

October 22, 2012

Subject Invitation to the 2012 Annual General Meeting of Shareholders

To Shareholders of City Steel Public Company Limited

Enclosures

- 1) Copy of the Minutes of the 2011 Annual General Meeting of Shareholders held on November 30, 2011
- 2) Details document for Agenda No. 4 regarding the appointment of directors
- 3) Definition of Company's Independent director
- 4) Criteria and Procedures of Director Nomination
- 5) Criteria and Procedures in Proposing of Director Remuneration
- 6) Opinion of the Audit Committee on the Proposal of the Appointment of Auditor and Auditor Remuneration
- 7) The Company's Articles of Association concerning the Shareholders' Meeting
- 8) Proxy Form
- 9) Guidelines for Proxy Appointment, Registration, and documents required for attending the meeting
- 10) Step for attending the 2012 Annual General Meeting of Shareholders
- 11) Map of the Shareholders' Meeting Location
- 12) 2012 Annual Report

The Board of Directors of City Steel Public Company Limited has a resolution to hold the 2012 Annual General Meeting of Shareholders on Friday, November 30, 2012, at 15.00 at Tappraya Room, 2nd Floor, Chon Inter Hotel Chonburi, 934, Sukhumvit Road, Bangplaso, Muang, Chonburi 20000. The meeting agenda are as follows:

Agenda 1 Certify the minutes of the 2011 Annual General Meeting of Shareholders held on November 30, 2011.

Objective and Reason : The 2011 Annual General Meeting of Shareholders was held on November 30, 2011, and the 6 - page copy of the Minutes is provided in attachment.

Board of Directors' opinion : The shareholders should certify the minutes of the 2011 Annual General Meeting of Shareholders.

Agenda 2 Certify and be informed of the result of the company's operation for the year 2011/2012.

Objective and Reason : The Company's operating results for the year ended July 31, 2012, which shown in the 2012 Annual Report and has been sent to all shareholders, has been certified by the Board of Directors as correct and adequate. The Board of Director would like to acknowledge the shareholders of the result of the Company's operation for the accounting period 2011/2012.

Board of Directors' opinion : The shareholders should certify the result of the Company's operation for the Accounting period 2011/2012.



Agenda 3 **Certify and approve the Company's Separated and Consolidated Financial Statements for the accounting period ended July 31, 2012.**

Objective and Reason : The Board of Directors has reviewed the Company's Separated and Consolidated Financial Statements including Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Shareholders' Equity, and Statement of Cash Flows for the accounting period ended July 31, 2012 as shown in the 2012 Annual Report, which has been audited by the Company's auditor, Dharmniti Auditing Company Limited.

Board of Directors' opinion : The shareholders should approve the audited Company's Financial Statements for the accounting period ended July 31, 2012.

Agenda 4 **Consider and approve the profits allocation and dividend payments for the accounting period 2011/2012**

Objective and Reason : The Board of Directors has proposed the dividend payments for the accounting period 2011/2012 at the rate of THB 0.16 per share for 300,000,000 shares totaling to THB 48,000,000. The dividends are paid according to the Company's dividend policy of approximately 40% of the net profit after tax and legal reserves. The dividends will be paid to shareholders within December 28, 2012. The shareholders register book for the right to receive the annual dividend shall be recorded on December 12, 2012. In addition, December 13, 2012 shall be the book closing date on which the shareholders list as specified in Section 225 of the Securities and Exchange Act shall be compiled. The annual dividend payments will be paid at approximately 40%, which was calculated from consolidated net profits of THB 138,747,464.47.

Details		2011/2012	2010/2011
Net Profit after tax and legal reserves	(Thousand Baht)	138,747	79,277
Number of shares	(Thousand Shares)	300,000	300,000
Dividend per shares	(Baht)	0.16	0.10
Total Dividend Payment	(Thousand Baht)	48,000	30,000
Dividend Payout Ratio	(Approximated %)	40	40

The dividends paid for the year 2010/2011 and 2011/2012 were corresponded with the Company's dividend policy.

Board of Directors' opinion : The shareholders should approve the allocation of net profits and dividend payments for the accounting period 2011/2012 as proposed by the Board of Directors.

Agenda 5 Appint the directors to replace those whose tenure have ended.

Objective and Reason : According to the Company’s Articles of Association, it is required that every Annual General Meeting of Shareholders, one - third of the Company’s directors must be retired. This year, there are 3 directors who have to retire as follows;

- 1) Mr.Satit Phongratanadechachai Director / Managing Director
- 2) Mr.Charoenpong Ongwongsakul Director / Deputy Managing Director
- 3) Mr.Pattarathon Thatsanasuwan Independent Director / Audit Committee

The Board of Directors has proposed to reappoint all three directors as follows;

- 1) Mr.Satit Phongratanadechachai Director / Managing Director
- 2) Mr.Charoenpong Ongwongsakul Director / Deputy Managing Director
- 3) Mr.Pattarathon Thatsanasuwan Independent Director / Audit Committee

Board of Directors’ opinion : The shareholders should approve to reappoint three directors to serve as directors for another term.

- Note**
- 1) Individual details of directors named above could be found in Attachment 2.
 - 2) Definition of the Company’s Independent Director could be found in Attachment 3.
 - 3) Criteria and Procedures of Director Nomination could be found in Attachment 4.

Agenda 6 Consider and approve the director remuneration for the accounting period 2012/2013

Objective and Reason : During the year 2011/2012, the Company’s operating results had been improved and the net profits also increased from the previous year, therefore, the Company has proposed to increase the director remuneration for the year 2012/2013 from the year 2011/2012, as follows;

Meeting Remuneration	2012/2013	2011/2012
For the Chairman of the Board of Directors	THB 18,500	THB 16,500
For the Chairman of the Audit Committee	THB 18,500	THB 16,500
For the Audit Committe	THB 14,500	THB 13,200

Meeting Remuneration for Executive Directors will not be given since they will be given remuneration in the form of salary and bonus.

Board of Directors’ opinion : The shareholders should approve the director remuneration for the accounting period 2012/2013 as the Board of Director has proposed.

- Note**
- 1) Criteria and Procedures in Proposing of Director Remuneration could be found in Attachment 5.

Agenda 7 Appoint the auditors and determine the auditor remuneration for the year 2012/2013

Objective and Reason : Every year, the Company has to appoint and determine the auditing fee of an Independent Auditor for the Company and subsidiaries. The Independent Auditor must be appointed by the Annual General Meeting of Shareholders.

Board of Directors' opinion : The shareholders should approve to appoint auditors of Dharmniti Auditing Company Limited to serve as the Independent Auditors of the Company and its subsidiaries for the accounting period 2012/2013, whose names are as follows;

- 1) Mr.Pichai Dachanapirom CAP No.2421
(Has never signed in the company's financial statements)
- 2) Ms.Chantra Wongsriudomporn CAP No.4996
(Has never signed in the company's financial statements)
- 3) Ms.Wannisa Ngambuathong CAP No.6838
(Has never signed in the company's financial statements)
- 4) Mr.Thanawut Piboonsawat CAP No.6699
(Has never signed in the company's financial statements)

Dharmniti Auditing Company Limited has no relationship or conflict of interest with the Company and its subsidiaries. Therefore, they can independently perform their auditing tasks and express their opinion on the Company's financial statements. The proposed auditing fee will be THB 1,185,000. The increase in auditing fee is consistent with the expansion of the Group's businesses. In addition, the adoption of new Accounting and Financial Reporting Standards will make financial statements preparing process to be more complicated as well as require more resources in auditing process.

	2012/2013	2011/2012
Auditing fee	THB 340,000	THB 475,000
Auditing fee for subsidiaries	THB 845,000	THB 695,000
Other charges	-None-	-None-

Note 1) Opinion of the Audit Committee on the Proposal of the Appointment of the Auditor and the Auditor Remuneration could be found in Attachment 6.



Agenda 8 Consider other issues (if any)

The Company is pleased to invite the shareholders to attend the meeting at the abovementioned time and place. Registration is opened to shareholders since 14.00 pm. onwards.

If you cannot attend the meeting yourself and would like to appoint a proxy to vote on your behalf, please fill in the details and sign the attached Proxy Form and submit to the registration officer before the meeting, along with evidence of each shareholders showing the right to attend the meeting. The details regarding proxy appointment, registration, documents required and steps to attend the meeting can be found in Attachment 8 and 9.

Sincerely yours,



(Mr. Wibool Phongratanadechchai)

Chairman of the Board of Directors