

**Minute of the 2019 Annual General Meeting of Shareholders of  
City Steel Public Company Limited  
Held on Friday, November 29, 2019, at 15:00 PM.**

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

**Directors and Executives presented at the meeting**

In the 2019 Annual General Meeting of Shareholders held on Friday, November 29, 2019, the Company had 6 directors. There were 4 directors attended the meeting, equaled to 66.67% of all directors. The directors and executives attended the meeting were as follows;

1) Mrs. Boontip	Changnil	Director / Managing Director
2) Miss Chatsuman	Thanomjit	Director / Deputy Managing Director
3) Mr. Anutara	Tantraporn	Independent Director / Chairman of the Audit Committee
4) Mr. Harirak	Chamarakula	Independent Director / Audit Committee
5) Miss Kingkan	Pipitpreechakul	Accounting and Financial Manager

The Company has no other subcommittee.

**Auditor's Representative at the meeting**

1) Mr. Pojana	Asawasontichai	Auditor of Dharmniti Auditing Co., Ltd.
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**The Meeting Commenced at 15:00 PM.**

Mr. Anutara	Tantraporn	Chairman of the Audit Committee acted as Chairman of the Meeting.
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**Matters to be informed**

1. There were 35 shareholders and proxies attending the 2019 Annual General Meeting of Shareholders on November 29, 2019 with total shares of 220,727,186 shares equivalent to 73.58 percent of the Company's total outstanding shares. The attended shareholders consisted of the shareholders who attended the meeting in person of 9 shareholders comprised of 37,650,541 shares and the shareholders who attended by proxies of 26 shareholders comprised of 183,076,645 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 number 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 equal to the number of shares granted to the proxy. For the proxy granting using Proxy Form B, the submitted votes will be combined with the votes that casting in this meeting in each agenda.

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 vote. 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. In casting votes, the shareholders shall use pen to write down their votes in the ballots together with the shareholders' signatures for accuracy and correctness as well as for preventing someone else from manipulating or changing the ballots.
7. Collecting of the Ballots
  - 7.1 All Shareholders must be casting vote and submitting the ballots themselves.
  - 7.2 After the Chairman informed to cast vote in each agenda, the officers will collect all ballots.
8. The company had 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 agendas

**Agenda 1 Certify the minutes of the 2018 Annual General Meeting of Shareholders held on November 30, 2018.**

The moderator informed that the 2018 Annual General Meeting of Shareholders was held on November 30, 2018, and an 11-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 2018 Annual General Meeting of Shareholders. If the shareholders had any questions or comments, please asked and expressed opinions.

**Resolution** The meeting had resolution to certify the minutes of the 2018 Annual General Meeting of Shareholders with;

Agreed votes of 35 shareholders accounted for 220,727,186 votes, equivalent to 100%.

There was no disagree vote, no abstain vote, and no spoiled ballot.

**Agenda 2 Be informed of the Company's operating results for the year 2018/2019**

The moderator informed that the Company's operating results and Management Discussion and Analysis (MD&A) for the year ended July 31, 2019 were presented in the 2019 Annual Report. For operating results, during the year 2018/2019, the Group's total revenues were THB 394.03 million decreased from THB 395.81 million in 2017/2018 by THB 1.78 million or 0.45%. The decrease in total revenues was due to a decrease in orders from customers especially in the second half of the fiscal year as a result of the trade war between China and the USA and the political delay after the election. These factors attributed to a contraction in private investment and a decline in customer orders. But due to a substantially increase of the total revenues in the first half of the fiscal year, the Group's revenues were comparable to the previous year. However, the extremely appreciation of Thai Baht and an

increase in employee benefits according to the new Labor Protection Act, caused the Group to incur large amounts of foreign exchange loss and higher labor costs and employee related expenses. The expiration of BOI's corporate income tax exemption privilege also contributed to an increase in income tax expenses. As a result, the Group's net profits for the year 2018/2019 significantly decreased by THB 20.22 million or 67.13% from THB 30.12 million in 2017/2018 to THB 9.90 million in 2018/2019.

For financial positions as at July 31, 2019, the Group's total assets dropped by 0.87% from a depreciation expenses in Property, Plant, and Equipment items. Total liabilities increased by THB 3.31 million or 12.19% as employee benefit obligation and income tax payable increased. Total equities decreased by 1.13% due to a further decrease in currency translation differences caused by the greater appreciation of Thai Baht from the year 2017/2018. The detailed report of the Management Discussion and Analysis (MD&A) could be found in the 2019 Annual Report that had been sent to all shareholders. The report had been certified by the Board of Directors as correct and adequate. The Board of Directors would like to acknowledge the shareholders of the result of the Company's operation for the accounting period 2018/2019.

The moderator further informed about the Group's operation according to the Anti-Corruption Policy. The Company had been a member of "Partnership Against Corruption for Thailand" (PACT) arranged by Thaipat Institute. And during the past year, the Company had constantly and strictly followed the determined Anti-Corruption Policy and had declared intention, imposed penalties, as well as communicated the Anti-Corruption Policy to all of the staffs and relevant persons. For the Collective Action Coalition Against Corruption (CAC) Program of The Thai Institutes of Directors (IOD), the Company had already joined the program and currently was in the process of preparing related documents and self-assessment report.

Since this agenda was an informative agenda, there was no voting for this agenda. If the shareholders had any questions or comments, please asked and expressed opinions.

#### **Shareholders' Opinion**

- Mr. Nara Sripetch, shareholder, had asked, according to the financial statement, what were the reasons for the constantly decline in the Group's profits. And from the notes to financial statement, there was a loss in foreign exchange rate, how much were the export amounts that caused so much foreign exchange loss and would this loss still exist in the next year. And for the current year and next year operation, the executive management had any strategies to increase profits and improve operating results.
- Mrs. Boontip Changnil, Director / Managing Director had explained that the decrease in profits was due to an increase in cost of goods sold that derived from the increases in labor costs, and a surge in corporate income taxes as the tax exemption privilege of the subsidiary had already expired. The increase in cost of goods sold was attributed by an increase in production cost. Customers demanded more diverse products but ordered less quantity, causing the production processes to become more complicated. Also, the customers required shorter delivery times, causing the Company to incur overtime expenses to be able to deliver the products on time. For the next year situation, there is a chance that the operating results will further decline depending on the economic

condition, unless there are other factors that can help stimulating the economy. The Company will adjust business strategies according the situations.

- Mr. Anutara Tantraporn, Independent Director / Chairman of the Audit Committee had further explained that for the foreign exchange loss, the Company could not predict the trend of the exchange rate. If Thai Baht keeps appreciating, the Company will incur similar or greater foreign exchange loss compared to this year. On the other hand, if Thai Baht depreciates, the Company will probably gain more profits.

The meeting acknowledged the result of company's operation for the year 2018/2019.

**Agenda 3 Certify and approve the Company's Separated and Consolidated Financial Statements for the accounting period ended July 31, 2019.**

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, 2019 as shown in the 2019 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, 2019. If the shareholders had any questions or comments, please asked and expressed opinions.

**Shareholders' Opinion**

- Mr. Nara Sripetch, shareholder, had inquired about depreciation expenses. According to the notes to financial statement, the Company had deducted depreciation expenses for property, plant, and equipment around THB 50 million. Would the depreciation expenses be the same amount every year and what would be the expected useful life of machinery? Also, how much was the utilized production capacity and did the Company still operate on Saturday?
- Mrs. Boontip Changnil, Director / Managing Director had explained that the depreciation expenses would not be the same amount every year, which would depend on the useful life of assets. Normally, machinery would have useful life around 5-10 years. For production capacity, the Company was running around 50-60% of the full capacity, and still operated on Saturday.
- Mr. Pichet Issaro, shareholder as the proxy of Thai Investor Association had asked regarding the agenda 2 that the director had clarified the causes of the reduction in the net profits, but the revenues also constantly declined since the year 2015, what were the causes of the decline in the revenues and did the Company have any strategies to handle the situation to improve the revenues and profits.
- Mrs. Boontip Changnil, Director / Managing Director had described that the continually decline in steel price was one of the reasons for a drop in the revenues. As the Company employed cost-plus pricing strategy, once the costs decreased and the markups could not be increased due to intense competition, the revenues and profits would decline correspondingly. If there was no growth in the economy and no additional investment, it would be very

hard to expand since the capital goods would be able to sell only when there was a new investment. For current situation, the Company could only maintain the position and performance. The chance for improvement would be quite limited.

**Resolution** The meeting had resolution to approve the Company's Separated and Consolidated Financial Statements for the accounting period ended July 31, 2019 with;

Agreed votes of 35 shareholders accounted for 220,727,186 votes, equivalent to 100%.

There was no disagree vote, no abstain vote, and no spoiled ballot.

**Agenda 4 Consider and approve of no allocation of net profits and omission of the dividend payment for the accounting period 2018/2019**

The moderator informed that the Board of Directors proposed to not allocate profits and omit the dividend payment for the accounting period 2018/2019 since the Group's net profits had decreased significantly. The Group's consolidated net profits were THB 9,895,665 or equaled to THB 0.03 per share. If the dividend was allocated in accordance with the Company's dividend policy of not more than 40% of the net profits after tax and legal reserves, the dividend per share would be only THB 0.01 per share, which was a relatively small amount and might not worth the processing cost for dividend payment. Additionally, the Group's net profits had decreased constantly, the economy had been slowed down, and investments from manufacturing and industrial sectors tended to decline. So, the Company should keep the cash reserves to maintain liquidity and financial status in order to reduce the impacts of economic recession and prepare for future investment. Therefore, the Company had proposed to the shareholders to consider and certify the omission of the dividend payment and no allocation of the net profits.

Board of Director's opinion: The shareholders should approve the no allocation of net profits and the omission of dividend payment for the accounting period 2018/2019 as proposed by the Board of Directors. If the shareholders had any questions or comments, please ask and express opinions.

**Shareholders' Opinion**

➤ Mr. Nara Sripetch, shareholder, had suggested other alternatives to rewards the shareholders such as issuing and giving warrants to the shareholders.

● The directors acknowledged and would consider the suggestion.

**Resolution** The meeting had resolution to approve not to allocate the net profits and omit the dividend payments for the accounting period ended July 31, 2019 as proposed by the Board of Directors with;

Agreed votes of 35 shareholders accounted for 220,727,186 votes, equivalent to 100%.

There was no disagree vote, no abstain vote, and no spoiled ballot.

**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 were 2 directors that would be retired as follows;

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

**Board of Directors' opinion:** The Board of Directors proposed to re-appoint the 2 directors to serve as directors for another term as they possessed qualifications that suitable for the Company's business operation and recommended the shareholders to re-appoint the 2 directors whose tenure had ended as follows;

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

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

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 15, 2019, 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, Nongmaidaeng, Muang, Chonburi 20000
2. E-mail to [city@wkpgroup.com](mailto:city@wkpgroup.com)
3. Telephone to 038-214530-32

The nomination period had started on September 1, 2019 and ended on September 21, 2019. 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.

#### **Shareholders' Opinion**

- Mr. Nara Sripetch, shareholder, had inquired whether the Company had 6 directors and the directors from the Phongratanadechachai group had attended this meeting.
- Mr. Anutara Tantraporn, Independent Director / Chairman of the Audit Committee had clarified that the Company's Board of Director consisted of 6 members. The Phongratanadechachai group used to be the Company's directors. But due to the suggestion from the Stock Exchange of Thailand regarding the succession planning, the Company had brought in the new generation and appointed them to be the Company's directors. Therefore, the Phongratanadechachai group had decided to resign and passed on the director positions to the new directors as suggested by the Stock Exchange of Thailand.

#### **Resolution**

The meeting had resolution to re-appoint the 2 directors whose tenure had ended to serve as directors for another term as per following details;

- |                 |          |                              |
|-----------------|----------|------------------------------|
| 1) Mrs. Boontip | Changnil | Director / Managing Director |
|-----------------|----------|------------------------------|

There were 35 shareholders accounted for 220,727,186 votes had resolved the following resolution;

- Agreed 35 shareholders 220,727,186 Votes Equivalent to 100 %.
- There was no disagree vote, no abstain vote, and no spoiled ballot.

2) Mr. Harirak Chamarakula Independent Director / Audit Committee

There were 35 shareholders accounted for 220,727,186 votes had resolved the following resolution;

- Agreed 35 shareholders 220,727,186 Votes Equivalent to 100 %.
- There was no disagree vote, no abstain vote, and no spoiled ballot.

**Agenda 6 Consider and determine the director remuneration for the accounting period 2019/2020**

The moderator informed that according to a decrease in the Group's operating results, together with the sluggish economic condition, it was appropriate to determine the director remuneration for the year 2019/2020 to be equal to last year remuneration, which were 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 would not be given since they would be given remuneration in the form of salaries and bonuses. If the shareholders had any questions or comments, please ask and express opinions.

No shareholder had further questions or comments, then casting votes.

**Resolution** The meeting had resolution to determine the director remuneration for the accounting period 2019/2020 according to the proposal of the Board of Directors with;

Agreed votes of 35 shareholders accounted for 220,727,186 votes, equivalent to 100%.

There was no disagree vote, no abstain vote, and no spoiled ballot.

**Agenda 7 Consider and appoint the auditors and determine the auditor remuneration for the year 2019/2020**

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 the auditors and determine the auditor remuneration. Board of Directors had proposed to appoint auditors of Dharmniti Auditing Company Limited to serve as the Independent Auditors of the Company and its subsidiaries for the accounting period 2019/2020, whose names were as follows;

- 1) Mr. Pojana Asawasontichai Certified Public Accountant No. 4891, or
- 2) Miss Potjanarat Siripipat Certified Public Accountant No. 9012, or
- 3) Mr. Thanawut Piboonsawat Certified Public Accountant No. 6699, or
- 4) Miss Roongnapha Saengchan Certified Public Accountant No. 10142

Dharmniti Auditing Company Limited had no relationship or conflict of interest with the Company, subsidiaries, executives, major shareholders, and other related parties. Therefore, they could independently perform their auditing tasks and express their opinion on the Company's and the subsidiaries' financial statements. The proposed auditing fee would be THB 1,292,000, which equaled to the fee for the year 2018/2019. If the shareholders had any questions or comments, please ask and express opinions.

No shareholder had further questions or comments, then casting votes.

**Resolution** The meeting had resolution to appoint the auditors of Dharmniti Auditing Company Limited to be the Company's auditors for the accounting period 2019/2020 and determined the auditing fees to be THB 1,292,000, as proposed by the Board of Directors with;

Agreed votes of 35 shareholders accounted for 220,727,186 votes, equivalent to 100%.

There was no disagree vote, no abstain vote, and no spoiled ballot.

**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 had posted on the Company's website to allow the shareholders whose names appeared in the share registrar on the book closing date, October 15, 2019, 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@wkpgroup.com](mailto:city@wkpgroup.com)
3. Telephone to 038-214530-32

The period to propose additional agenda in the 2019 Annual General Meeting of Shareholders had started on September 1, 2019 and ended on September 21, 2019. None of the shareholder 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 shareholder proposed additional agenda to be considered. –

The shareholders had additional questions and opinions as follows;

**Shareholders' Opinion**

- Mr. Nara Sripetch, shareholder, had asked about the foreign investment that in which country the Company had invested and how much was the invested amount.
- Mrs. Boontip Changnil, Director / Managing Director had answered that the Company had invested in the Republic of Seychelles which is an island in the Indian ocean. The investment amount was USD 5 million.

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

**The meeting was adjourned at 16:15 PM.**

Mr. Anutara Tantraporn (Chairman of the Meeting)

Certified by -Mr. Anutara Tantraporn-