

October 27, 2016

Subject Invitation to the 2016 Annual General Meeting of Shareholders

To Shareholders of City Steel Public Company Limited

- Enclosures
- 1) Copy of the Minutes of the 2015 Annual General Meeting of Shareholders held on November 30, 2015
  - 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 the Auditor and the 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 2016 Annual General Meeting of Shareholders
  - 11) Map of the Shareholders' Meeting Location
  - 12) 2016 Annual Report

The Board of Directors of City Steel Public Company Limited has a resolution to hold the 2016 Annual General Meeting of Shareholders on Wednesday, November 30, 2016, at 15:00 at Tappraya Room, 2<sup>nd</sup> Floor, Chon Inter Hotel Chonburi, 934, Sukhumvit Road, Bangplasoi, Muang, Chonburi 20000. The meeting agenda are as follows;

**Agenda 1 Certify the minutes of the 2015 Annual General Meeting of Shareholders held on November 30, 2015.**

**Objective and Reason** : The 2015 Annual General Meeting of Shareholders was held on November 30, 2015, and the 14-page copy of the Minutes is provided in attachment.

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Board of Directors' opinion : The shareholders should certify the minutes of the 2015 Annual General Meeting of Shareholders.

**Agenda 2 Be informed of the result of the company's operation for the year 2015/2016.**

Objective and Reason : The Company's operating results for the year ended July 31, 2016, which shown in the 2016 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 2015/2016.

Board of Directors' opinion : The shareholders should acknowledge the result of the Company's operation for the accounting period 2015/2016.

**Agenda 3 Certify and approve the Company's Separated and Consolidated Financial Statements for the accounting period ended July 31, 2016**

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, 2016 as shown in the 2016 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, 2016.

**Agenda 4 Consider and approve the profits allocation and dividend payments for the accounting period 2015/2016**

Objective and Reason : The Board of Directors has proposed the dividend payments for the accounting period 2015/2016 at the rate of THB 0.08 per share for 300,000,000 shares totaling to THB 24,000,000. The dividends are

paid according to the Company's dividend policy of not more than 40% of the net profit after tax and legal reserves. The dividends will be paid to shareholders within December 29, 2016. The shareholders register book for the right to receive the annual dividend shall be recorded on December 9, 2016. In addition, December 13, 2016 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 calculated from consolidated net profits of THB 67,796,209 for the year 2015/2016.

Details		2015/2016	2014/2015
Net Profit after tax and legal reserves	(Thousand Baht)	67,796	138,082
Number of shares	(Thousand Shares)	300,000	300,000
Dividend per shares	(Baht)	0.08	0.12
Total Dividend Payment	(Thousand Baht)	24,000	36,000
Dividend Payout Ratio	(%)	35.40	26.07

The dividend payment amount is corresponded with the Company's dividend policy. Shareholders who entitle to receive the dividends will get tax credit from the Company's corporate income tax rate of 20%.

**Board of Directors' opinion** : The shareholders should approve the allocation of net profits and dividend payments for the accounting period 2015/2016 as proposed by the Board of Directors.

**Agenda 5 Appoint 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 2 directors who have to retired as follows;

- 1) Mrs. Boontip Changnil Director/Executive Director
- 2) Mr. Harirak Chamarakula Independent Director/Audit Committee

In appointing the directors, the Company had allowed the shareholders to nominate the qualified persons to be the Company's directors, though there was no nomination for the Company's directors. The Board of Directors has proposed to reappoint the two directors since they possess qualifications that suitable for the Company's business operation, whose names were as follows;

- |                 |             |                                      |
|-----------------|-------------|--------------------------------------|
| 1) Mrs. Boontip | Changnil    | Director/Executive Director          |
| 2) Mr. Harirak  | Chamarakula | Independent Director/Audit Committee |

Mr. Harirak Chamarakula who was nominated as Independent Director, can provide independent judgement and has qualifications according to criteria of relevant rules and regulations.

**Board of Directors' opinion** : The shareholders should approve to reappoint the two directors to serve as directors for another term.

- Note**
- 1) Individual details of directors 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.

**Agenda 6 Consider and approve the director remuneration for the accounting period 2016/2017.**

**Objective and Reason** : According to a decrease in the Group's operating results, together with the sluggish economic condition, it is appropriate to determine the director remuneration for the year 2016/2017 to be equal to last year remuneration, which are as follows;

Meeting Remuneration	2016/2017	2015/2016
For Chairman of the Board of Directors	THB 18,500	THB 18,500
For Chairman of the Audit Committee	THB 18,500	THB 18,500
For Audit Committee	THB 14,500	THB 14,500

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 2016/2017 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 2016/2017.**

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 2016/2017, whose names as follows;

- 1) Miss Wannisa Ngambuathong CPA No. 6838 or  
(Signed in the Company's financial statement for 4 years from 2012/2013 to 2015/2016)
- 2) Mr. Thanawut Piboonsawat CPA No. 6699 or  
(Has never signed in the Company's financial statements)
- 3) Miss Thanyaporn Tangthanopajai CPA No. 9169 or  
(Has never signed in the Company's financial statements)
- 4) Mr. Peradate Pongsathiansak CPA No. 4752 or  
(Has never signed in the Company's financial statements)
- 5) Mr. Pojana Asawasantichai CPA No. 4891 or  
(Signed in the Company's financial statement for 5 years from 2007/2008 to 2011/2012)
- 6) Miss Sulalit Ardsawang CPA No. 7517  
(Has never signed in the Company's financial statements)

Dharmniti Auditing Company Limited has no relationship or conflict of interest with the Company, subsidiaries, executives, major



shareholders, and other related parties. Therefore, they can independently perform their auditing tasks and express their opinion on the Company's and the subsidiaries' financial statements. The proposed auditing fee for the year 2016/2017 will be THB 1,335,000, which equaled to the fee of the year 2015/2016.

	2016/2017	2015/2016
Auditing fee for the Company	THB 410,000	THB 410,000
Auditing fee for subsidiaries	THB 880,000	THB 880,000
Other charges (BOI Special Audit)	THB 45,000	THB 45,000

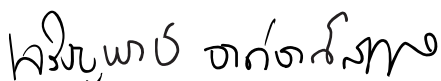
Note 1) Opinion of the Audit Committee on the Proposal of the Appointment of the Auditor and the Auditor Remuneration could be found in Attachment 6.

**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 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. Charoenpong Ongwongsakul)

Chairman of the Board of Directors