

**Minute of the 2012 Annual General Meeting of Shareholders of  
City Steel Public Company Limited  
Held on Friday, November 30, 2012, at 15:00 PM**

**Place :** Tappraya Room, 2<sup>nd</sup> Floor, Chon Inter Hotel Chonburi, 934, Sukhumvit Road, Bangplasoi, Muang, Chonburi.

**Director and Management present at the meeting :**

1) Mr.Wibool	Phongratanadechachai	Chairman of the Board of Director
2) Mr.Komgrich	Phongratanadechachai	Director / Chief Executive Officer
3) Mr.Satit	Phongratanadechachai	Director / Managing Director
4) Miss Suputtra	Phongratanadechachai	Director / Chief Financial Officer
5) Mr.Charoenpong	Ongwongsakul	Director / Deputy Managing Director
6) Mr.Anutara	Tantraporn	Independent Director / Audit Committee
7) Mr.Pattarathon	Thatsanasuwan	Independent Director / Audit Committee
8) Miss Boontip	Phetryu	General Manager - Support Function / Accounting and Finance Manager

**Auditor's Representative at the meeting :**

1) Mr.Kamol	Voravatch	Officer of Dharmniti Auditing Co.,Ltd.
2) Mr.Saran	Jitasat	Officer of Dharmniti Auditing Co.,Ltd.

**The Meeting Commenced at 15:00 PM.**

Mr.Wibool	Phongratanadechachai	Chairman of the Meeting
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**Matters to be informed**

1. There are 39 shareholders and proxies attending the 2012 Annual General Meeting of Shareholders on November 30, 2012. The total numbers of shares held by the attended shareholders are 220,936,901 shares equivalent to 73.65 percent of the Company's total outstanding shares. According to the Law no. 103, the general meeting must comprise of either at least 25 shareholders and proxies or not less than half of the total shareholders, which total shares not less than one third of the Company's total outstanding shares in order to complete the quorum.
2. The voting method for shareholders who attend the meeting in person, the shareholders have votes equal to the amount of shares hold by the shareholders. Once casting the votes ,the votes will be equal to the total shares hold by those particular shareholders and must not be split. For the proxy granter, the votes will be equal to the amount of shares granted to the proxy.

3. The meeting shall proceed according to the predetermined agenda. Shareholders who have conflict of interest in each agenda shall cast abstain votes except for Agenda 5 : Appoint the directors to replace those whose tenure has ended.
4. The Shareholders can express their comments or raise questions during the opinion and discussion session after the moderator finish the informative session.
5. In considering each meeting agenda, the shareholders shall cast agree, disagree, or abstain votes. The shareholders who cast disagree or abstain votes shall raise their hands for the officers to collect their ballots. For those who do not raise their hands shall cast agree votes. The moderator shall inform amount and percentage of votes after the counting has been completed. In case, there is no disagree and abstain votes, the agenda shall be deemed unanimously resolves.
6. Collecting of the Ballots
  - 6.1 All Shareholders must be casting vote and submitting the ballots themselves.
  - 6.2 After the Chairman informed to cast vote in each agenda, the officers will collect all ballots.
7. The company has invited the Company's auditor, Dharmniti Auditing Company Limited to be an independent representative of shareholders to count the votes and monitor the counting process for transparency.

The meeting acknowledged and proceeded with the following agenda :

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

The moderator informed that the 2011 Annual General Meeting of shareholders was held on November 30, 2011, and a 6-page copy of the minutes of meeting had been provided as an attachment and sent to all shareholders.

Board of Directors' opinion : the shareholders should certify the minutes of the 2011 Annual General Meeting of shareholders. If the shareholders had any questions or comments, please ask and express opinions.

There was no further question from the shareholders, then voting.

**Resolution**

The meeting had resolution to certify the minutes of the 2011 Annual General Meeting of shareholders with;

Agree votes of 38 shareholders accounted for 220,936,900 votes, equivalent to 100%.

Disagreed votes of 1 shareholder accounted for 1 vote, equivalent to 0.00%.

There was no abstain vote.

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

The moderator informed that the Company's operating results for the year ended July 31, 2012 shown in the 2012 Annual Report and had been sent to all shareholders, had 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.

If the shareholders had any questions or comments, please ask and express opinions.

There was no further question from the shareholders, then voting.

**Resolution** The meeting had resolution to certify the result of company's operation for the year 2011/2012 with; Agree votes of 38 shareholders accounted for 220,936,900 votes, equivalent to 100%.

Disagreed votes of 1 shareholder accounted for 1 vote, equivalent to 0.00%

There was no abstain vote.

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

The Board of Directors had 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 had been audited by the Company's auditor, Dharmniti Auditing Company Limited.

Board of Director's opinion : the shareholders should approve the audited Company's financial statements for the accounting period ended July 31, 2012. If the shareholders had any questions or comments, please ask and express opinions.

**Shareholders' Opinion**

- ▶ Shareholders had asked the directors to explain about the investment in available-for-sales securities and the necessity of holding these assets.
- The director had explained that the investment in available-for-sales securities is the investment in money market funds which similar to savings deposits but provide higher returns. The money market funds also have high liquidity which allows the Company to convert into working capital when needed. The Company will consider trend and suitability when investing in this asset in particular period of time.
- ▶ Shareholders had asked the directors to explain about the inventory balances that decreased from last year.
- The director had explained that the decreases in the inventory balances resulted from the Company's



just-in-time policy which the Company will order raw materials and supplies only when the Company receives orders from the customers and will deliver products to the customers immediately once the products are finished. Moreover, the price of raw materials was quite stable, thus the Company did not need to keep large amount of inventories since keeping a lot of inventories will result in high storage costs.

- ▶ Shareholders had asked the directors to explain about the increases in total revenues.
  - The director had explained that the increases in total revenues resulted from various reasons but the main reasons are 1. The Company had expanded customer base from 2,500 customers in last year to 3,000 customers this year. 2. A growth in automotive industry and an expansion of the customers resulted in an increases in demands for the Company's products.
- ▶ Shareholders had asked the directors to explain about type of products sold to customers in automotive industry and in which way that the Company has supported the automotive industry.
  - The director had explained that the Company has supplied storage systems and material handling equipment to customers in automotive industry. The storage systems are used to store automobile components and parts whereas the material handling equipment are used in handling components and parts in automobile assembling processes and transferring components and parts from manufacturers to the assembling plants. Once the automobile makers expand their production capacities or change the model of the automobiles, the demands for the Company's products will relatively increase.
- ▶ Shareholders had asked the directors to explain about the Company projected revenues.
  - The director had explained that the Company's revenues primarily rely on the country economy and the customers' expansion. Therefore, the Company had projected the revenues according to economic condition in 3 scenarios as follows.
    1. Normal economic condition - The Company expected revenues to increase approximately 5%.
    2. Good economic condition - The Company expected revenues to increase approximately 10%.
    3. Recession - The Company will reassess the situation again once this circumstance occurs.
- ▶ Shareholders had asked the directors to explain about the effects of last year flooding incident on the Company's operation.
  - The director had explained that the last year flood disaster had considerable impacts on the Company's operation. However, the Company had adjusted marketing strategies by emphasizing less on customers in affected area and focusing more on customers resided in eastern and north-east part to compensate the diminishing revenues from the customers in affected area, which was very effective and resulted in an increase in the Company's total revenues.



**Resolution**

The meeting had resolution to approve the Company's Separated and Consolidated Financial Statements for the accounting period ended July 31, 2012 with;

Agreed votes of 38 shareholders accounted for 220,936,900 votes, equivalent to 100%.

Disagreed votes of 1 shareholder accounted for 1 vote, equivalent to 0.00%.

There was no abstain vote.

**Agenda 4**

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

The moderator informed that, the Board of Directors 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 annual dividend payments will be paid at approximately 40%, which was calculated from the consolidated net profits of THB 138,747,464.47.

The Company had set the date for dividend payment as follows;

- Book Closing Date (XD) December 13, 2012
- Dividend Payment Date December 28, 2012

Board of Director's opinion : the shareholders should approve the allocation of net profits and dividend payments for the accounting period 2011/2012. If the shareholders had any questions or comments, please ask and express opinions.

**Shareholder's Opinion**

- ▶ Shareholders had asked the directors to explain about the utilization of the 60 percent unpaid portions of net profits.
- The director had explained that this year the dividend payments increase by 60 percent compared to those in last year. And the remaining cash from dividend payments will be used for business expansion in the future and will be used as working capital in normal business operation.

**Resolution**

The meeting had resolution to approve the profits allocation and dividend payment for the accounting period 2011/2012 at the rate of THB 0.16 per share according to the details proposed by the Board of Directors with;

Agreed votes of 38 shareholders accounted for 220,936,900 votes, equivalent to 100%.

Disagreed votes of 1 shareholder accounted for 1 vote, equivalent to 0.00%.

There was no abstain vote.



**Agenda 5**

**To appoint the directors to replace those whose tenure has ended**

The moderator informed that, according to the Company's articles of association, it is required that every annual general meeting of shareholders, one-third of the company directors must be retired. In this year, there are 3 directors that will be retired as follows;

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

Board of Directors' opinion : the Board of Directors proposed to re-appoint the 3 directors to serve as directors for another term and recommended the shareholders to re-appoint the 3 directors whose tenure had ended as follows;

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

- Remarks
- 1) Individual details of each director namely 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

The moderator invited the directors whose tenure had ended to leave the meeting. The moderator also informed that in this meeting, the Company had posted on the Company's website to allow the shareholders whose names appeared in the share registrar on the book closing date, October 16, 2012, to nominate the qualified persons to be the Company's directors to act as representatives for the shareholders by the following methods:

1. Postal mail to 88/3 Moo 4, Bypass Road, Nongmahaeng, Muang, Chonburi 20000
2. E-mail to [city@wkpgroup.com](mailto:city@wkpgroup.com)
3. Telephone to 038 - 782064 - 7

The nomination period had started on September 8, 2012 and ended on September 24, 2012. There was no nomination through the Company's proposed channels.

In Agenda 5, the moderator requested to vote for each director. If the shareholders had any questions or comments, please ask and express opinions.

There was no further question from the shareholders, then voting.

**Resolution**

The meeting had resolution to re-appoint the 3 directors whose tenure had ended to serve as directors for another term as per following details;

**1. Mr.Satit Phongratanadechachi                      Director / Managing Director**

There were 39 shareholders accounted for 220,936,901 votes had resolved the following resolution;

- Agreed      220,936,900 Votes                      Equivalent to 100%.
- Disagreed   1 Votes                                      Equivalent to 0.00%.
- There was no abstain vote.

**2. Mr.Charoenpong Ongwongsakul                      Director / Deputy Managing Director**

There were 39 shareholders accounted for 220,936,901 votes had resolved the following resolution;

- Agreed      220,936,900 Votes                      Equivalent to 100%.
- Disagreed   1 Votes                                      Equivalent to 0.00%.
- There was no abstain vote.

**3. Mr.Pattarathon Thatsanasuwan                      Independent Director / Audit Committee**

There were 39 shareholders accounted for 220,936,901 votes had resolved the following resolution;

- Agreed      220,935,700 Votes                      Equivalent to 100%.
- Disagreed   1,201 Votes                                      Equivalent to 0.00%.
- There was no abstain vote.

**Agenda 6**

**Consider and determine the director remuneration for the accounting period 2012/2013**

The moderator informed that in the last accounting period of 2011/2012, the Company's operating results was improved and the net profits were relatively increased. Therefore, it is appropriate to increase the director remuneration for the year 2012/2013 as follows;

- Meeting Remuneration for Chairman of the Board of Directors will be THB 18,500 per meeting.
- Meeting Remuneration for Chairman of the Audit Committee will be THB 18,500 per meeting.
- Meeting Remuneration for Audit Committee will be THB 14,500 per meeting.

Meeting Remuneration for Executive Directors will not be given since they will given remuneration in the form of salaries and bonuses. If the shareholders had any questions or comments, please ask and express opinions.

### **Shareholders' Opinion**

- ▶ Shareholders had asked the directors to explain the reasons for raising the director remuneration and also asked about the number of Board of Director meetings conducted per year.
- The director had explained that the Board of Director meetings will be held 4 times a year. And the reasons to raise the director remuneration were that the Company had revised the director remuneration every 2 years and to compensate the directors for their dedication in fostering and supporting the Company and also for their quidence and valuable advises regarding business operation.

### **Resolution**

The meeting had resolution to determine the director remuneration for the accounting period 2012/2013 according to the proposal of the Board of Directors with;

Agreed votes of 38 shareholders accounted for 220,936,900 votes, equivalent to 100%.

Disagreed votes of 1 shareholder accounted for 1 vote, equivalent to 0.00%.

There was no abstain vote.

### **Agenda 7**

#### **Consider and appoint the auditors and determine the auditor remuneration for the year 2012/20113**

The moderator informed that, in accordance with the Public Company Act and the Company's Articles of Association, it is required that in every Annual General Meeting of Shareholders, the shareholders shall appoint and determine the auditor remuneration. Board of Director had proposed to appint auditors of Dharmniti Auditing Company Limited to serve as the Independent Auditors of the Company and its subsidiaries for the accounting period 2011/2012, whose name were as follows;

- |                |                 |                 |
|----------------|-----------------|-----------------|
| 1) Mr.Pichai   | Dachanapirom    | CPA No. 2421 or |
| 2) Mr.Chantra  | Wongsriudomporn | CPA No. 4996 or |
| 3) Mr.Wannisa  | Ngambuathong    | CPA No. 6838 or |
| 4) Mr.Thanawut | Piboonsawat     | CPA No. 6699 or |

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.



If the shareholders had any questions or comments, please ask and express opinions.

There was no further question from the shareholders, then voting.

**Resolution**

The meeting had resolution to appoint the auditors of Dharmniti Auditing Company Limited to be the Company's auditors for the accounting period 2012/2013 and determine the auditing fees to be THB 1,185,000, as proposed by the Board of Directors with;

Agreed votes of 38 shareholder accounted for 220,936,900 votes, equivalent to 100%.

There was no disagreed vote.

Abstain vote of 1 shareholder accounted for 1 vote, equivalent to 0.00%.

**Agenda 8**

**To consider other issues (if any)**

According to the Public Company Act 1992, in case the shareholders proposed additional agenda, the shareholders must have shares of not less than one-third of the Company's total outstanding shares that are 100,000,000 shares, and shall attend the meeting to request the meeting to consider other issues. The Company has posted on the Company's website to allow the shareholders whose name appeared in the share registrar on the book closing date, October 16, 2012, to propose additional agenda by the following methods:

1. Postal mail to 88/3 Moo 4, Bypass Road, Nongmaidaeng, Muang, Chonburi 20000
2. E-mail to [city@wkgproup.com](mailto:city@wkgproup.com)
3. Telephone to 038 - 782064 - 7

The period had started on September 8, 2012 and ended on September 24, 2012. None of the shareholders proposed additional agenda to be considered in this meeting via the proposed channels. If the shareholders had any questions or comments, please ask and express opinions.

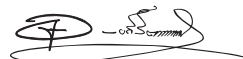
**- No one proposed additional agenda to be considered -**

The Chairman expressed his gratitude to the shareholders for attending the meeting and declared the meeting closed.

**The meeting was adjourned at 17.15 pm.**

Mr.Wibool Phongratanadechchai (Chairman of the Meeting)

Certified by



(Mr.Wibool Phongratanadechchai)