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Capital Increase Report Form
Electronics Industry Public Company Limited
28 February 2014

We, **Rich Asia Steel Public Company Limited** (“Company”), hereby reports the resolutions of the Board of Directors’ Meeting dated No. 1/2014 held on 28 February 2014 from 11.00 hours to 13.00 hours relating to the capital increase and the share allocation as follows:-

1. Capital Increase

The Board of Directors’ Meeting No.1/2014 resolved to approve the increase of the Company’s registered capital from Baht 1,002,913,226 to be Baht 1,322,913,226 issuing 320,000,000 ordinary shares with a par value of Baht 1.00 per share, totaling Baht 320,000,000. The detail of capital increase is as follows:

Type of Capital Increase	Type of Share	Number of shares	Par Value (Baht/share)	Total (million Baht)
Specify the purpose of utilizing proceeds	Ordinary Share Preferred Share	320,000,000 -	1.00 -	320,000,000 -

2. Allocation of increased capital

The Board of Directors’ Meeting No.1/2014 resolved to approve for allocation of 320,000,000 shares with a par value of Baht 1.00 per share, totaling 320,000,000 Baht as follows:

2.1 Details of allocation of ordinary shares

Allocated to	Number (shares)	Ratio (old : new)	Sale Price (Baht/share)	Subscription and payment period	Note
To reserve for the exercise of conversion right of convertible debentures issued for a specific foreign investor (Private Placement)	320,000,000	-	Please refer to Enclosure No.5	Please refer to Enclosure No.5	

2.1.1 The Company's plan in case where there is a fraction of shares remaining

In case of a fraction after calculation of shares, the fraction shall be deleted.

2.2 General Mandate

Allot for	Type of securities	Number of shares	Percentage per paid-up capital 1/	Note
Existing shareholders	Ordinary Share Preferred Share			
To reserve for conversion /exercise of right of Warrants				
People	Ordinary Share Preferred Share			
Private Placement	Ordinary Share Preferred Share			

1/ Percentage per paid-up capital on the date of the Board of Directors of listed company resolved for capital increase in the type of general mandate.

- The Company's plan in case where there is a fraction of shares remaining
-None-

3. Schedule for an extraordinary general meeting of shareholders to approve the capital increase and the share allocation

The Board of Directors' meeting passed a resolution calling for the Annual General Meeting of Shareholders of the Year 2014 to be held on April 18, 2014 at 14.00 hours at Yomtara room, the second floor, at the Ramada Plaza Menam Riverside Bangkok Hotel No. 2074 Charoenkrung Road, Bangkorlaem, Bangkok. The Record Date for the determination of name list of the shareholders who are entitled to attend the Annual General Meeting of Shareholders of the Year 2014 to be March 14, 2014, and to gather the name list of the shareholders pursuant to Section 225 of the Securities and Exchange Act, B.E. 2535 by closing of the share register on March 17, 2014.

4. Approval of the capital increase/the share allocation by relevant governmental agency and conditions thereto (if any)

- To apply for registration of registered capital and the amendment to the Company's Memorandum of association with the Department of Business Development, the Ministry of Commerce.
- To apply for an approval from the Stock Exchange of Thailand for listing of shares on the Stock Exchange of Thailand pursuant to the relevant rules and regulations after the holders of convertible debentures exercises the right to convert the debentures into the ordinary shares of Company's shares (if such right is exercised) or the holders of warrants exercise their rights to purchase shares (if such right is exercised).
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5. Objectives of the capital increase and plans to utilizing proceeds received from the capital increase

The increase the capital in the amount of Baht 320,000,000 at par value of Baht 1.00 (per share is aimed for reservation for exercise of convertible debentures in the amount of not exceed 320,000,000 shares; provided that all of the shares (held by shareholders and by conversion) at any time shall not cause the amount of the Company's shares to be held by foreigners or persons who are not Thai national in a sum of exceeding 49% of the shares sold by the Company.

6. Benefits which the Company will receive from the capital increase and share allotment

The issuance of convertible debentures to a specific investor is an alternative of fund raising of the Company for:

- (1) repayment of debts to financial institutions according to the debt restructuring negotiation
- (2) operating fund of the Company or its subsidiaries for improving of business to be reactivated in achieving profit and/or other purposes as the Board of Directors or the Executive Committee considers appropriate.

The Board of Directors considers that the Company can do several drawdowns of convertible debentures as actually required by the Company's working capital, it is not the drawdown as required by foreign fund. Although it will create documentation burden to the Company, the Company is not required to do single drawdown in a large sum without utilizing the same. This will beneficial to the Company in regards to actual efficient cash management.

7. Benefits which the shareholders will receive from the capital increase and the share allocation

7.1 Dividend Policy

The Company has policy that the dividend will be paid once the Company has enough profits.

In addition, the Company has dividend policy of at least 50% of the net profit (after deduction of corporate income tax and legal reserve). However, the Company may determine payment of dividend for the amount less than such rate, depending on the performance, financial status, liquidity and needs in utilizing operating fund for operation, business expansion and other factors involving management of the Company.

7.2 The subscriber of the increased capital at this time is entitled to receive dividend derived from period of warrant to purchase ordinary share or upon the exercise of conversion right of convertible to debenture to ordinary share of the Company. The shareholder is entitled to receive dividend in the future when the Company has profit from operation; provided that it must be conducted according to the dividend policy.

7.3 Others

The allocation of shares for the exercise of right of convertible debentures will be entirely offered to single foreign investor in the whole amount by way of private placement. The drawdown of convertible debentures from foreign fund is the right of the Company who is the issuer and offer or for sale that can be done several times from time to time in the same manner as actually required by the Company's working capital. As such, it would gradually affect the shareholders and would not abundantly affect the shareholders in terms of the price and shareholding ratio. The issuance and offer for sale to specific investor (Private Placement) shall be deemed as one of the most flexible financial options best beneficial to the Company.

In addition, there will incur the opportunity to pay dividend more rapidly, unless the Company is required to use the profits in its business expansion, unless the Company is required to bring such net profit to be used for expansion of Company's business. However, payment of dividend may be changed depending on the Company's investment plan and necessity to use its working capital, including other suitability in the future, for the best interest of the Company and its shareholders.

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

As the Company intends to issue and sales of convertible debentures to only one specific single foreign fund, therefore, in considering of the impact on the Company's shareholders, the "Worst Case Scenario" will be taken for consideration in the case that the Company offered and issued convertible debentures for the whole amount to the investor and the investor then exercised the conversion right of whole amount of the convertible debentures of SGD 20 million or its equivalent amount of Baht 500 million, even the Company has no plan to issue and offer for sale of convertible debentures to a foreign fund for the whole amount. It is divided into 2 cases as follows:

1. In the case of using Fixed Conversion Rate

2. In the case of using Floating Conversion Rate by consideration of the impacts to shareholders of the Company, of which are 2 aspects including impact to market price of shares (Price Dilution) and impact to voting rights of existing shareholders (Control Dilution).

1) In the case of using Fixed Conversion Rate

1.1) Dilution in share price (Price Dilution) can be calculated with the following equation:

$$\text{Price Dilution} = (\text{Po} - \text{PE}) / \text{Po}$$

where;

$$\text{PE} = (\text{PoQo} + \text{PeQe}) / (\text{Qo} + \text{Qe})$$

Po = Existing share price which is equivalent to Baht 0.29 per share (average closing price of 15 days during 4 – 25 February 2014 preceding the date of the Board of Director's meeting on 28 February 2014)

Pe = Fixed Conversion Price of convertible debentures which is equivalent to Baht 0.41 per share (calculated based on 145% of the average of the daily traded volume weighted average prices per share for the 45 business days during 19 December 2013 – 25 February 2014)

Qo = Number of existing shares which is equivalent to 1,002,913,226 shares

Qe = Number of shares arising from the exercise of conversion right of the convertible debentures from the drawdown for the whole amount which equals to 1,219,512,195 shares (calculated based on the amount of Baht 500 million divides the Fixed Conversion Rate at Baht 0.41 per share). However, the Company has set the shares as reservation for conversion in the amount of 320,000,000 shares only.

1.2) Dilution in shareholdings (Control Dilution) can be calculated with the following equation:

$$\text{Control Dilution} = (\text{Qe} / (\text{Qo} + \text{Qe}))$$

Where;

Qo = Number of existing shares which is equivalent to 1,002,913,226 shares

Qe = Number of shares arising from the exercise of conversion right of the convertible debentures at each time which is equivalent to 320,000,000 shares

Summary of Impact on the Shareholders from Exercise of Fixed Conversion Price	In case where the investors purchase and exercise the rights to convert to ordinary shares for whole amount of Convertible Debentures
Dilution in share price (Price Dilution)	-10.01%
Dilution in shareholdings (Control Dilution)	24.19%

Impact on Market Price of Shares (Price Dilution)

In case where the conversion right is made for common shares according to the conversion of the whole amount of convertible debentures, the impact to market price of the shares will be -10.01% or the impact to market price of shares will be negative or there would be no impact to market price of share.

Impact on the Voting Right of the Existing Shareholders

In the case where the conversion right is made for the whole amount of common shares, the shareholders of the Company will be diluted of its shareholding at the rate of 24.19 percent.

2) In the case of using Floating Conversion Rate

2.1) Dilution in share price (Price Dilution) can be calculated with the following equation:

$$\text{Price Dilution} = (\text{Po} - \text{PE}) / \text{Po}$$

where;

$$\text{PE} = (\text{PoQo} + \text{PeQe}) / (\text{Qo} + \text{Qe})$$

Po = Existing share price which is equivalent to Baht 0.29 per share (average closing price of 15 days during 4 – 25 February 2014 preceding the date of the Board of Director's meeting on 28 February 2014)

(3) Pe = Floating Conversion Price of convertible debentures which is equivalent to Baht 0.21 per share (calculated based on average closing prices of 3 consecutive business days (2-6 January 2014) preceding the Board of Director's Meeting at the price of Baht 0.26 per share multiples conversion rate of 80 percent.

Qo = Number of existing shares which is equivalent to 1,002,913,226 shares

Qe = Number of shares arising from the exercise of conversion right of the convertible debentures from the drawdown for the whole amount which equals to 2,380,952,381 shares (calculated based on the rates of conversion right of convertible debentures at Baht 0.21 per share). However, the Company has fixed the total amount of shares which are reserved for conversion of the convertible debentures in the amount of 320,000,000 shares only.

2.2) Dilution in shareholdings (Control Dilution) can be calculated with the following equation:

$$\text{Control Dilution} = (\text{Qe} / (\text{Qo} + \text{Qe}))$$

Where;

Qo = Number of existing shares which is equivalent to 1,002,913,226 shares

Qe = Number of shares arising from the exercise of conversion right of the convertible debentures at each time which is equivalent to 320,000,000 shares

Summary of Impact on the Shareholders from Exercise of Floating Conversion Price	In case where the investors purchase and exercise the rights to convert to ordinary shares for whole amount of Convertible Debentures
Dilution in share price (Price Dilution)	6.67%
Dilution in shareholdings (Control Dilution)	24.19 %

Impact on Market Price of Shares (Price Dilution)

In case where the conversion right is made for common shares according to the conversion of the whole amount of convertible debentures, the impact to market price of the shares will be 6.67%.

Impact on the Voting Right of the Existing Shareholders

In the case where the conversion right is made for the whole amount of common shares, the shareholders of the Company will be diluted of its shareholding at the rate of 24.19 percent.

Remark: The investor wants invest in the convertible debentures of the Company during the 1 year period. Therefore, there is no requirement for the forecast of the financial statement of the Company.

The Board of Directors is of the view that the drawdown of convertible debentures from foreign fund is the right of the Company who is the issuer and offer or for sale that can be done several times from time to time in the same manner as the drawdown from financial institution and will grant the following benefits:

1.Benefits to the Company: As the Company can do several drawdowns of convertible debentures as actually required by the Company's working capital, it is not the drawdown as required by foreign fund. Although it will create documentation burden to the Company, the Company is not required to do single drawdown in a large sum without utilizing the same. This will be beneficial to the Company in regards to actual efficient cash management.

2.Benefits to the Company's shareholders: If the Company does several drawdowns of convertible debentures as actually required by the Company's working capital, it would gradually affect the shareholders and would not abundantly affect the shareholders in terms of the price and shareholding ratio. The issuance and offer for sale to specific investor (Private Placement) shall be deemed as one of the most flexible financial options best beneficial to the Company.

The capital increase and allocation of increased capital shares as being reservation for warrants will cause impact to the Company as described in the **Enclosure No. 5**

9. Schedule of action where the Board of Directors of the Company passes resolutions approving the capital increase or allocation of new shares

No.	Procedures	Date/Month/Year
1	The Meeting of the Board of Directors No. 1/2014	28 February 2014
2	Record Date to determine the eligible shareholders to attend the Annual General Meeting of Shareholders of the Year 2014	14 March 2014
3	Gathering list of names in compliance with Section 225 of the Securities and Exchange Act	17 March 2014
4	Annual General Meeting of Shareholder of the Year 2014	18 April 2014
5	Register the increase of the Company's registered capital and the amendment to Company's memorandum of association with Ministry of Commerce	Within 14 days from the date of the shareholders' approval
6	Date of issuance and obtain payment of convertible debentures	As per the draft agreement between the Company and subscriber, it is anticipated that the issue and payment of the first sub-tranche of convertible debentures will be held within 5-45 days after execution of such agreement and obtaining approval from SEC.

Please be informed accordingly.

Sincerely Yours,

- *SOMKIAT VONGSAROJANA* -

(Mr. Somkiat Vongsarojana)
Managing Director