24) / -109.21$ $= -6.09\%$
3. Total value of consideration method	$\frac{\text{Selling value}}{\text{Total assets of Company and subsidiary}}$	$= (380.00 * 0.50^{1/}) / 8,092.36$ $= 2.35\%$
4. Securities value method	$\frac{\text{Number of shares issued}}{\text{Total number of issued and paid-up shares of Company}}$	Not applicable, as the Company is not to issue shares in this case.

Note: 1/ As the offering price of the IPO and the pre-emptive offering to the shareholders is not yet determined at present, the transaction size is calculated based on the par value of 0.50 Baht per share.

The maximum size of the above transaction by the total value return method is 2.35% of the Company and subsidiary according to the consolidated financial statements as at 31 December 2015, which is lower than 15%. Therefore, the Company is not required to disclose those transactions. However, the Company has duty to disclose plan to list CE in the Stock Exchange of Thailand, according to the Stock Exchange of Thailand's regulation Re: Rules, Conditions and Procedure to disclosure the information memorandum and any the listed company practice, as the Company has its investment in CE, a subsidiary of Company, more than 10 percent of the paid-up capital of CE.

Preliminary description of asset to be disposed of

Details of CE share offering

Type of securities to be offered	:	New ordinary shares of CE
Number of shares to be offered	:	A total of 380,000,000 shares with the allotment thereof shown below: <ol style="list-style-type: none">1) Pre-emptive rights offering of 95,000,000 shares each of 0.50 Baht par value to the Company's shareholders in proportion to shareholding2) Initial public offering (IPO) of 285,000,000 shares each of 0.50 Baht par value and the remaining portion of shares from pre-emptive rights offering Chairman of the Executive Committee or the person assigned by him shall thereafter determine the ratio of allotment of CE new shares to the existing shareholders of the Company, and the closing date of the share register to determine the names of those entitled such new shares.
Par value	:	0.50 Baht per share
Offering price	:	Not yet determined. Chief Executive Committee or the person assigned by him shall determine the offering price after CE obtains permission from Office of the SEC to offer the new shares.
Offering period	:	Not yet determined. Chief Executive Committee or the person assigned by him shall determine the offering period after CE obtains permission from Office of the SEC to offer the new shares.

Details of CE

Entity name	:	Chow Energy Co., Ltd. ("CE")
Head office	:	209/1 K. Tower, 18 th Floor, Unit 3 Sukhumvit 21 (Asoke), Klongtoey Nua, Wattana, Bangkok
Nature of business operation	:	Operate as a holding company by holding shares in entities relating to investment in, production and distribution of electricity from various types of energy.
Capital structure	:	Before the IPO and share offering to existing shareholders of the Company, CE will have registered capital of 570,000,000 Baht, divided into 1,140,000,000 ordinary shares each of 0.50 par value. After the IPO and share offering to existing shareholders of the Company, CE will have registered capital of 760,000,000 Baht, divided into 1,520,000,000 ordinary shares each of 0.50 par value.
Company's shareholding proportion in CE	:	Before the IPO and share offering to existing shareholders of the Company, the Company will have a shareholding proportion of 90.93% in CE.

After the IPO and share offering to existing shareholders of the Company, the Company will have a shareholding proportion of 68.20% in CE.

Subsidiaries : CE engages in holding shares in other entities. It currently has 100% shareholding in Premier Solution Co., Ltd. (“PSCL”) and Chow International Co., Ltd. (“CI”).

1. PSCL: engages in securing power sale and purchase agreements, land lease and purchasing agreements, and dealing projects for solar power plant operators.
2. CI: engages in investing in solar power plant projects. At present, CI has investment only in projects developed by PSCL and/or subsidiary of PSCL.

Board of Directors : As of 31 December 2015, CE’s Board of Directors is composed of 6 members as follows:

1. Mr.Narongsak Kamales
2. Mr.Smith Banomyong
3. Mr.Jittiphon Devahastin
4. M.L.Dispanadda Diskul
5. Mr.Sanguankiat Lewmanomont
6. Dr.Kanoksak Sukwatanasinit
7. Mr.Anavin Jiratomsiri
8. Ms.Koo Man Wai

Financial highlights of CE :

Unit: THB million	2014	2015
Total assets	1,209.29	5,035.99
Total liabilities	1,110.39	4,801.19
Issued and paid-up shares	221.54	308.65
Retained earnings (losses)	(31.68)	(1.96)
Shareholders’ equity	98.90	234.79
Total revenues	93.18	1,062.26
Total expenses	125.07	1,033.02
Net profit	(31.89)	29.24

Note: CE was incorporated on 9 December 2014.

4. Total value of consideration

CE will offer shares to the existing shareholders of the Company in proportion to their shareholding (pre-emptive rights) at the same offering price as that in the IPO. The offering price is not yet determined at present. CE will set the definite offering price upon receiving share offering approval from Office of the SEC.

5. Value of asset to be disposed of

The offering price is not yet determined at present. Thus, value of asset to be disposed of is calculated based on the par value of 0.50 Baht per share multiplied by total number of CE ordinary shares of 380,000,000 making up a total of 190,000,000 in the asset value.

6. Expected benefits from the transaction

1) Benefits to shareholders of the Company

- Shareholders of the Company will be entitled to the allotment of the new ordinary shares in proportion to their shareholding (pre-emptive rights).
- Shareholders of the Company will have opportunity to invest in solar power businesses directly.

2) Benefits to the Company

- The Company can relieve its burden in financial assistance to CE, such as capital increase in CE, guarantee obligation, securing of financial sources, lending of loans, etc.
- The Company can recognize business value of CE in term of fair value.
- The Company can recognize capital gains in case of divestment of its equity portion in CE.

3) Benefits to CE

- CE will have access to additional funding source.
- CE will have adequate capital funds for its business expansion or additional investment in any subsidiary and/or associated companies, and/or for CE's loan repayment, and/or for serving its working capital requirement.
- The transaction will strengthen and enhance the image of CE.
- The transaction will add value to and boost liquidity of CE ordinary shares.

7. Impacts from listing of CE on the Stock Exchange

1) EPS dilution and control dilution effects

The offering of 380,000,000 new ordinary shares will result in a decline in the Company's shareholding proportion from 90.93% to 68.20%, or a 25.00% decrease, resulting in dilution of EPS from and control in CE in future. However, to offset such impact, CE will propose to its shareholders' meeting to allocate 95,000,000 new ordinary shares each of THB 0.50 par value, representing 25% of a total of 380,000,000 new ordinary shares under this capital increase for pre-emptive rights offering to the Company's existing shareholders at the same offering price as that to the general public in the IPO.

2) Price dilution effect

As the shares to be offered are CE shares, no impact is expected on the market price of the Company's ordinary shares. However, the Company's decrease in the shareholding proportion in CE will affect the proportion of profit to be recognized from CE.

8. Application of proceeds obtainable from the share offering

CE will use the proceeds obtainable from the share offering to the Company's shareholders and the general public for its business expansion or additional investment in any subsidiary and/or associated companies, and/or for CE's loan repayment, and/or for serving its working capital requirement.

9. Conditions of transaction

- 1) The Company's 2016 annual general meeting of shareholders has given approval for listing of CE on the Stock Exchange and CE's capital increase with the IPO and the pre-emptive rights offering to the existing shareholders of the Company.
- 2) CE's shareholders meeting has given approval for listing of CE on the Stock Exchange and CE's capital increase with the IPO and the pre-emptive rights offering to the existing shareholders of the Company.
- 3) CE has registered the capital increase with Department of Business Development.
- 4) CE has obtained approval from Office of the SEC for making the IPO and the pre-emptive rights offering to the existing shareholders of the Company.
- 5) The Stock Exchange has accepted CE as a listed stock.

10. Opinion of the Board of Directors and the Audit Committee

The Company's Board of Directors, including Audit Committee, is of the opinion that the entering into this transaction is reasonable, helping strengthen CE, enhance its competitiveness, and enable it to raise funds from the market on its own, as well as adding value to the Company's investment in CE.

11. Opinion of the Audit Committee and/or the director which is different from the Board of Directors' opinion in Item 10

The Company's Audit Committee has the same opinion as the Board of Directors, and no director has any different opinion from that of the Board of Directors.

12. Responsibility of the Board of Directors for the Information Memorandum

The Board of Directors of Chow Steel Industries Public Company Limited has reviewed, with prudence in the capacity of directors of the Company, information in this Information Memorandum regarding the disclosure and acts of the Company in the acquisition or disposal of assets, and hereby certify that such information is correct and complete, without any misleading or lack of material information that should have been disclosed. In this regard, this Information Memorandum has been prepared only for disclosure purpose, not for persuasion or as proposal to acquire or subscribe for any securities.

13. Significant legal cases or complaints in process

In the past year, the Company has had no any legal dispute that may pose negative impact on its assets in the amount more than 5% of its shareholders' equity as of the end of the latest accounting period.

14. Transactions with related person and companies

14.1 Relationship and pricing policy

The relationship and pricing policies among the company, subsidiary, related persons and companies are as follows:

Subsidiaries

<u>Subsidiaries</u>	<u>Relationship</u>
Chow Energy Co., Ltd.	76.67% Shareholding and Directorship
Vertex Logistics Service Co., Ltd.	40% Shareholding and Directorship
Chow International Co., Ltd.	100% Shareholding by the subsidiary
Premier Solution Co., Ltd.	100% Shareholding by the subsidiary
AE Solar Godo Kaisha	100% Shareholding by the subsidiary
Premier Solution Japan K.K.	100% Shareholding by the subsidiary
Premier Solution GmbH	100% Shareholding by the subsidiary
Sun Energy Godo Kaisha	100% Shareholding by the subsidiary
Sol Power Godo Kaisha	100% Shareholding by the subsidiary
Sun Partner Japan Godo Kaisha	100% Shareholding by the subsidiary

Associated Companies

<u>Associated Companies</u>	<u>Relationship</u>
Overseas Green Energy Co., Ltd.	40% Shareholding by the subsidiary an directorship
RICI International Investment Pte., Ltd.	40% Shareholding by the subsidiary

Related Companies

Lewmanomont International Law Office	Directorship
Sritanathep Co., Ltd.	Directorship
Parkin Property., Ltd.	Shareholder and Director

Related Persons

Mr. Anavin Jiratomsiri	Shareholder and Director
Mr. Tanachart Poudpongpaiboon	Shareholder and Director of subsidiary
Mr. Pruchya Piumsomboon	Director

Pricing policies

Loan to	Interest charged at rate of 7.75% - 12% per annum
Loan from	Interest charged at rate of 7.75% - 12% per annum
Service income	Compared to market price
Disposal of fixed assets	Compared to market price
Rental income	At Contract price which had been agreed upon
Transportation expense	At Contract price which had been agreed upon
Administrative expenses	At Contract price which had been agreed upon
Guarantee	No fee charged

14.2 Balances of transactions with subsidiary, related persons and companies

Balances of transactions among the Company with subsidiary, related persons and companies as at 31 December 2015 and 2014 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<u>Trade accounts receivable (Note 7)</u>				
Related Company	1,464,238	-	-	-
<u>Other receivables (Note 7)</u>				
Subsidiaries	-	-	145,682,583	34,327,260
Related Company	910,000	-	-	-
Total	910,000	-	145,682,583	34,327,260

In Baht

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<u>Short-term loan to</u>				
Subsidiaries				
Balance, beginning of the year	-	-	1,021,026,683	37,225,800
<u>Add</u> Increase during the year	-	-	3,987,001,338	1,177,547,745
<u>Less</u> Decrease during the year	-	-	(3,162,811,263)	(193,746,862)
Unrealized loss on foreign exchange rate	-	-	(18,437,426)	-
Balance, end of the year	-	-	1,826,779,332	1,021,026,683
<u>Other payables (Note 17)</u>				
Subsidiaries	-	-	879,611	778,175
Related company	489,787	395,158	-	10,500
Total	489,787	395,158	879,611	788,675
<u>Short-term loan from</u>				
Subsidiaries				
Balance, beginning of the year	-	-	-	-
<u>Add</u> Increase during the year	-	-	-	10,370,816
<u>Less</u> Decrease during the year	-	-	-	(10,370,816)
Balance, end of the year	-	-	-	-
Related companies				
Balance, beginning of the year	10,000,000	-	-	-
<u>Add</u> Increase during the year	2,000,000	10,000,000	-	-
<u>Less</u> Decrease during the year	(10,000,000)	-	-	-
Balance, end of the year	2,000,000	10,000,000	-	-
Related person				
Balance, beginning of the year	-	350,000	-	-
<u>Add</u> Increase during the year	2,000,000	-	-	-
<u>Less</u> Decrease during the year	-	(350,000)	-	-
Balance, end of the year	2,000,000	-	-	-
Total	4,000,000	10,000,000	-	-
<u>Other current liabilities</u>				
Subsidiaries	-	-	108,560	108,560

14.3 Revenues and expenses transactions with related parties

Revenues and expenses transactions with subsidiary, related persons and companies for the year ended 31 December 2015 and 2014 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<u>Revenue from service</u>				
Related Persons	1,368,447	-	-	-
<u>Rental income</u>				
Subsidiaries	-	-	1,284,222	969,224
<u>Interest income</u>				
Subsidiaries	-	-	106,429,719	34,904,395
<u>Dividend income</u>				
Subsidiaries	-	-	-	3,200,000
<u>Cost of Sales</u>				
Subsidiaries	-	-	541,234	-
<u>Transportation expense</u>				
Subsidiaries	-	-	22,165,576	61,947,994
<u>Legal fee</u>				
Related company	1,382,802	503,200	1,302,752	503,200
<u>Financial cost</u>				
Subsidiaries	-	-	-	259,128
Related company	377,096	384,658	-	-
Total	377,096	384,658	-	259,128
<u>Directors and management's benefits</u>	11,817,291	11,309,212	9,337,978	10,409,212

Sincerely,

(Mr. Anavin Jiratomsiri)

Chairman of the Executive Committee