

(Translation)

Minutes of Annual General Meeting of Shareholders 2012

Of

Chow Steel Industries Public Company Limited

Time and Venue

The meeting was held on Thursday, April 5, 2012 at 14.00 hours, at Pinnacle 4-5 Room, 4th Floor, InterContinental Bangkok Hotel, No. 973, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok 10330.

The meeting was called to order at 14.00 hours.

The shareholders attending in person totaled 73, holding aggregately 503,305,066 shares, and the shareholders attending by proxy totaled 68, holding aggregately 104,514,109 shares. The total number of shareholders attending in person and by proxy was 141, holding altogether 607,819,175 shares, representing 75.9774% of the total shares of shareholders attending the meeting and having the right to vote, which constituted a quorum according to the Articles of Association of the Company.

Dr. Pruchya Piumsomboon, Chairman of the Board of Directors, performed as Chairman of the meeting according to the Articles of Association of the Company. He declared the annual general meeting of shareholders (AGM) 2012 open, and introduced directors attending the meeting as below:

Board of Directors 10 directors

- | | |
|---|--|
| 1. Dr. Pruchya Piumsomboon | Chairman |
| 2. Associate Professor Dr. Narong Yoothanom | Vice Chairman, Independent Director, Audit Committee Member, and Chairman of Nomination and Remuneration Committee |
| 3. Assistant Professor Kalyaporn Pan-ma-rerng | Independent Director and Chairman of Audit Committee |
| 4. Mr. Kanawath Aran | Independent Director and Audit Committee Member |
| 5. Mr. Noppadon Jason Chirasanti | Independent Director and Audit Committee Member |
| 6. Mr. Mark D. Remijan | Director |
| 7. Mr. Sanguankiat Lewmanomont | Director |
| 8. Mr. Anavin Jiratomsiri | Director and Chief Executive Officer |
| 9. Miss Sharuta Jiratomsiri | Director |
| 10. Miss Koo Man Wai | Director |

Top executives 2 top executives

- | | |
|-----------------------------|--|
| 1. Mr. Suttichai Suraphat | Deputy Managing Director |
| 2. Mr. Worravit Auesapsakul | Vice President – Accounting Department |



Invitees 2 persons

1. Mr. Pradit Rodroytook Certified Public Accountant No. 4334
AST Master Co., Ltd.
2. Mrs. Nittaya Kiatserikul Legal Advisor, Seri Manop & Doyle Co., Ltd.

Shareholders' right protection volunteers as proxy of Thai Investors Association also attended the meeting for observation. Criteria and procedure on vote casting were as follows:

1. Each shareholder had vote counts equivalent to amount of shares held in person or by proxy. In the voting, each share was entitled to one vote.
2. On each agenda item, the shareholders might vote either approving or disapproving or abstaining from voting, and cannot split the number of shares for separate voting, except in case of receiving proxy from foreign shareholders appointing a custodian in Thailand. In vote counting, majority votes of the shareholders attending the meeting and casting their votes was required, unless otherwise specified by laws.
3. On each agenda item, the Chairman would ask the shareholders who did not hand in their voting ballots given during the registration to cast their votes only in case of disapproval or abstaining from voting. The remaining votes would be considered as belonging to the shareholders who give approval. When all the votes has been completely collected, the Chairman would announce the resolution of the agenda item to the meeting.
4. On the agenda item of election of directors, to comply with the AGM Assessment Project of Thai Investors Association, Thai Listed Companies Association, and Securities and Exchange Commission which required vote counters to check every single voting ballot handed in, all the attending shareholders were required to cast their votes whether they agreed, disagreed, or abstained from voting. The Company would then collect and announce the dissenting and abstention votes to the meeting. While counting the votes, all agreeing votes on this agenda item shall also be collected to be kept as evidence. The shareholders who have already submitted their voting ballots prior to the meeting would no longer need to cast their votes.
5. At the meeting, agenda items should be considered in an order as shown in the invitation notice to the meeting of shareholders. If any shareholders would like to raise questions or express opinions relating to the matter of the agenda item in discussion, they might ask questions or express opinions directly during such agenda item. Those who would like to express opinions not relating to the agenda item in discussion might express their opinions during the agenda item 8: other businesses.

To ask questions or express opinions, the shareholder shall raise his/her hand and once the Chairman gave approval, the shareholder should introduce him/herself to the meeting by identifying his/her name and informing the meeting whether he/she attended the meeting in person or by proxy so that the meeting minutes could be accurately taken.

The Chairman proceeded with the businesses on the agenda as follows:

Agenda item 1 To certify the minutes of the Annual General Meeting of Shareholders 2011 held on 29 April 2011

The Chairman informed the meeting that the Company prepared and completed the minutes of the annual general meeting of shareholders (AGM) for the year 2011 held on 29 April 2011 within 14 days from the date of the AGM. The minutes were also submitted to the Ministry of Commerce by the specified time and sent to the shareholders in advance together with the meeting invitation notice and put on the Company's website. The Board of Directors deemed that the minutes were properly and accurately taken.

The Chairman proposed that the meeting approve the minutes of the AGM for the year 2011 held on 29 April 2011. The Board considered that the minutes were accurately taken.

The Chairman invited the shareholders to raise questions and comments. To approve the agenda item, a majority of all the votes of shareholders present and having the right to vote is required. The meeting was therefore asked to cast votes.

The Chairman announced that 152 shareholders attending in person and by proxy, holding altogether 626,938,475 votes, had casted votes. The voting results are as follows:

Approved	626,920,475 votes	representing	99.9971%
Disapproved	0 vote	representing	0.0000%
Abstained	18,000 votes	representing	0.0028%

The Chairman announced the resolution as follows:

Resolution: After consideration, the meeting resolved by a majority vote to approve the minutes of the AGM for 2011 held on 29 April 2011 as proposed.

Agenda item 2 To acknowledge the Company's operating performance in the year 2011

The Chairman informed the meeting that this agenda item is for acknowledgement and delegated Mr. Anavin Jiratomsiri, CEO, to report the operating performance and major changes in 2011 to the shareholders.

Mr. Anavin Jiratomsiri, CEO, reported the operating results in 2011 to the meeting that the Company had prepared analysis and summary of the Company's operating results in 2011 in the Annual Report duly sent to the shareholders and concluded the operating performance in comparison with that of the corresponding period of the previous year on the part of significant changes as follows:

The Company's financial position in 2011 improved, with total assets of 3.106 billion Baht, up from 2010 by 426 million Baht. Salient points are as follows:

Assets

1. Cash and cash equivalents increased by 550 million Baht, resulting from issuance of new shares for initial public offering (IPO).

2. Inventories decreased by 108 million Baht, resulting from decrease in procurement prices of steel scraps. The Company still maintains its raw material management policy with 30-day inventory turnover.
3. Land, building, and equipment increased by 41 million Baht due to investment in furnace for continuous manufacturing process management and economy of scale.

Liabilities and shareholders' equity

1. Overdraft and short-term loans went down by 280 million Baht as a result of decrease in revolving loans. Most borrowings are for procuring raw materials amid the raw material price decline.
2. Trade account payables increased by 120 million Baht due to orders for raw materials and components taking place at fiscal period end, hence no settlement of such payables yet.
3. Long-term investment dropped by 101 million Baht due to debt payments according to financial institution loan agreements out of the Company's earnings from operations.

Shareholders' equity went up by 765 million Baht due to IPO at last year-end and profitable operations, with a net profit posted at 185 million Baht in 2011.

In view of statement of income compared with that a year earlier, sale income increased by 1.808 billion Baht due to increases in sale volume by 28% and in selling prices. In 2011, the selling price per unit was approximately 10-15% higher than that in 2010 which experienced high volatility.

Cost of sales moved up at the rate close to increase in sale income. The Company managed gross profit margin to be at an appropriate level or around 7-8%. Selling expenses dropped by 20% due to smaller export proportion in 2011 than that in 2010. The Company applied distribution channels to suit each period with relevant selling prices and distribution costs taken into account to ensure maximum benefits to the Company.

The Chairman invited the shareholders to raise questions. No questions were raised. As this agenda item was for acknowledgement, the shareholders were not required to cast their votes.

The Chairman announced the resolution as follows:

Resolution: The meeting acknowledged the Company's operating performance for the year 2011.

Agenda item 3 To consider and approve financial statements for the year ended 31 December 2011

The Chairman informed the meeting that pursuant to the Public Limited Companies Act B.E. 2535, the Company is required to prepare balance sheet and statement of income as of the end of each accounting year of the Company and have them audited before proposing to the shareholders for approval.

The Chairman proposed that the AGM consider and approve the Company's balance sheet and statement of income for the year ended 31 December 2011 which had duly been audited and certified by the auditors of AST Master Co., Ltd. and endorsed by the Audit Committee. Such financial statements presented the financial position, consolidated balance sheet and consolidated income statement of the Company, details of which

were in the Annual Report 2011. The auditors expressed opinions in the Auditor's Report that the consolidated and company-only financial statements exhibited properly and accurately in material respect the Company's financial position as of 31 December 2011 and 2010, operating performance and cash flows for the years so ended in accordance with the generally accepted accounting principles.

The Chairman invited the shareholders to raise questions. Questions were raised as per details below:

Mr. Thanatwat Thanakiatsakul, a shareholder attending in person, raised the following questions:

1. Why was a long-term loan from financial institution due in one year?

Assistant Professor Kalyaporn Pan-ma-rerng, Chairman of Audit Committee, responded that the long-term loan was under a long-term agreement but the repayment had to be made by installment to the financial institution on an annual basis. Therefore, any portion of the loan due in one year shall be treated as a short-term loan according to the accounting principles.

2. Could the high cash amount in the financial statement be managed for use to reduce debt burden?

Mr. Anavin Jiratomsiri, CEO, clarified that the amount of cash in the financial statement was fairly high due to the fund raised at the end of 2011 for use as working capital. The Company formerly used revolving short term borrowing from financial institutions. With such fund raised, the Company could then rely less on short term borrowing from financial institutions.

3. Where was other income derived from?

Mr. Anavin Jiratomsiri, CEO, responded that other income was from sale of residues from the manufacturing process.

4. In what percentage amount were such residues?

Mr. Anavin Jiratomsiri, CEO, explained that in the melting process, there will be melting smoke which will be caught by a contaminant catcher and contaminants will be gathered for downstream industry, hence loss of 0.00%.

5. How much was the conversion cost?

Mr. Anavin Jiratomsiri, CEO, responded that of the total cost, 70-80% was steel scrap cost and 10-15% was conversion cost.

No other questions were raised by any shareholder. To approve this agenda item, a majority of the total votes of the shareholders present and having the right to vote is required. The meeting was asked to cast votes.

The Chairman announced that 157 shareholders attending in person and by proxy, holding altogether 627,123,675 votes, had casted votes. The voting results were as follows:

Approved	627,100,675 votes	representing	99.9963%
Disapproved	5,000 votes	representing	0.0007%
Abstained	18,000 votes	representing	0.0028%

The Chairman announced the resolution as follows:

Resolution: The meeting resolved by a majority vote to approve the balance sheet and the statement of income for the year 2011 duly audited by the auditor and endorsed by the Audit Committee.

Agenda item 4 To approve allocation of profits of 2011 and dividend payment

The Chairman assigned Mr. Anavin Jiratomsiri, CEO, to give clarification to the shareholders.

Mr. Anavin Jiratomsiri, CEO, presented that from the operating performance in 2011, the Company recorded a net profit of 184.59 million Baht. After deduction of accumulated losses brought forward of around 82.69 million Baht, the Company had retained earnings for allocation in the AGM 2012 amounting to 101.90 million Baht. The Company has disclosed its dividend payment policy in the prospectus that The Company has a policy to pay dividend at not less than 40% of net profit after corporate income tax in the company-only financial statements and after legal reserve and other reserves as specified by the Company.

However, actual dividend payment may deviate from such dividend policy, depending on the Company's operational performance, financial position, investment plan, and other rationales and factors in the future as deemed appropriate by the Board of Directors and/or the shareholders.

The Board of Directors considered and agreed to propose the AGM to approve the allocation of profits for the year 2011 and the dividend payment as follows:

- 1) To allocate the annual net profit as legal reserve at no less than 5% of the annual net profit after deduction of accumulated losses in beginning period according to the provision of the Public Limited Companies Act B.E. 2535 in an amount of 5.1 million Baht.
- 2) To pay dividend for 2011 at 0.10 Baht per share, totaling 80 million Baht, which was 43.34% of the net profit based on the consolidated financial statement for the year 2011, out of the net profit with exemption by the Board of Investment and in accordance with the dividend payment policy.

The date determining the shareholders entitled to dividend payment (record date) was set to be on 18 April 2012 and the collection of name list was to be made according to Section 225 of the Securities and Exchange Act B.E. 2535 (amendment) by closing register book on 19 April 2012. Dividend payment was scheduled for 3 May 2012.

The remaining net profit was allocated as retained earnings for further operations of the Company.

The Chairman asked the shareholders to raise questions. No questions were raised. To approve this agenda item, a majority of the total votes of the shareholders present and having the right to vote is required. The meeting was therefore asked to cast votes.

The Chairman announced that 158 shareholders attending in person and by proxy, holding altogether 627,133,675 votes, had casted votes. The voting results were as follows:



Approved	627,115,675 votes	representing	99.9971%
Disapproved	0 vote	representing	0.0000%
Abstained	18,000 votes	representing	0.0028%

The Chairman announced the resolution as follows:

Resolution: The meeting resolved by a majority vote to approve the allocation of profits for the year 2011 and the payment of dividend as aforementioned. The Company specified the date determining the shareholders entitled to dividend payment (record date) on 18 April 2012 and collecting the name list according to Section 225 of the Securities and Exchange Act B.E. 2535 (amendment) by closing register book on 19 April 2012. Dividend payment was scheduled for 3 May 2012..

Agenda item 5 To consider the appointment of auditor and fixing of audit fee for the year 2012

The Chairman asked Assistant Professor Kalyaporn Pan-ma-rerng, Chairman of Audit Committee, to present this matter to the shareholders.

Assistant Professor Kalyaporn Pan-ma-rerng, Chairman of Audit Committee, informed the meeting that the Audit Committee had considered and selected AST Master Co., Ltd. as the external auditor of the Company and its subsidiaries as it has good working standards and expertise in auditing work, and had all along been performing duties well. In addition, compared with the audit fee rates of other listed companies on the same par with the same audit work volumes, AST Master Co., Ltd.'s audit fee was considered reasonable.

Therefore, the Board considered and agreed with the proposal of the Audit Committee to select AST Master Co., Ltd. as the Company's external auditor and resolved to propose to the AGM 2012 to approve the appointment of the auditor and the audit fee for the year 2012 as below:

- 1) To appoint the auditor of Chow Steel Industries PCL for the year 2012 as named below:
 - Mr. Pradit Rodroytook CPA No. 218, or
 - Ms. Nongram Laoha-areedilok CPA No. 4334, or
 - Ms. Chamaporn Rodruoytook CPA No. 9210

of AST Master Co., Ltd. The above CPAs have qualifications according to the Notification of the Securities and Exchange Commission (SEC).

Pursuant to the Notification of the SEC, listed companies are required to change the auditors every five years. Ms. Nongram Laoha-areedilok, CPA no. 4334 of AST Master Co., Ltd., has been the auditor of the Company for the past four years until 2011.

In this regard, the audit company and the CPAs aforementioned have no relationship with or interests in the Company/the management/major shareholders or the related persons thereof.

- 2) To approve the audit fee of the Company's financial statements for the year 2012 in the amount of 700,000 Baht, composed of the audit fee of the Company's financial statements as of 2012 year-end of 400,000 Baht and the review fee of three quarterly financial statements of 100,000 Baht per quarter.

The audit fees of the consolidated financial statements of the Company and its subsidiaries for the year 2012 were exhibited in comparison with those for 2011 as follows:

Unit: Baht

Item	2012		2011	
	Company	Subsidiaries	Company	Subsidiaries
1. Annual and quarterly audit fees	700,000	80,000	610,000	80,000
2. Other service fees	-	-	2,000	-
Total audit fees	700,000	80,000	612,000	80,000

From the table above, the audit fees have been on the upward trend due to the Company's increasing sale volume and greater amount of documentation work. However, when compared with those of other peer companies, the fees are relatively low.

The Chairman asked the shareholders to raise questions. No questions were raised. To approve this agenda item, a majority of the total votes of the shareholders present and having the right to vote is required. The meeting was therefore asked to cast votes.

The Chairman announced that 159 shareholders attending in person and by proxy, holding altogether 627,133,775 votes, had casted votes. The voting results were as follows:

Approved	627,075,775 votes	representing	99.9907%
Disapproved	40,000 votes	representing	0.0063%
Abstained	18,000 votes	representing	0.0028%

The Chairman announced the resolution as follows:

Resolution: The meeting resolved by a majority vote to appoint Mr. Pradit Rodroytook, CPA No. 218, or Ms. Nongram Laoha-areedilok, CPA No. 4334, or Ms. Chamaporn Rodruoytook, CPA No. 9210, of AST Master Co., Ltd. as the auditor of the Company for the year 2012, and to fix the audit fee of financial statements for the year 2012 in the amount of 700,000 Baht, composed of the audit fee of the Company's financial statements as of 2012 year-end of 400,000 Baht and the review fee of three quarterly financial statements of 100,000 Baht per quarter.

Agenda item 6 To consider and approve election of directors to replace those retiring by rotation

The Chairman asked Associate Professor Dr. Narong Yoothanom, Chairman of Nomination and Remuneration Committee, to give presentation of this matter to the shareholders.

Associate Professor Dr. Narong Yoothanom, Chairman of Nomination and Remuneration Committee, informed the meeting that according to the Public Limited Companies Act B.E. 2535, Section 71, and Clause 21 of the Articles of Association of the Company, at every annual general meeting of shareholders, one-third of directors shall vacate office. If the number of vacating directors cannot be equally divided into three, the closest number to one-third shall apply. Directors to vacate office in the first and second years after company registration shall be

identified by drawing lots. For the following years, the directors having been in office the longest shall vacate. Directors retiring by rotation may be re-elected.

At this AGM, four directors would be due to retire by rotation as below:

1. Mr. Sanguankiat Lewmanomont Director, Member of Nomination and Remuneration Committee
2. Mr. Anavin Jiratomsiri Director, Chief Executive Officer, Member of Risk Management Committee and Member of Nomination and Remuneration Committee
3. Miss Sharhuta Jiratomsiri Director, and Executive Director
4. Miss Koo Man Wai Director, and Executive Director

In this regard, the Company encouraged the shareholders to nominate qualified persons for consideration and election as directors of the Company from 22 December 2011 until 31 January 2012. It came out that no shareholders nominated any persons to the Board of Directors for consideration and election as directors to replace those retiring by rotation. For this reason, the Nomination and Remuneration Committee excluding directors with beneficial interests who shall retire, namely Mr. Sanguankiat Lewmanomont and Mr. Anavin Jiratomsiri, considered it proper to propose to the AGM for re-election of all the four vacating directors as directors of the Company for another term.

Profiles of the nominated persons and relevant information were as presented in Enclosure 3 of the invitation notice duly sent to the shareholders.

The Chairman invited the shareholders to raise questions. No questions were raised. To approve this agenda item, a majority of the total votes of the shareholders present and having the right to vote is required. The meeting was therefore asked to cast votes for the nominated persons either individually or in group.

The Chairman announced that 161 shareholders attending in person and by proxy, holding altogether 627,138,275 votes, had casted votes. The voting results are as follows:

No.	Name of Director	Approved		Disapproved		Abstained	
		Votes	Percentage	Votes	Percentage	Votes	Percentage
6.1	Mr. Sanguankiat Lewmanomont	621,980,275	99.1775	0	0.0000	5,158,000	0.8224
6.2	Mr. Anavin Jiratomsiri	621,980,275	99.1775	0	0.0000	5,158,000	0.8224
6.3	Miss Sharhuta Jiratomsiri	621,430,275	99.0898	550,000	0.0876	5,158,000	0.8224
6.4	Miss Koo Man Wai	621,980,275	99.1775	0	0.0000	5,158,000	0.8224

The Chairman announced the resolution as follows:

Resolution: The meeting resolved by a majority vote to appoint Mr. Sanguankiat Lewmanomont, Mr. Anavin Jiratomsiri, Miss Sharhuta Jiratomsiri, and Miss Koo Man Wai, as directors for another term.

Agenda item 7 To consider and approve remuneration of the Board of Directors for the year 2012

The Chairman asked Associate Professor Dr. Narong Yoothanom, Chairman of Nomination and Remuneration Committee, to present this matter to the shareholders.

Associate Professor Dr. Narong Yoothanom, Chairman of Nomination and Remuneration Committee, explained that to comply with good corporate governance, the Board of Directors reported and showed details of remuneration of the Board of Directors and Board committees for the year 2011 in page 44-45 of the Annual Report, which was duly sent to the shareholders together with the invitation notice.

The Company has a policy to pay remuneration to directors at an appropriate level, including but not limited to salary, bonus, meeting allowance, business insurance fee, special compensation, and other remuneration. The Nomination and Remuneration Committee proposed that the Company pay remuneration to the Board and various Board committees, comprising Board of Directors, Audit Committee, Risk Management Committee, and Nomination and Remuneration Committee for a total amount of not exceeding 3.0 million Baht. The following remuneration rates were proposed to shareholders:

Committees	Position	Meeting allowance (Baht/person/session)
Board of Directors	Chairman	30,000
	Director	20,000
Audit Committee	Chairman	15,000
Risk Management Committee	Member	10,000
Nomination and Remuneration Committee		

Exception Directors who are the management of the Company, namely Mr. Anavin Jiratomsiri, Miss Sharhuta Jiratomsiri, and Miss Koo Man Wai, are not entitled to receive the above meeting allowance.

The remaining amount would be reserved for payment of bonus, business insurance fee, special compensation, and other remuneration to the Board of Directors with the Board of Directors authorized to consider the allocation thereof.

The Chairman asked the shareholders to raise questions. No questions were raised. To approve this agenda item, two-thirds of the total votes of the shareholders present and having the right to vote is required. The meeting was therefore asked to cast votes.

The Chairman announced that 162 shareholders attending in person and by proxy, holding altogether 627,139,175 votes, had casted votes. The voting results were as follows:

Approved	627,081,175 votes	representing	99.1934%
Disapproved	0 vote	representing	0.0000%
Abstained	5,058,000 votes	representing	0.8065%

The Chairman announced the resolution as follows:

Resolution: The meeting resolved by two-thirds of the total votes of the shareholders who were present and had the right to vote to approve remuneration of the Board of Directors for the year 2012 as proposed.

Agenda item 8 other businesses

The Chairman informed the meeting that, for other businesses, the Company earlier encouraged the shareholders to propose other agenda items for the AGM 2012 during 22 December 2011 - 31 January 2012. It came out that no shareholder proposed any agenda items for consideration. The Chairman accordingly opened floor for the shareholders to raise questions and give suggestions. Details were as follows:

1. The right protection volunteer who received proxy from the Thai Investors Association enquired about the Company's policy on community environment protection and its business strengths outpacing its competitors.

Mr. Anavin Jiratomsiri, CEO, answered the question about the community environment protection that the Company has complied with relevant environmental laws and regulations as regards noise, water, smell, and smoke. Assessment has been conducted annually and the Company's factory has located in Kabinburi Industrial Estate. For corporate social responsibility, the Company has been supporting and developing nearby community in respect of education, religion, community, environment, and safety.

In view of business strengths, the Company has operated a steel melting plant. The type of products produced by the Company has been of high demand in the domestic market, and Thailand recorded net imports thereof according to the statistics 10-20 years back. The Company had competitive advantages as it has been the only long steel billet producer listed on the stock exchange, with strong financial position, transparent management, and clear positioning as producer and distributor of raw materials to substitute for imports. This was different from other producers who have aimed for distribution of raw materials and their own processing. The Company has thus been well accepted by customers as producer with consistent production of products.

Regarding quality, the Company has been one of Thailand's only two producers listed as members of the London Metal Exchange (LME), a leading futures market based in England.

2. A shareholder asked whether the Company's raw materials had been imported or procured locally.

Mr. Anavin Jiratomsiri, CEO, responded that there are two portions of raw materials. The first portion was steel scrap which was the major raw material procured both domestically and overseas. The Company has mainly purchased domestically at more than 90%. For imports, the Company has contacted such world major suppliers as SIM Corporation whose steel scrap sales accounted for more than 10 million tons each year, and STEMCOR, Cargill, which were a reliable global suppliers with strong financial position. The second portion was alloy which was required in a small volume and not available in Thailand, hence relying on imports from China and India.

3. Mr. Thanatwat Thanakiatsakul, a shareholder attending in person, enquired about the following:

a) Analysis of the market conditions as to how the Company would be impacted by European economies and the soft landing of Chinese economy.

Mr. Anavin Jiratomsiri, CEO, clarified that the Company's products were used as raw materials for processing of long products including round bars, deformed bars, wire rods, steel tubes, steel equal angle bars, C-shaped steel, steel channel, nails, knots, etc. Based on data over the past 10-20 years, Thailand imported steel scraps for use as raw material every year. However, imports have been on a decline due to availability of domestic supplies in substitution for imports. From such analysis, long billets produced by the Company can be secured with definite markets and regular orders.

Moreover, customers who import long billets were normally exposed to risks compared with domestic procurement. The Company had a policy to acquire orders about 30 days in advance and to deliver products to its customers on a daily basis. In case of imports, customers needed to open L/C to order products around 2-3 months in advance, and during high demand period, such process may take 4-5 months, hence requiring higher amount of credit line. The Just-In-Time inventory management could not be done, and a longer inventory turnover period was needed. There was also foreign exchange risk to be taken by customers. Having realized such constraints and threats, the Company saw the opportunity to propose its products as an alternative to substitute for imports.

Viewing the overall market conditions with the impacts of the European and Chinese economies taken into account, domestic demand for steel billets was still high and could not yet be fulfilled by domestic production. At present, there was supply shortage of about 1-2 million tons. For countries in Europe and China, there was a price impact as China was among top countries with high demand for steel products. Also, the European economic slowdown has also dampened global demand for steel products. As such, it was unlikely for steel prices to go up even when the economy would recover. However, further price slump would not be expected, as at present, steel prices have already been at low levels. Ore is a primary indicator of steel price. Current steel price was not over 200 USD per ton, which was very low. If steel prices keep falling, ore miners would operate at losses and stop supplying the market. The Company expected price would fluctuate by $\pm 10\%$.

b) With 20-30% growth target in 2012 according to a news release, what was the Company's strategy to achieve such target? Clarifications on BOI privileges and 10% discount on electricity bills were also requested.

Mr. Anavin Jiratomsiri, CEO, clarified that the Company has a total production capacity of 730,000 ton per year, or 24-hour production capacity. However, due to high electricity tariff rates and purchase and selling price trends not contributing to production around the clock, the Company has run the production process only during off peak hours from 10.00 pm to 9.00 am, and during holidays. Its actual production capacity was 450,000 tons per year at present. In 2011, the Company planned to produce and distribute 280,000-300,000 tons, and it managed to produce 290,000 tons, which was in line with its production and sale plan. Its sales were targeted at 5.000 billion Baht, and actually came out at approximately 5.680 billion Baht. In 2012, the Company planed to



บริษัท เหล็ก อีสต์ อีสเทิร์น จำกัด (มหาชน)
Chow Steel Industries Public Company Limited

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increase its production capacity to 340,000-360,000 tons per year, or a double-digit growth. Based on past statistics, the Company has been growing at a two-digit rate even during the time of gloomy economy. The production capacity of 450,000 tons was a full production capacity during off peak. However, in engineering perspective, production with 80% capacity utilization upward could be considered efficient.

For the 10% discount on electricity bills, of the Company's two plants at present, the first one was not entitled to the discount as it has been in operation for over five years, while the second one was entitled to. For tax exemption benefit under BOI Phase 1 due to expire next year, the Company could record water, electricity, and transport bills as expenses in a doubled amount for 10 years according to the BOT conditions, which could help reduce corporate income tax impact.

As there were no other questions, opinions, or suggestions from the shareholders, the Chairman informed the meeting that the consideration of all agenda items as specified had been completed and thanked the shareholders and proxies for their attendance of the meeting. He announced the number of shareholders and proxies present at the meeting was 164, holding altogether 627,594,175 shares, which represented 78.44927% of the Company's total shares. The Chairman then closed the AGM for the year 2012.

The meeting was adjourned at 15.15 hours.

Signature.....

(Asso. Prof. Dr. Narong Yoothanom)

Vice Chairman

Signature.....

(Mr. Anavin Jiratomsiri)

Chief Executive Officer

Ms. Sirirat Kongpeng: Meeting Minutes Taker