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Notice of Extraordinary General Meeting of Shareholders No.1/2557

Of

Rich Asia Steel Public Company Limited

No. PhorBor.047 / 2014

October 30, 2014

Subject: Invitation to Extraordinary General Meeting of Shareholders No. 1/2014

Attention: Shareholders of Rich Asia Steel Public Company Limited

- Enclosures:**
1. Copy of the Minutes of the 2014 Annual General Meeting of Shareholders
 2. Capital Increase Report Form (F53-4)
 3. Information Memorandum on the Offering of the Newly issued ordinary shares at below Market Price through the Private Placement Scheme
 4. Information Memorandum on Disposal of Thai National Products Co., Ltd.'s ordinary shares
 5. Opinion of Independent Financial Advisor
 6. Proxy (Forms B)
 7. Profiles of Independent Directors for the appointment of proxies by the shareholders
 8. Guidelines for the registration and appointment of a proxy, and the documentation and evidences required to be presented on the meeting date
 9. Copy of the relevant sections of Rich Asia Steel Public Company Limited's Articles of Association concerning the shareholders' meeting
 10. Map of Meeting venue

By this letter, the Board of Directors' Meeting No. 4/2014 of Rich Asia Steel Public Company Limited (the "**Company**") held on October 3, 2014 has resolved to convene Extraordinary General Meeting of Shareholders No. 1/2014 on 21 November 2014, at 14.00 hrs., at River Grand Ballroom, 2nd Floor, Ramada Plaza Menam Riverside Hotel, No. 2074, New Road, Bangkorlaem District, Bangkok, to consider the following agenda items:

Agenda Item 1: **To consider and certify the Minutes of the 2014 Annual General Meeting of Shareholders held on 18 April 2014**

Facts and Reason: The 2014 Annual General Meeting of Shareholders which was held on 18 April 2014, the details of which appear in (Enclosure 1).

Opinion of the Board of Directors: The Board of Directors deems it appropriate to propose that the shareholders' meeting certify the Minutes of the 2014 Annual General Meeting of Shareholders which were accurately and completely recorded in accordance with the resolutions of the 2014 Annual General Meeting of Shareholders.

Resolution: Resolution on this agenda item shall be approved by the majority votes of the total votes of the shareholders attending the meeting who are eligible to vote.

The matters in the following agenda items which will be further proposed for approval are related, as the transactions to be made are for the purpose of making repayment to the relevant financial institutions, with the remainder of the funds left after the repayment to be used as revolving capital for the future business operation of the Company. Thus, Agenda Items 2 – 7 shall be deemed to be conditional upon each other. If any of the aforementioned agenda items is not approved by this Meeting, it shall be deemed that previous agenda items which were approved by this Meeting be canceled and there shall be no further consideration. In addition, the resolutions made on the previous agenda items shall be considered unapproved.

Agenda Item 2: **To consider and approve the decrease in the registered capital of the Company by Baht 297,272,728, from the existing registered capital of Baht 1,322,913,226 to Baht 1,025,640,498, by cancelling the unissued shares of the Company with the par value of Baht 1.00 per share**

Facts and Reason: Reference is made to the fact that the Company has the remaining unissued shares in the amount of 297,272,728 ordinary shares with the par value of Baht 1.00 per share. Thus, the Company opines that such unissued shares should be reduced and then to increase the registered capital of the Company which will be considered in Agenda Item 4. However, such 297,272,728 ordinary shares are the shares to accommodate the exercise rights of the convertible debentures which the Company will issue to Advance Opportunities Fund as approved by the 2014 Annual General Meeting of Shareholders which was held on 18 April 2014. The Company opines that the issuance of convertible debenture may not be accomplished as plan. Thus, the Company proposed the Meeting to approve the increase of registered capital at this time.

Opinion of the Board of Directors: The Board of Directors deems it appropriate to propose that the shareholders' meeting approves the decrease in the registered capital of the Company by Baht 297,272,728, from the existing registered capital of Baht 1,322,913,226 to Baht 1,025,640,498, by cancelling the unissued shares of the Company with the par value of Baht 1.00 per share

Resolution: Resolution on this agenda item shall be approved by the votes of no less than three-fourths of the total votes of the shareholders attending the meeting who are eligible to vote.

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Agenda Item 3: **To consider and approve the amendment of Clause 4 of the Company's Memorandum of Association in order to be in line with the capital decrease**

Facts and Reason: In order to be in line with the capital decrease as proposed to the Meeting for its consideration and approval in the aforementioned Agenda Item 2, the Meeting is required to consider and approve the amendment of Clause 4 of the Company's Memorandum of Association by replacing it with the following terms.

“Clause 4. *Registered capital* *Baht* 1,25,640,498 *(one billion, twenty-five million, six hundred and forty thousand, four hundred and ninety-eight baht only)*

divided into 1, 25,640,498 *shares* *(one billion, twenty-five million, six hundred and forty thousand, four hundred and ninety-eight shares)*

Value per share *Baht* 1 *(one baht)*

Categorized into:

Ordinary shares 1, 25,640,498 *shares* *(one billion, twenty-five million, six hundred and forty thousand, four hundred and ninety-eight shares)*

Preference shares — *shares* (—)”

In this regard, the person appointed by the Board of Directors who has the duty to register the amendment of the Memorandum of Association at the Department of the Business Development, Ministry of Commerce, shall be authorized to amend the terms in the Memorandum of Association in accordance with the registrar's order.

Opinion of the Board of Directors: The Board of Directors deems it appropriate to propose that the shareholders' meeting approves the amendment of Clause 4 of the Company's Memorandum of Association in order to be in line with the capital decrease.

Resolution: Resolution on this agenda item shall be approved by the votes of no less than three-fourths of the total votes of the shareholders attending the meeting and eligible to vote.

Agenda Item 4: **To consider and approve the increase in the registered capital of the Company by Baht 1,374,359,502 from the existing registered capital of Baht 1,025,640,498 to Baht 2,400,000,000 by issuing 1,374,359,502 newly issued ordinary shares with the par value of Baht 1.00 per share**

Facts and Reason: It is necessary for the Company to increase its registered capital for the purpose of making repayment to the relevant financial institutions and to use the remaining funds left after the repayment as revolving capital for the future business operation of the Company, provided that the Company shall increase the registered capital by Baht 1,374,359,502 from the existing

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registered capital of Baht 1,025,640,498 to Baht 2,400,000,000 with the par value of Baht 1.00 per share to offer the shareholders proportionate to their respective shareholders (Rights Offering) and to offer them through the Private Placement Scheme.

Opinion of the Board of Directors: The Board of Directors deems it appropriate to propose that the shareholders' meeting approves the increase in the registered capital of the Company by Baht 1,374,359,502 from the existing registered capital of Baht 1,025,640,498 to Baht 2,400,000,000 by issuing 1,374,359,502 newly issued ordinary shares with the par value of Baht 1.00 per share for the allocation of shares as propose.

Resolution: Resolution on this agenda item shall be approved by the votes of no less than three-fourths of the total votes of the shareholders attending the meeting who are eligible to vote.

Agenda Item 5: **To consider and approve the amendment of Clause 4 of the Company's Memorandum of Association to be in line with the capital increase**

Facts and Reason: In order to be in line with the capital increase as proposed to the Meeting for consideration and approval in the aforementioned Agenda Item 4, the Meeting is required to consider and approve the amendment of Clause 4 of the Company's Memorandum of Association by replacing it with the following terms.

“Clause 4. *Registered capital* *Baht* 2,400,000,000 *(two billion, four hundred million baht only)*

divided into 2,400,000,000 *shares* *(two billion, four hundred million shares)*

Value per share *Baht* 1 *(one baht)*

Categorized into:

Ordinary shares 2,400,000,000 *shares* *(two billion, four hundred million shares)*

Preference shares — *shares* (—)”

In this regard, the person appointed by the Board of Directors who has the duty to register the amendment of the Memorandum of Association at the Department of the Business Development, Ministry of Commerce, shall be authorized to amend the terms in the Memorandum of Association in accordance with the registrar's order.

Opinion of the Board of Directors: The Board of Directors deems it appropriate to propose that the shareholders' meeting approves the amendment of Clause 4 of the Company's Memorandum of Association in order to be in line with the capital increase.

Resolution: Resolution on this agenda item shall be approved by the votes of no less than three-fourths of the total votes of the shareholders attending the meeting who are eligible to vote.

Agenda Item 6: **To consider and approve the allocation of the newly issued ordinary shares of the Company**

Facts and Reason: With reference to the approval regarding the capital increase in Agenda Item 5 above, the Board of Directors thus proposes that the shareholders' meeting considers and approves that the newly issued ordinary shares be allocated in the following manners:

- 1) To allocate 1,025,640,498 newly issued ordinary shares at the par value of Baht 1.00 per share, to the existing shareholders proportionate to their respective shareholding (Rights Offering) at a ratio of 1 existing share per 1 new share, at the offering price of Baht 0.30 per share, whereby such offering price is a price lower than the par value of the Company's shares, provided that the Company complies with and obtains approval from its shareholders' meeting, under Section 52 of the Public Limited Companies Act B.E. 2535 (1992) (including any amendment thereto). In this regard, the Company will carry out the allocation only once.

The primary purpose of this increase in registered capital is to repay the loan to the relevant financial institutions pursuant to the debt restructuring agreement, thus, the fundraising by the offering of the newly issued ordinary shares to the existing shareholders may be changeable because the fundraising is subject to the support of the existing shareholders. In addition, the Company has potential investors and they are ready to inject the funds which can fulfill the purpose of this fundraising. In this regard, the investors shall invest in this capital increase on the condition that the investors shall be allocated and offered the shares remaining from the rights offering portion which will be allocated only one time. Consequently, in the case that the investors agree to invest in the Company, the Company shall have sufficient funds to repay the loan to the relevant financial institutions pursuant to the debt restructuring agreement. In this respect, the Company has considered the allocation by taking into account the best interests of its shareholders and itself, and decided to allocate the newly issued ordinary shares to the existing shareholders only one time and have the remaining shares be allocated to such four investors.

The Company scheduled the date to determine the names of the shareholders entitled to the allocation and offering of the newly issued ordinary shares (Record Date) to be on 20 October 2014, and the date to collect the names of the shareholders in accordance with Section 225 of the Securities and Exchange Act B.E. 2535 (1992) (including any amendment thereto) by means of closing the share register, on 21 October 2014.

Remark: The entitlements granted by the Company are subject to change, as the matter must be further approved by the shareholders' meeting.

Furthermore, it is proposed to authorize the Board of Directors and/or the Managing Director and/or their authorized person to consider and determine other details relevant to the allocation, including but not limited to: (1) determining whether the newly issued ordinary shares shall be allocated on

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one occasion or more, the offering period, the Record Date for the Rights Offering, the payment of shares, other details and conditions relating to the allocation; (2) entering into negotiations and agreements, and executing relevant documentation and agreements relating to the allocation, and undertaking any act in connection with the allocation; and (3) signing application forms for permission or relaxation and evidence necessary for and relevant to the allocation and offering of the newly issued ordinary shares, as well as managing and applying for permission or relaxation for such documentation and evidence from the government agencies or other relevant agencies, including the listing of the newly issued ordinary shares on the Stock Exchange of Thailand (the “**Stock Exchange**”), and any other action necessary for the purpose of the allocation.

- 2) To allocate and offer up to 348,719,004 newly issued ordinary shares at the par value of Baht 1.00 per share to four specific persons who are not connected persons of the Company, namely, (1) Mr. Wichai Wachiraphong; (2) Mr. Kiatichai Lohachitranont; (3) Miss Suratsawadee Raiput; and (4) Miss Ornuma Supornsirikul, under a private placement scheme at the price of Baht 0.30 per share. As the offering price is lower than the par value and lower than 90 percent of the market price, the Company is required to comply with and the shareholders’ approval in accordance with Section 52 of the Public Limited Companies Act B.E. 2535 (1992) (including any amendment thereto).

Market price means the weighted average of the Company’s share price trading on the Stock Exchange of Thailand for 15 consecutive trading days prior to the date on which the Board of Directors resolves to propose the agenda item in relation to the issuance of the newly issued ordinary shares to the Extraordinary General Meeting of Shareholders No. 1/2014 for its approval, namely the period from 12 September 2014 to 2 October 2014, equivalent to Baht 0.7213 (information from SETSMART in www.setsmart.com of the Stock Exchange).

Furthermore, the Board of Directors and/or the Managing Director and/or their authorized person are authorized to consider and determine other details relevant to the allocation, for example: (1) to consider and determine whether the newly issued ordinary shares shall be allocated on one occasion or more, the offering period, payment of shares, other details and conditions relating to the allocation; (2) to enter into negotiations and agreements, and execute relevant documentation and agreements relating to the allocation, and to undertake any act in connection with the allocation; and (3) to sign application forms for permission and documentation necessary for and relevant to the allocation and offering of the newly issued ordinary shares, as well as to contact and apply for permission for such documentation and evidence from the relevant government agencies or related agencies, as well as the listing of the newly issued ordinary shares on the Stock Exchange of Thailand, and any other action necessary for the purpose of the allocation of the newly issued ordinary shares.

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- 3) To allocate and offer the shares remaining from Item 1) to four specific persons who are not connected persons of the Company, namely, (1) Mr. Wichai Wachiraphong; (2) Mr. Kiatichai Lohachitranont; (3) Miss Suratsawadee Raiput; and (4) Miss Ornuma Supornsirikul, under a private placement scheme at the price of Baht 0.30 per share. These four persons agree to purchase all newly issued ordinary shares and the newly issued ordinary shares shall be equally allocated to each person in the same amount. As the offering price is lower than the par value and lower than 90 percent of the market price, the Company is required to comply with and obtain the shareholders' approval in accordance with Section 52 of the Public Limited Companies Act B.E. 2535 (1992) (including any amendment thereto).

In this regard, in the case that no person wishes to subscribe for the newly issued ordinary shares, the four specific persons shall have no duty to make a tender offer to purchase all of the shares under the regulations on shareholding for business takeover, since the number of shares to be allocated to such four specific persons shall be limited to only 14.32 percent of the Company's registered capital after the capital increase, provided that amount of this capital increase is equivalent to 1,374,359,502 shares or 57.26 percent of the registered capital after the capital increase.

Market price means the weighted average of the Company's share price trading on the Stock Exchange for 15 consecutive trading days prior to the date on which the Board of Directors resolves to propose the agenda item in relation to the issuance of the newly issued ordinary shares to the Extraordinary General Meeting of Shareholders No. 1/2014 for its approval, namely the period from 12 September 2014 to 2 October 2014, equivalent to Baht 0.7213 (information from SETSMART in www.setsmart.com of the Stock Exchange).

Furthermore, the Board of Directors and/or the Managing Director and/or their authorized person are authorized to consider and determine other details relevant to the allocation, for example: (1) to consider and determine whether the newly issued ordinary shares shall be allocated on one occasion or more, the offering period, payment of shares, other details and conditions relating to the allocation; (2) to enter into negotiations, agreements, and execute relevant documentation and agreements relating to the allocation, and to undertake any act in connection with the allocation; and (3) to sign application forms for permission and documentation necessary for and relevant to the allocation and offering of the newly issued ordinary shares, as well as to contact and apply for permission for such documentation and evidence from the relevant government agencies or related agencies, as well as the listing of the newly issued ordinary shares on the Stock Exchange of Thailand, and any other action necessary for the purpose of the allocation of the newly issued ordinary shares.

The aforementioned shares allocation shall be subject to the approval of the shareholders' meeting of the Company.

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Please refer to the details on the allocation of the newly issued ordinary shares are set out in the Capital Increase Report Form (F53-4) (Enclosure 2).

Please refer to the Information Memorandum on the Offering of newly issued shares below Market Price through a Private Placement Scheme (Enclosure 3).

Opinion of the Board of Directors: The Board of Directors deems it appropriate to propose that the shareholders' meeting approves the allocation of the newly issued ordinary shares as proposed in all respects, and approves that the Board of Directors and/or the Managing Director and/or their authorized person are authorized to consider and determine other details relevant to the allocation of the newly issued ordinary shares as proposed in all respect.

Resolution: Resolution in this agenda item shall be approved by the votes of no less than three-fourths of the total votes by the shareholders attending the meeting and casting their votes and shall not be objected by 10 percent of shareholders attending the meeting

Agenda Item 7: **To consider and approve the disposal of 18,000,000 shares in Thai National Product Co., Ltd., a subsidiary of the Company**

Facts and Reason: This agenda item is proposed for the consideration and approval of the sale of the shares in Thai National Product Co., Ltd. ("TNP"), a subsidiary of the Company, amounting to 18,000,000 shares with the par value of Baht 10.00 per share or equivalent to 66.42 of the registered capital of TNP at the price of Baht 30 per share, totaling Baht 540,000,000 million, to (1) Dr. Phasin Suebsubanunt; (2) Mr. Thiti Kittipattananon; and (3) Miss Duendara Limthanakul, provided that the Company is able to use the funds obtained from the disposal of TNP's shares to lessen the debt obligation with the relevant financial institutions and to reduce its financial costs, resulting in the improvement of the Company's operating results, as well as the increase in the revolving capital.

In this regard, the Sale of TNP's shares constitutes an asset disposal transaction, having a maximum transaction value of 103.77 percent, calculated based on an asset value basis and the Company's second quarter financial statement as at the 30 June 2014, the details of which are set out in the Information Memorandum on Disposal of Assets (Enclosure 4).

Therefore, in entering into the aforementioned asset disposal transaction, the Company is required to:

- (1) Prepare a report and disclose the transaction to the Stock Exchange of Thailand;
- (2) Convene a shareholders' meeting in order to obtain approval for the asset disposal transaction, whereby the resolution shall be passed with the votes of no less than three-fourths of the votes of the shareholders attending the meeting who are eligible to vote, without counting the votes cast by the interested shareholders; and
- (3) Appoint an independent financial advisor to give feedback on the asset disposal transaction and disclose such feedback to the Stock Exchange of Thailand and the shareholders.

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Furthermore, the Board of Directors and/or the Managing Director and/or any person authorized by the Board of Directors and/or the Managing Director are authorized to: (a) to negotiate, make an agreement and sign in the document and related agreements in relation to the sale of TNP's shares with the purchaser (b) to sign on the application or documents or evidence related to the sale of TNP's shares including to coordinate and filing the application, waiver, documents or evidence with the government sector or institution relating to the sale of TNP's shares and (c) to act any other action necessary for the sale of TNP's shares in accordance with the related contract or agreement.

Opinion of the Board of Directors: The Board of Directors deems it appropriate to propose that the shareholders' meeting approves the disposal of the 18,000,000 shares in TNP and approves the Board of Directors and/or the Managing Director and/or any person authorized by the Board of Directors and/or the Managing Director are authorized to act any other action necessary for the sale of TNP's shares in all respect in order for the Company to use the funds obtained from the disposal of TNP's shares to lessen the Company's debt obligations with the relevant financial institutions and reduction of its financial cost, resulting in the improvement of the Company's operating results, as well as the increase in revolving capital.

Resolution: Resolution on this agenda item shall be approved by the votes of no less than three-fourths of the total votes by the shareholders attending the meeting who are eligible to vote, without counting the votes cast by the interested shareholders.

Agenda Item 8: To consider other matters (if any)

The shareholders are cordially invited to attend Extraordinary General Meeting of Shareholders No. 1/2014 at the date, time and place specified above. The Company will open the registration session to attend the meeting from 12:30 hrs. onwards.

In the event that the shareholder is unable to attend the meeting in person and wishes to appoint other person or one of the Company's independent directors to be their proxy to attend the meeting and cast votes on his or her behalf. Please fill the information and sign the proxy form as set out in Enclosure 6 or can download from www.richasiasteel.com together with the evidence as per details in Enclosure 8 for facilitating the registration process to be fast and smooth. Please send the documents back to the Company within November 19, 2014. In addition, the Company will facilitate the shareholders in affixing the stamp duty for the proxy form to be used in the registration process.

In this regard, the Company schedules the date to determine the names of the shareholders entitled to attend the Extraordinary General Meeting of Shareholders No. 1/2014 (Record Date) on 20 October 2014 and the date to collect the names of the shareholders in accordance with Section 225 of the Securities and Exchange Act B.E. 2535 (1992) (including any amendment thereto) by means of closing the share register book on 21 October 2014.

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Sincerely yours,

Rich Asia Steel Public Company Limited

GEN. *Watanachai Chaimuanwong*

(GEN. Watanachai Chaimuanwong)

Chief Executive Officer