

# Supporting Document of Agenda no. 13

## Capital Increase Report Form

### SiS Distribution (Thailand) Public Company Limited

23<sup>rd</sup> February 2010

We, SiS Distribution (Thailand) Public Company Limited hereby report of the resolution of the Board of Directors no.1/2010, held on 9<sup>th</sup> February 2010 from 3.00 p.m. to 8.00 p.m. and no.2/2010, held on 22<sup>nd</sup> February 2010 from 6.00 p.m. to 7.00 p.m. in respect of a capital increase/share allotment as follows:

#### 1. Capital increase:

The meeting of the Board of Directors passed a resolution approving the reduction of a registered capital of the Company from 205,000,000 Baht to 203,174,100 Baht by cancelling unpaid ordinary share 1,825,900 shares and passed a resolution approving the increase of a registered capital of the Company from 203,174,100 Baht to 213,174,100 Baht by means of the issuance of 10,000,000 ordinary shares with a par value of 1 Baht each, totaling 10,000,000 Baht.

#### 2. Allotment of new shares:

The meeting of the Board of Directors passed a resolution approving the allotment of 10,000,000 ordinary shares with par value of 1 Baht each, totaling 10,000,000 Baht are as follow:

##### 2.1 The details of allotment.

Allotted to	Number (shares)	Ratio (old : new)	Sale price per share (Baht)	Subscription and payment period	Note
To be reserved for the exercise of Employee Stock warrants allocated to the Directors and/or Employees under the ESOP Scheme	10,000,000	--	--	See details of Option Plan in Attachment	

Type of warrant : Warrants to purchase of ordinary shares of SiS Distribution (Thailand) Public Company Limited

Category : Fix the name of holder and cannot transfer.

Term of Warrants : 3 years from the Issue Date of Warrants.

Number of warrants : 10,000,000 units

Offering price : Baht -0-

Exercise Ratio : 1 warrant: 1 ordinary share

Exercise Price : Book value of the ordinary shares of the company pursuant to the latest financial statements but not lower than 4.92 baht or the book value of the ordinary shares of year ended 2009.

- Terms and Exercise Period : Every 6 months period on the first working day of June and December of each year.
- Issue Date of Warrants : The Board of Directors will determine the issue date of warrants after obtaining the approvals from the shareholder's meeting.
- Last exercise Date : First working day of December 2012.
- Secondary market of Warrants : None

In case of the Company have any ordinary shares which have not been exercised within the term of the warrants or holder do not use their right. The Committees have the authority to consider in the allocation of remaining warrants to directors and employees including employee who as a director appropriately

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

- None -

2.3 The number of shares, which have not been allotted.

- None -

**3. Schedule for shareholders meeting to approve the capital increase/allotment**

The Annual General Meeting of shareholders no. 1/2010 is scheduled to be held on 2 April 2010 at 10.00 a.m. at Daimond Room, Grand Mercure Fortune, 1 Ratchadapisek road, Huaykwang, Bangkok by the share register will be recorded for share transfer in order to determine the right to attend this meeting on 4 March 2010. Also, 5 March 2010 will be the book-closing date on which the shareholder list as specified in section 225 of the Security Act shall be complied.

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

- None -

**5. Objectives of the capital increase and plans for utilizing proceeds received from the capital increase**

The purpose of this capital increase is to accommodate the exercise of the warrants, which are to be allocated to the directors and/or employees including employee who as a director of the Company. The proceeds obtained from the exercise of the warrants will be used as the Company's working capital and supporting the expansion of business operation of the Company in future.

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

6.1 To reserve the exercise of warrants issued and offered to the directors and/or employees

including employee who is a director of the company in order to motivate them to participate in the efficient profitability of the Company in the long term.

6.2 To increase working capital for business operation.

6.3 To strengthen the capital base of the Company and supporting the expansion of business operation of the Company in future.

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

7.1 The company has a policy to dividend approximately 40% of net profits after deduction tax and legal reserve. However, the board of director may exempt or change this policy from time to time under condition to maximize benefit to shareholders such as usage for loan payment, extend the investment opportunities or market change that may impact with our financial situation in the future.

7.2 In order to make the intention and motivation to both directors and employees to perform at their best ability to manage and perform their jobs for the Company, which then will make continually the highest future profit to the Company and possibility to pay dividends for the shareholders according to the dividend policy or more.

7.3 To increase working capital and reduce loan from bank that can reduce the financial cost of the Company. The net profit will be higher and make good effect to pay dividend to the shareholders.

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

- None -

**9. Schedule of action where the board of directors of the Company passes a resolution approving the capital increase or allotment of new shares:**

<u>Activity</u>	<u>Date</u>
Board of Director Meeting	9 <sup>th</sup> February 2010
The Record Date (to determine the right to attend AGM)	4 <sup>th</sup> March 2010
The book-closing date on which the shareholder list as specified in section 225 of the Security Act shall be complied	5 <sup>th</sup> March 2010
The AGM to consider and approve increasing the registered capital.	2 <sup>nd</sup> April 2010
The Company is required to register the increment of the registered capital within 14 days after the shareholders' meeting has the resolution to approve the capital increase	
Directors and/or employees including employees as a director will receive 10,000,000 ESOP warrants after the registration of increment registered capital at the Ministry of Commerce of Thailand.	

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

Signed \_\_\_\_\_

(Mr.Sombati Pungsrinont)

Executive Director