

## Tata Steel (Thailand) Public Company Limited

**MINUTES of the Annual General Meeting of Shareholders No. 18  
Chadra Ballroom, Siam Kempinski Hotel Bangkok  
999/9 Rama I Road, Bangkok on Friday, July 26, 2019 at 09:00 hours**

**Present:**

**Director:**

1. Mr. Peeyush Gupta  
Chairman of the Board of Directors  
Chairman of the Executive Committee  
Chairman of the Corporate Governance,  
Nomination and Remuneration Committee
2. Mr. Hatasakdi Na Pombejra  
Independent Director  
Member of the Audit Committee  
Chairman of the Corporate Social Responsibility  
and Sustainability Committee
3. Ms. Anuttara Panpothong  
Independent Director  
Member of the Audit Committee  
Member of the Corporate Governance,  
Nomination and Remuneration Committee
4. Mr. Taratorn Premsoontorn  
Director  
Member of the Corporate Governance,  
Nomination and Remuneration Committee
5. Mr. Ranganath Raghupathy Rao  
Director  
Member of the Executive Committee
6. Mr. Ashish Anupam  
Director  
Member of the Executive Committee  
Member of the Corporate Social Responsibility  
and Sustainability Committee
7. Mr. Rajiv Mangal  
Director  
Member of the Executive Committee  
Member of the Corporate Social Responsibility  
and Sustainability Committee  
President and CEO

**Apology:**

**Director:**

1. Mr. Alan Kam  
Independent Director  
Chairman of the Audit Committee  
Member of the Corporate Governance,  
Nomination and Remuneration Committee

**Secretary:**

1. Ms. Arisara Na Ranong  
Company Secretary

## **Tata Steel (Thailand) Public Company Limited**

### **Management:**

- |    |                               |   |
|----|-------------------------------|---|
| 1. | Mr. Wanlert Kanwivat          | Chief Operating Officer                                   |
| 2. | Mr. Jayanta Chakraborty       | Vice President – Finance and Chief Financial Officer      |
| 3. | Mr. Paitoon Chuesook          | Vice President – Procurement                              |
| 4. | Mr. Sirorote Matemanosak      | Vice President – Human Resources and Corporate Affairs    |
| 5. | Mr. Chaichalerm Bunyanuwat    | Vice President – Marketing and Sales                      |
| 6. | Mr. Amit Khanna               | Vice President – Capital Projects and Business Excellence |
| 7. | Mr. Arun Kumar Chowdhary      | Vice President – Chonburi Plant                           |
| 8. | Mr. Pornchai Thangworakulchai | Vice President – Rayong Plant                             |
| 9. | Mr. Rungroth Lert-A-Rom       | Vice President – Saraburi Plant                           |

### **Auditor of the Company:**

- |    |                           |   |
|----|---------------------------|---|
| 1. | Ms. Varaporn Vorathitikul | Audit Partner, Certified Public Account No. 4474<br>From PricewaterhouseCoopers ABAS Ltd. (“PwC”) |
|----|---------------------------|---|

### **Invitee:**

- |    |                            |  |
|----|----------------------------|--|
| 1. | Ms. Kanjana Kulanunyapisit | Senior Financial Controller, Strategic Finance and Cost Management |
| 2. | Ms. Samaporn Suebpong      | Senior Financial Controller, Corporate                             |

### **The meeting started at 09:00 hours**

---

Mr. Sawad Kushita, Chief Security of Siam Kempinski Hotel Bangkok was invited to explain the safety procedures of the location to the shareholders in case any emergency situation arises.

Mr. Peeyush Gupta, Chairman, extended a warm welcome to the shareholders and members of various Committees presented at the Annual General Meeting of Shareholders No. 18. The Chairman informed the meeting that 329 Shareholders have registered to attend the meeting both in person and by proxy. This represents 6,174,707,569 shares, an equivalent of 73.3204 percent of the 8,421,540,848 issued shares. The Chairman confirmed that it formed a quorum according to Clause 37 of the Articles of Association of the Company and declared the meeting open for deliberation on various matters on the agenda.

The Chairman then introduced the Directors, Committees, Auditor and Company Secretary presented at the meeting. Mr. Alan Kam, Chairman of the Audit Committee and member of the Corporate Governance, Nomination and Remuneration Committee had sent his apologies for his absence to the meeting due to his urgent trip abroad. Accordingly, it was proposed that Mr. Hatasakdi Na Pombejra as a senior member of the Audit Committee would represent the Audit Committee on behalf of the Chairman of the Audit Committee.

The Chairman requested the Company Secretary to explain voting procedures for each agenda to the shareholders so that a resolution could be readily reached with accuracy and can be properly recorded in the minutes of the meeting.

## **Tata Steel (Thailand) Public Company Limited**

The Company Secretary then informed the meeting that the Company had notified the submission of questions to the Company and the Stock Exchange of Thailand's websites on June 4, 2019 by giving the right to shareholders for sending questions to the Company in advance as a good practice in the principle of good Corporate Governance for listed company regarding the "Equitable treatment for shareholders." The Company informed the period for exercising the right for the shareholders to send questions during June 15 to July 15, 2019. During such period, there was one shareholder who had submitted questions to the Company. The Company would answer the questions after the meeting considers the last agenda.

The Company Secretary then reported that the Annual General Meeting of Shareholders No. 18 would be conducted under the Articles of Association of the Company in reference to the specific provisions pertaining to the shareholders' meeting as detailed in the meeting documents, page no. 32-36 (in Thai language page no. 35-38) which was delivered to the shareholders in advance, together with the Notice of this meeting. Moreover, page no. 37-42 (in Thai language page no. 39-42) of the meeting documents also described voting procedures for each agenda, vote casting, vote counting, and announcement of voting results. The procedures were summarized as follows:

- (1) Vote shall be cast by show of hand with one (1) share eligible for one (1) vote.
- (2) Prior to vote casting in each agenda, the Chairman shall inform the meeting in advance whether it be an ordinary event whereby a majority vote is applicable or a special event whereby different vote casting is required.
- (3) In each agenda which requires approval, the Chairman shall call for a resolution to determine which shareholders "disapprove or abstain", by showing their hands and ticking on ballots, which are distributed to the shareholders during registration, together with a signature. The Company's staff will promptly collect cast ballots in each agenda for a final vote counting.

In case of proxy, if the shareholders already cast the votes in the Proxy Form, the shareholder votes of each agenda in the proxy, proposed to the Company's staff by the proxy during the registration, shall be counted as the meeting's resolution without signing in the ballot paper again. In the contrary, if the shareholder did not indicate or describe clearly his/her desire in connection with vote casting in the Proxy Form or there is any agenda considered in the meeting other than those specified in the Notice, or any change or amendment to any facts, the proxy is entitled to vote at his/her discretion by considering matters and voting in the way he/she sees fit following the above-mentioned method.

In case any shareholder does not show his/her hand in the meeting or leave the meeting room in each agenda, it shall be deemed such shareholder "approves" in line with the Board's proposal.

- (4) At each agenda, Mr. Jaturong Ruenthong, Lawyer from Satjatham Lawyer Office will act as the independent vote counting inspector. To make the results transparent and as per the legislation and regulations of the Company, cast votes will be counted by deducting the votes of "disapprove and abstain" from the total number of shares held by the shareholders and proxies attending the meeting and being entitled to vote and shall be announced accordingly for further acknowledgment of the meeting.

## Tata Steel (Thailand) Public Company Limited

- (5) In the meeting, if the shareholders or proxies require giving opinion or asking any question, the Company will open the floor for questions, if any at each agenda before continuing and moving to the next agenda. The shareholders shall raise hand. When the Chairman allows, the shareholders or proxies may inform the Meeting their own name prior to propose the opinion or question and please use the microphones arranged by the Company. Such opinion and question - answer, in brief, shall be taken in the minutes of the Meeting under the related agenda.

The Chairman then continued to conduct the meeting as per the announced agenda.

### **Agenda 1 To consider and adopt the Minutes of the Annual General Meeting of Shareholders No. 17 dated July 25, 2018**

The Chairman requested the meeting to consider and approve the minutes of the Annual General Meeting of Shareholders No. 17 held on July 25, 2018. The minutes were sent to the Shareholders in advance together with the Notice of this meeting as accompanying documents No. 1, page no. 10-24. (in Thai language page no. 11-27). The Board of Directors agreed that such minutes were accurate and proposed for an approval of the minutes of the Annual General Meeting of Shareholders No. 17.

The Annual General Meeting of Shareholders No. 17 was held on July 25, 2018. The minutes of the meeting was recorded accordingly and submitted to the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission and the Ministry of Commerce within the timeframe as prescribed by laws. It was also disclosed on the TSTH's website ([www.tatasteelthailand.com](http://www.tatasteelthailand.com)).

The Board of Directors deemed it appropriate to propose the shareholders' meeting to adopt the Minutes of the Annual General Meeting of Shareholders No. 17 held on July 25, 2018, which the Board of Directors has deemed to be properly recorded.

There being no questions from the shareholders, the Chairman proposed the meeting to approve the Minutes of the Annual General Meeting of Shareholders No. 17 dated July 25, 2018. Prior to the vote casting, the Chairman informed shareholders that this agenda was an ordinary matter that had to be resolved by the shareholder meeting with the majority vote of the shareholders and proxy holders who attended the meeting and had the right to vote.

**Resolution:** The meeting reviewed and adopted the minutes as proposed by the Board of Directors with shareholders' majority vote. Details are as shown below;

The voting results are as follows;

Shareholders cast their votes	Representing	6,227,496,238 Shares	or	100.0000%
Shareholders voted for the matter	Representing	6,227,485,238 Shares,	or	99.9998%
Shareholders voted against the matter	Representing	0 Shares,	or	0.0000%
Shareholders abstained	Representing	0 Shares,	or	0.0000%
Voided Ballot	Representing	11,000 Shares	or	0.0002%

## **Tata Steel (Thailand) Public Company Limited**

**Remarks:** While this matter was being reviewed in the meeting, 128 additional shareholders comprising of 52,788,669 shares joined the meeting. There were totaling 457 shareholders represented 6,227,496,238 shares, an equivalent of 73.9472% of the 8,421,540,848 issued shares.

There was one comment from Mr. Sataporn Pungnirund, a shareholder, requested the Company to check for the cause of void ballot voting result of 11,000 shares or 0.0002% in order not to waste the vote. Chairman thanked the shareholder for this regard and answered that it came from one shareholder who voted for approved and disapproved at the same time.

### **Agenda 2 To acknowledge the report on the Company's operational results for the year ended March 31, 2019**

The Chairman requested Mr. Rajiv Mangal, President and CEO, to present to the meeting a summary report on the performance of the Company and key developments for the year ended March 31, 2019. Details were shared in the message from the Board of Directors that has been placed in the Annual Report 2018-2019 and submitted to the shareholders together with the Notice of the meeting.

President and CEO then proceeded to share the explanatory slides in the form of a presentation shown in Thai language about the performance of the Company for the year ended March 31, 2019. The presentation covered world steel consumption, global capacity utilization, scrap and graphite electrode market situation, Thailand business environment and the financial & operational performance of the Company for the year ended March 31, 2019.

President and CEO explained that the combination of external and internal factors had impacted the Company's H2 performance. Consequently, the Company had a significant drop in the EBITDA in H2FY19. Between September to December, there was a significant drop in the international steel prices. This impacted customers to slow down their purchasing decision due to uncertainty in new price of the products which impacted to volumes and profitability. There were two issues which impacted to the performance viz. 1) SCSC plant in Rayong had accident on October 6, 2018 which resulted in the closure of the steel plant for around 25 days. These impacted to cost and also supply chain of the Company. Based on the learnings, necessary corrective actions are now in place at all the three plants. 2) Provision for bad debt in 2019 for 35 million baht from a customer who delayed payment. In November 2018, the honorable court sentenced the director of that company to 10 years imprisonment which necessitated the provision on accounting prudence. The Company has a robust credit policy to ensure that payments are secured. However, in case any customer does not pay; the Company would follow legal route for rightful conclusion.

During the year, the Company received several rewards and recognition. For the fourth time in the last five years, the Company won the Prime Minister's Award 2018 in Quality Management. In the area of sustainability, the Company received SET Sustainability Awards 2018 and Thailand Sustainability Investment (THSI) 2018 and in the area of labor management and CO<sub>2</sub> emission, the Company received Thailand Labor Management Excellence Award 2018.

The Chairman proposed the meeting to acknowledge the report on the Company's operational results for the year ended March 31, 2019 as presented by President and CEO.

## Tata Steel (Thailand) Public Company Limited

Questions and suggestions raised and the response given are summarized as follows;

1. Ms. Vipa Suvanich, a shareholder, referred to presentation reported by President and CEO that the Company concerned about low capacity utilization in area of steel companies in Thailand which was below 50%. This made her worried according to the concern of the Company. She asked about the Company's strategy on this matter.

President and CEO thanked the shareholder for the question. He answered that the Government has proposed a law whereby new rebar plants will not be allowed to be set up in Thailand during the next five years. TSTH efforts are to stay competitive and get more export approvals from various countries in order to export more. TSTH's average utilization in the last five years has been around 70-75% and the Company plans to be in the capacity utilization range of 80-85%.

2. Mr. Rithichai Yibcharoenporn, a shareholder, mentioned about the trade war between China and USA and many Chinese companies buying or setting up steel manufacturing facilities outside China including in Thailand. This resulted in higher demand and high price of scrap, graphite electrode and machineries in the market. In the long run, whether it is possible that steel production from iron ore be more competitive advantage over EAF in the world market. He asked about the Company's strategy to compete with imported products from Chinese's plants located in Vietnam and Malaysia and whether there is any risk from Chinese companies located in Thailand to buy and sell steel products only among themselves. He also wanted to know the reason of steep increase in GE prices in the world.

Chairman thanked the shareholder for the questions. He answered that in view of China's strong domestic demand, China exported less from around 100 million tons in 2015-2016 to about 65 million tons last year. The trade barrier imposed by USA affected to all trade regions. Many countries are concerned about imports into their countries and want to protect their domestic producers. The Governments have supported domestic manufacturing by launching various measures. Accordingly, Malaysia, Indonesia, and other ASEAN countries have introduced various measures for protection. In Thailand, Rebar needs to be compliant to the norms of Thai Industrial Standard Institute (TISI) and hence have certain protection from imports. He explained that Price of raw materials like ferro alloy, electrode etc. follows the international market trend and not relating directly to higher usage at EAF plants in China. In fact, EAF route production in China is less than 10% of the total steel capacity as China uses blast furnaces and buys more iron ore. China also generated local scrap and did not import much.

Mr. Rithichai further asked about possibility to have profit in financial year 2019-2020. He asked whether the Company can evaluate the benefit from the news of reduction of electricity charges in future. In future after no more infrastructure projects, what is the Company's direction on its special products. Chairman answered that demand for steel was good in Thailand and SEA due to development growth in these countries. The Company believed that with good demand, support from the Government spending on infrastructure, lower GE price, the Company expects to perform better as was shown in the outlook presented by President and CEO. President and CEO added that presently, the Government declares the power tariff every 4 months depending on the international fuel price and few other factors. The Company closely monitors the power rate and continues to look for cheaper alternate power sources. Last financial year, SCSC installed solar power plant on roof top where the power cost is significantly lower than the grid price.

## **Tata Steel (Thailand) Public Company Limited**

3. Mr. Sataporn Pungnirund, a shareholder, asked about the progress of the transaction between HBIS and Tata Steel Thailand. In addition, he referred to high cost that caused loss to the Company and suggested to produce at economy of scale and sell to customers with fixed margin.

President and CEO thanked the shareholder and informed that the Chairman has informed the house that he would update the status of the transaction between HBIS and Tata Steel Thailand at the end of the meeting. He continued to answer that in normal business, product price came from cost plus profit margin. But for steel business, there are limitations due to the low capacity utilization in the country. Customers have the choice to buy from any supplier who proposes lower price. He explained that while Electric Arc Furnace (EAF) uses GE and produces superior quality of steel, the alternative route through Induction Furnace (IF), which is also not environment friendly, does not use GE in its production process. In Thailand, the producers using induction furnace route could therefore offer products at a lower price. In Thailand, the On-peak (on Monday-Friday 13 hours during the day) power rate is almost 40% higher than the power in the night or Off-peak (on Saturday, Sunday and at night) plus a demand charge (around 2-3 million baht) is paid to the Electrical Authority. Given the market variable demand, this is a critical factor which is considered to make decision about when to run the steel mill production and whether to buy billets from the market.

4. Mr. Pravit Virojwongchai, a shareholder, asked about total cost, selling price, spread and the outlook of the spread for this year as compared to the previous year.

President and CEO thanked the shareholder. He answered that shareholder could find definition of spread in the financial statements in the Annual Report. Normally, scrap cost is 55-58% of the total cost of steel made in Thailand. Another 20-25% is from power, graphite electrode, ferro alloy, refractory and other raw materials totaling around 75-78% of total cost balance being fixed cost and plant operational costs. For the last 2-3 years the average spread of the Company has been between 8,000-8,200 baht/ton. Variable cost in the past was higher because of the electrode cost was almost 800-900 baht/ton compared to around 200 baht/ton 3 years ago. Spread can be improved from selling value added products and reduced commodity products. TSTH has done more on wire rod and ready to use cut and bend. TSTH has worked on product mix, value added products, and reduce cost to improve spread. This year's spread was almost similar to last year. The scrap price still remains very strong.

On the request of Mr. Pravit Virojwongchai to the Chairman to update the progress of mandatory tender offer, Chairman updated that the transaction is yet to be completed. He explained that it is taking more time for HBIS to obtain the necessary regulatory approvals in China.

5. Mr. Bunna Hasitpanichkul, a shareholder, asked whether the Company is interested in producing structural steel like the products produced by Siam Yamato Steel.

President and CEO thanked the shareholder for his suggestion. He answered that Siam Yamato Steel (SYS) is the manufacturer of large structural made and sold in Thailand while TSTH produces 2-4 inches structural. The demand of Sections not very high at this juncture, it is not considered to be the right time for big investment in this product line. However, the Board and the management would continue to consider for appropriate opportunities and discuss for possibility to exploring this in the future.

There being no further questions from the shareholders, the Chairman proposed the meeting to acknowledge the report of the Company's operational results for the year ended March 31, 2019 without vote casting because this agenda was for acknowledgement only.

## Tata Steel (Thailand) Public Company Limited

**Resolution:** The meeting acknowledged the Report of the Company's operational results for the year ended March 31, 2018, as proposed by the Board of Directors.

### **Agenda 3: To consider and approve the financial statements for the year ended March 31, 2019**

The Chairman reported that the Articles of Association of the Company, Clause 40, specifies that the Annual Ordinary General Meeting of Shareholders shall approve the financial statements at the end of the fiscal year. On the Company's financial statements for the year ended March 31, 2019.

The Board of Directors informed that such financial statements have been audited and certified by the Certified Public Accountant of PricewaterhouseCoopers ABAS Ltd. and reviewed by the Audit Committee and approved by the Board of Directors. The financial statements were presented accurately, completely and adequately. Details are presented in the Company's Annual Report for the year 2018-2019. This year the Company provided Annual Report in the QR Code for easy access by the shareholders on their smart devices. The Annual Report is also available on the Company website. This may be summarized as below:

Consolidated Statement of Financial Position and Comprehensive Income of the Company and its subsidiaries:-

Total Assets	12,150 million baht
Total Liabilities	3,115 million baht
Shareholders' Equity	9,035 million baht
Total Revenues	22,304 million baht
Profit (Loss) for the year	(188) million baht
Earnings (Loss) per Share	(0.02) baht/share

The comments and questions from the shareholders in the meeting are as follow;

1. Mr. Sakchai Sakulsrimontri, a shareholder, referred about key audit matter of assessment of impairment of investments in subsidiaries and goodwill. He asked why the allowance for impairment of NTS at (3,380) million baht had stopped, how the Company ensures that NTS would not have impairment in the future. He further asked about the method of calculating goodwill and whether the Company have to evaluate it every year.

President and CEO thanked the shareholder for the questions and answered that goodwill resulted from acquisition of SISCO, SCSC and NTS since 2002 by earstwhile Millenium Steel (later renamed to TSTH). Goodwill is the difference of the price paid minus the net asset value of the subsidiaries acquired. Every year, impairment for goodwill is tested at all the entities and the process to follow is look at the future cash flow of the entity to confirm whether this support the goodwill existed in the book. The goodwill in NTS has been fully written off. Since 2008, due to change of Thai Accounting Standard the Group has ceased amortization of goodwill and has changed to impairment test of goodwill instead. Mr. Sakchai Sakulsrimontri, further asked about net inventories in statement of financial position differed from inventories recorded in statement of cash flows. Chairman answered that the statement of cash flows, records change of inventory in working capital, while in statement of financial position represents the inventory value of the Company.



## Tata Steel (Thailand) Public Company Limited

Mr. Sakchai further mentioned about statement of comprehensive income from consolidated financial statements it was recorded revenue from sales at 22,222 million baht while the cost of sales was at (21,619) million baht with loss for the year of (188) million baht while when considered to separate financial statements, he noticed of profit for the year at 64 million baht. He asked whether the Company has revenue from core operation or from other income. President and CEO answered that other income came from one-off events occurred during the year. In other income of 82 million baht, as explained in note no. 26, comprised of compensation from insurance companies 41 million baht, sales of by product such as dust, soil and others generated in the Company, overdue interest on delayed payments collected from the customers. Mr. Hatasakdi Na Pombejra added that TSTH is the holding company; the revenue comes from 3 operating subsidiary companies.

Mr. Sakchai then asked whether dividend payment comes from consolidated or separate financial statements. Mr. Hatasakdi Na Pombejra answered that the dividend would be paid from the profit in the consolidated financial statements.

2. Mr. Pravit Virojwongchai, a shareholder, asked for the details of Cash flows from investment activities in “Purchase of property, plant and equipment” at 241 million baht and from cash flows from operating activities in “Depreciation and amortization charge” from machinery at 366 million baht will continue every year or not, and what would be large investments in next 5 years. He also asked about the provision made by the Company for the compensation for employees who have more than or equal to 20 years of service in view of the change in law from 300 day’s pay to 400 day’s pay.

President and CEO thanked the shareholder for the question. He explained that there are 3 investment categories planned by the Company e.g. 1) Safety, environment and regulatory requirement, 2) Sustainance projects to replace old machines and 3) Investment with return. In FY19, 241 million baht was spent on Capital Expenditure Projects while in FY20 around 350-400 million baht is expected to be spent including 2 large projects viz. 1) Reduction of power consumption, electrode consumption and improve yield project at SCSC, Rayong and 2) Upgradation of wire rod mill in NTS, Chonburi with investment of 150 million baht. In addition, the Company allocated budget for automation and new technology to improve manpower productivity. He also answered about new labor law that the law was amended in Q1FY20 and the financial impact has been recorded in Q1FY20 accordingly. The details, being a post balance sheet event, have been disclosed in the last page of Annual Report FY19 that the expected impact of the change in the labour law for the Group and the Company are 57 million baht and 15 million baht respectively.

There being no further question from the shareholders, the Chairman proposed the meeting to approve the financial statements for the year ended March 31, 2019. Prior to the vote casting, the Chairman informed shareholders that this agenda was an ordinary matter that had to be resolved by the shareholder meeting with the majority vote of the shareholders and the proxy holders who attended the meeting and had the right to vote.

**Resolution:** The meeting resolved to approve financial statements for the year ended March 31, 2019 with the majority vote of the shareholders and the proxy holders who attended the meeting and had the right to vote, as proposed by the Board of Directors, as under:

## Tata Steel (Thailand) Public Company Limited

The voting results are as follows;

Shareholders cast their votes	Representing	6,229,763,676 Shares	or	100.0000%
Shareholders voted for the matter	Representing	6,225,131,476 Shares,	or	99.9256%
Shareholders voted against the matter	Representing	0 Shares,	or	0.0000%
Shareholders abstained	Representing	4,632,200 Shares,	or	0.0744%
Voided Ballot	Representing	0 Shares	or	0.0000%

**Remarks:** While this matter was being reviewed in the meeting, 92 additional shareholders comprising of 2,267,438 shares joined the meeting. There were totaling 549 shareholders represented 6,229,763,676 shares, an equivalent of 73.9742% of the 8,421,540,848 issued shares.

### **Agenda 4 To consider and approve the appropriation of profits for the year 2018-2019 and omission of the dividend payment**

The Chairman reported to the meeting that during 2018, long products steel consumption in the country stood at 7.51 million tons, 3.6% lower than 2017; the decrease came from lower production by 7.3% while imports grew by 11.7% over previous year. Domestic production through electric arc furnace route saw a decline. One significant change impacting long product steel industry in Thailand is the increase in induction furnace output in the last 18 months. During the year, Thailand Industrial Standard was revised that differentiated rebars quality based on the route of steel making. This is expected to enhance consumer knowledge on different types of steel making and create pull for steel produced through electric arc furnace route.

High raw material prices including that of scrap, graphite electrodes used in electric arc furnaces, ferro alloys and refractory throughout the year coupled with the turbulence during the second half of the year had an adverse impact on the performance of the Company. There was loss in sale of rebars in project segment due to delay in the public investments in the infrastructure projects.

The Chairman further reported that in compliance with the Articles of Association of the Company, Clause 40, specifies that the Annual Ordinary General Meeting of Shareholders shall consider the appropriation of profits, and Clause 46, the Company shall allocate not less than 5% of its annual net profit less the accumulated losses brought forward (if any) to the legal reserve fund until this fund attains an amount not less than 10% of the registered capital.

Further, according to the dividend policy of the Company, dividend may be paid to the shareholders at the rate of not exceeding 40% of net profit after tax (after deduction of legal reserve) of consolidated financial statements by considering the relevant factors which shall not cause significant effect to the Company's business operation. Such factors are; the operation performance, financial status, the Company's solvency, the business expansion, the obligations to complete the debts service according to the Company's restructuring loan agreements as well as other loan agreements including any other factors relevant to the business operation of the Company. The consideration shall be consistent with the concept of maximizing long-term benefit for the shareholders but it shall also be subjected to the approval from the Board of Directors and/or the shareholders' meeting. Further, the Limited Public Company Act B.E. 2535 (1992),

## **Tata Steel (Thailand) Public Company Limited**

Section 115 states that “No dividend shall be paid out of funds other than profit. In the case where the Company still sustains an accumulated loss, no dividend shall be paid”.

The operation of TSTH from consolidated financial statement, for the fiscal year 2019, resulted in a net loss of (188) million Baht with a negative balance of (2,762) million Baht in retained earnings. A net profit of 64 million Baht with retained earnings of 1,540 million Baht is reported in the separate financial statement.

The Board of Directors deemed it appropriate to propose the shareholders’ meeting to approve the allocation of the profit for the year 2019, ended March 31, 2019, of 3.2 million baht to legal reserve. The accumulated balance in the reserve fund after the transfer in the current financial year will be 369 million Baht, representing 4.38% of the registered capital. After considering the relevant factors to the Company’s operation on consolidated basis and the future trend, the Board of Directors deemed it appropriate to propose the shareholders’ meeting for the omission of dividend payment.

Shareholders’ comments and questions on the matter are as follow;

1. Mr. Sataporn Pungnirund, a shareholder, informed that minor shareholders used their savings to invest in TSTH and expected for the dividend payment. He requested the Company to ensure minor shareholders that they selected to invest in the right company.

Chairman appreciated and was grateful to the shareholders for their support and understanding. He informed that Tata Steel Limited has strong confidence in Thailand and remained invested in TSTH. The management and employees have worked hard for timely repayment to the Banks leading to become almost debt free, ran the three plants with very safe operation, improved product mix and got many recognitions from the Government and others. The Company would certainly do the best to improve further and appreciated the shareholders’ patience and support.

2. Ms. Suporn Pathumsuwanwadee, a shareholder, complained about the services provided by the hotel and requested to change to other hotel in the next year. She thanked the Chairman for his understanding.

Chairman thanked the shareholder for the feedback and apologized to the shareholders for the discomfort experienced by her. He asked the Company Secretary to take necessary action to ensure better services.

There being no further question from the shareholders, the Chairman proposed the meeting to consider approve the allocation of the profit for the year 2019, ended March 31, 2019, of 3.2 million baht to legal reserve. The accumulated balance in the reserve fund after the transfer in the current financial year will be 369 million Baht, representing 4.38% of the registered capital. After considering the relevant factors to the Company’s operation on consolidated basis and the future trend, the Board of Directors deemed it appropriate to propose the shareholders’ meeting for the omission of dividend payment. Chairman further informed the shareholders that this agenda was an ordinary matter and has to be approved with the majority vote of the shareholders who attended the meeting and had the right to vote.

## Tata Steel (Thailand) Public Company Limited

**Resolution:** The meeting resolved to approve the allocation of the profit for the year 2019, ended March 31, 2019, of 3.2 million baht as legal reserve and omission of dividend payment for the year 2019 with the majority vote of the Shareholders and proxy holders who attend the meeting and had the right to vote.

The voting results are as follows;

Shareholders cast their votes	Representing	6,231,190,330 Shares	or	100.0000%
Shareholders voted for the matter	Representing	6,227,965,130 Shares,	or	99.9482%
Shareholders voted against the matter	Representing	3,115,200 Shares,	or	0.0500%
Shareholders abstained	Representing	110,000 Shares,	or	0.0018%
Voided Ballot	Representing	0 Shares	or	0.0000%

**Remarks:** While this matter was being reviewed in the meeting, 33 additional shareholders comprising of 1,426,654 shares joined the meeting. There were totaling 582 shareholders represented 6,231,190,330 shares, an equivalent of 73.9911% of the 8,421,540,848 issued shares.

### **Agenda 5: To consider and approve the re-election of Directors who retire by rotation**

The Chairman informed the Meeting that in order to avoid any conflict of interest as he was one of the Directors who would be retiring by rotation this year, he requested this agenda to be proposed by the President and CEO.

President and CEO reported to the meeting that in compliance with the Articles of Association of the Company, Clause 19, specifies that one-third (1/3), or closest to one-third of the Directors shall retire from the office by rotation at the Annual General Meeting of Shareholders and may be re-elected to serve as Directors. For this Annual General Meeting of Shareholder No. 18, three (3) Directors who are retiring rotation in this Meeting are as follows:

1. Mr. Peeyush Gupta  
Chairman of the Board of Directors  
Chairman of the Executive Committee  
Chairman of the Corporate Governance, Nomination and Remuneration Committee
2. Mr. Taratorn Premsoontorn  
Director  
Member of the Corporate Governance, Nomination and Remuneration Committee
3. Mr. Ashish Anupam  
Director  
Member of the Executive Committee  
Member of the Corporate Social Responsibility and Sustainability Committee

In the process of nominating the Directors, the Corporate Governance, Nomination and Remuneration Committee has duly considered the selection guidelines and criteria as approved by the Company's Board of Directors. Details are stated in accompanying documents no. 3 delivered to Shareholders together with the Notice. It was agreed that Mr. Peeyush Gupta, Mr. Taratorn Premsoontorn and Mr. Ashish Anupam are qualified, knowledgeable and have expertise in steel industry and other wide array of related fields. Other qualifications comprise leadership skill, vision and capacity to be in duty of the Company's Director, offering the independent opinion, which is beneficial to the Company's operation, as well as not related to

## Tata Steel (Thailand) Public Company Limited

any criminal case and verdict incurred from the property/ asset misconduct, and any connected transaction triggering the conflict of interest of the Company in the previous year.

The Board of Directors deemed it appropriate to propose the shareholders' meeting to re-elect the above mentioned three Directors namely Mr. Peeyush Gupta, Mr. Taratorn Premsoontorn, and Mr. Ashish Anupam as considered by the Corporate Governance, Nomination and Remuneration Committee, as the Company's Directors for another term. The Curriculum Vitae (CV) of the Directors who were proposed to be re-elected in places of those who retired by rotation are shown in accompanying documents no. 3.

There were no further questions from the shareholders. The Chairman then proposed the meeting to resolve the election of Directors by individual voting. As per the Company's Articles of Association Clause 18 (b) the shareholders shall vote using all the votes equal to the number of shares held which cannot be divided for any person or group to any extent at all and to be in line with the Good Corporate Governance as determined by the Stock Exchange of Thailand. Prior to vote casting and the shareholders agreed with such a method, the Chairman further informed the shareholders that this agenda was an ordinary matter and has to be approved with the majority vote of the shareholders and the proxy holders who attended the meeting and had the right to vote.

The Chairman requested the Directors who retired from the office by rotation at the Annual General Meeting of Shareholders No. 18 and be re-elected to serve as Directors to stand when displayed their photographs and Curricula Vitae on the screen.

**Resolution:** The meeting resolved to approve the re-election of three Directors in place of those who retired by rotation at the Annual General Meeting of Shareholders No.18 on an individual basis as the Company's Directors for the Board of Directors and Committees for another term as proposed by the Board of Directors with the resolution of majority of votes of shareholders and proxy holders who attend the meeting and had the right to vote.

### 1. Mr. Peeyush Gupta

The voting results are as follows;

Shareholders cast their votes	Representing	6,231,191,352 Shares	or	100.0000%
Shareholders voted for the matter	Representing	6,230,420,752 Shares,	or	99.9876%
Shareholders voted against the matter	Representing	560,600 Shares,	or	0.0090%
Shareholders abstained	Representing	210,000 Shares,	or	0.0034%
Voided Ballot	Representing	0 Shares	or	0.0000%

### 2. Mr. Taratorn Premsoontorn

The voting results are as follows;

Shareholders cast their votes	Representing	6,231,191,352 Shares	or	100.0000%
Shareholders voted for the matter	Representing	6,230,314,152 Shares,	or	99.9859%
Shareholders voted against the matter	Representing	667,200 Shares,	or	0.0107%
Shareholders abstained	Representing	210,000 Shares,	or	0.0034%
Voided Ballot	Representing	0 Shares	or	0.0000%

## Tata Steel (Thailand) Public Company Limited

### 3. Mr. Ashish Anupam

The voting results are as follows;

Shareholders cast their votes	Representing	6,231,191,352 Shares	or	100.0000%
Shareholders voted for the matter	Representing	6,230,531,152 Shares,	or	99.9894%
Shareholders voted against the matter	Representing	560,200 Shares,	or	0.0090%
Shareholders abstained	Representing	100,000 Shares,	or	0.0016%
Voided Ballot	Representing	0 Shares	or	0.0000%

**Remarks:** While this matter was being reviewed in the meeting, 2 additional shareholders comprising of 1,022 shares joined the meeting. There were totaling 584 shareholders represented 6,231,191,352 shares, an equivalent of 73.9911% of the 8,421,540,848 issued shares.

### **Agenda 6 To consider and approve the remuneration of Directors for the year 2019-2020**

The Chairman informed the Meeting that in compliance with the Articles of Association of the Company, Clause 25, Directors were entitled to receive remuneration from the Company as approved by the Shareholders Meeting.

The Corporate Governance, Nomination and Remuneration Committee has considered the remuneration of the Directors and Members of Committees in accordance to the criteria, being the assigned duties and responsibilities, the average of the remuneration which is at par with other listed companies in the same industry, including the operating performance and other factors which may affect the Company. Considering the performance of the Company, it is agreed that the present remuneration is at the appropriate level. He would like to remind the shareholders that the remuneration has remained the same since 2012 when it was reduced by 30%.

The Board of Directors deemed it appropriate to propose the shareholders' meeting to consider and approve the remuneration for the Board of Directors and Committees for the year 2019-2020 (April 1, 2019-March 31, 2020), as considered by the Corporate Governance, Nomination and Remuneration Committee, which is not to exceed the previous year. The remuneration can be separated into the fixed remuneration and meeting allowance for the attendance, until the shareholder meeting determines otherwise. Details of the comparative information for the remuneration of Directors in the previous years have appeared in the Notice of this meeting, page no. 7 (in Thai language in page no.6), submitted to shareholders in advance.

		2019 – 2020 (Proposed for this year)		2018 – 2019 (Previous year)	
		Fixed (Baht/Year)	Meeting Allowance (Baht/Time)	Fixed (Baht/Year)	Meeting Allowance (Baht/Time)
Board of Directors	Chairman	630,000	42,000	630,000	42,000
	Vice Chairman	525,000	21,000	525,000	21,000
	Member	472,500	21,000	472,500	21,000

## Tata Steel (Thailand) Public Company Limited

Audit Committee	Chairman	168,000	15,750	168,000	15,750
	Member	115,500	10,500	115,500	10,500
Executive Committee	Chairman	-	15,750	-	15,750
	Member	-	10,500	-	10,500
Corporate Governance, Nomination and Remuneration Committee	Chairman	150,000	15,750	150,000	15,750
	Member	75,000	10,500	75,000	10,500
Corporate Social Responsibility and Sustainability Committee	Chairman	150,000	15,750	150,000	15,750
	Member	75,000	10,500	75,000	10,500

There is no other compensation paid to the Directors. The Directors who are current employees of Tata Steel Limited or its subsidiaries do not receive any meeting allowance or other remuneration as a Director.

There were no further questions from the shareholders. The Chairman then proposed the meeting to consider approving the aforementioned remuneration of the Board of Directors and Committees for the year 2019-2020. Prior to vote casting, the Chairman further informed the shareholders that this agenda has to be approved with not less than two-thirds of the total votes of the shareholders and proxy holders attending the meeting and having the right to vote.

**Resolution:** The meeting resolved to approve the remuneration for the Board of Directors and Committees for the year 2019-2020 (April 1, 2019-March 31, 2020), as considered by the Corporate Governance, Nomination and Remuneration Committee, which is not to exceed the previous year. The remuneration can be separated into the fixed remuneration and meeting allowance for the attendance until the shareholder meeting determines otherwise with the resolution of not less than two-thirds of the total number of votes of the shareholders and proxy holders attending the meeting and cast their votes.

The voting results are as follows;

Shareholders cast their votes	Representing	6,231,411,352 Shares	or	100.0000%
Shareholders voted for the matter	Representing	6,230,644,152 Shares,	or	99.9877%
Shareholders voted against the matter	Representing	560,200 Shares,	or	0.0090%
Shareholders abstained	Representing	207,000 Shares,	or	0.0033%
Voided Ballot	Representing	0 Shares	or	0.0000%

**Remarks:** While this matter was being reviewed in the meeting, 1 additional shareholders comprising of 220,000 shares joined the meeting. There were totaling 585 shareholders represented 6,231,411,352 shares, an equivalent of 73.9937% of the 8,421,540,848 issued shares.

### **Agenda 7: To consider and appoint the auditors and fix the audit fee for the year 2018-2019**

Chairman invited Mr. Hatasakdi Na Pombejra, member of the Audit Committee to conduct this agenda. Mr. Hatasakdi Na Pombejra informed the meeting that in compliance with the Articles of Association of the Company, Clause 40 specifies that the Annual Ordinary General Meeting of Shareholder shall consider and appoint auditors of the Company and fix the audit fee every year. In appointing the auditor, the former auditor may be re-appointed. In addition, in accordance to the Notification of the Securities and Exchange

## Tata Steel (Thailand) Public Company Limited

Commission, listed companies are required to rotate the authorized auditors every seven accounting years regardless of the consecutiveness and must cease performing audit services for such listed company for five consecutive fiscal years but may involve employing other members of auditor in the same auditing firm.

The Audit Committee has considered the performance of the auditor of the Company for the year 2018-2019 and qualifications in accordance to the standards set and agreed that PricewaterhouseCoopers ABAS Ltd. has satisfactorily performed its duties to the Company in accordance with the auditing standards and provided useful opinions to the Company. The auditors also have full qualifications, as well as have no relationship or conflict of interest with the Company, its subsidiaries, the Executives and major shareholders or related persons of the said persons.)

Based on the recommendation of the Audit Committee, the Board of Directors deemed it appropriate to propose the shareholders' meeting an appointment of the Auditors of the Company for the fiscal year of 2019-2020 from April 1, 2019 and ending March 31, 2020 as followings;

- Ms. Varaporn Vorathitikul (Certified Public Accountant No. 4474) or
- Mr. Vichien Khingmontri (Certified Public Accountant No. 3977) or
- Ms. Sukhumaporn Wong-ariyaporn (Certified Public Accountant No. 4843)

Of PricewaterhouseCoopers ABAS Ltd. In this regards, Ms. Varaporn Vorathitikul (Certified Public Accountant No. 4474) has given her signature in the Company's financial statements in the Second Quarter, Third Quarter and Annual financial statements of the fiscal year 2017-2018 (July 1, 2017-March 31, 2018) until Annual financial statements of the fiscal year 2018-2019 (April 1, 2018-March 31, 2019). Determination of the audit and quarterly review fee for the Company and its subsidiaries for the year 2019-2020 at the amount of Baht 4,049,235 which is same rate as the fiscal year 2018-2019. Details of the information of the Audit for the Company and its subsidiaries for the year 2019-2020 are appeared in the Notice of this meeting, on page no. 8, submitted to shareholders in advance.

Audit Fee	2019-2020 (Proposed for this year)	2018-2019 (Previous year annualized)
TSTH	Baht 1,640,310	Baht 1,640,310
3 Subsidiaries	Baht 1,510,925	Baht 1,510,925
Total	Baht 3,151,235	Baht 3,151,235
Consolidated reporting packages under group reporting policy	Baht 898,000	Baht 898,000
Total	Baht 4,049,235	Baht 4,049,235

For the period of April 2018 - March 2019, the Company and its subsidiaries paid travelling, per diem, lodging etc. of Baht 501,022 to its auditor, the audit firm affiliated with the auditor, individuals or business entities related to the auditor and its affiliated audit firm.

The comments and questions from the shareholders in the meeting are as follows:

1. Mr. Parsons Promstit, a shareholder, requested for an update on what have been mentioned in Page 17 of the Minutes of the previous meeting about a case of overdue from a customer that the Company has



## Tata Steel (Thailand) Public Company Limited

taken appropriate and necessary action towards this matter and the financial statements have been approved taking the doubtful debtors into consideration.

President and CEO thanked the shareholder for the question. He answered that the Company has collected 23 million baht by encashing Bank Guarantee and received 3 million baht in cash payment from the customer. TSTH had pursued legal case against that customer as well as a criminal case. The final judgments in both the civil and criminal cases are in favour of the Company and the customer was found to be in default. Consequently, in November 2018, the Court sentenced the directors of the customer company to 10 years imprisonment for non-payment of the dues. The balance outstanding against the customer was provided in accordance to accounting standard norms.

Mr. Parsons informed that Mr. Veeraphan Theepsuwan, a 5.56% shareholding of the Company passed away and asked whether the Company sent any condolence. President and CEO thanked the shareholder for sharing the information. He informed that the Company acknowledged this sad news of Mr. Veeraphan Theepsuwan, Ms. Anuttara Panpothong, Independent Director and himself had personally attended the funeral ceremony. Mr. Veeraphan Theepsuwan provided valuable support and guidance to Company for more than 10 years.

Mr. Parsons then asked about the status of the Company's information submitted to SET on the HBIS transaction and that it has been many months from the first announcement. He suggested the Company to update progress of the transaction to all shareholders through SET. Chairman updated that HBIS is understood to be waiting for the necessary approvals from the Government of China. As and when the Company receives any further information, the Company would promptly provide an update to the shareholders in compliance with the SET's regulations.

There were no further questions from the shareholders. The Chairman then proposed the meeting to consider the appointment of auditors and the audit fee for the year 2019-2020. Prior to vote casting, the Chairman further informed the shareholders that this agenda was an ordinary matter and has to be approved with the majority vote of the shareholders and proxy holders who attended the meeting and cast their vote.

**Resolution:** The meeting resolved to appoint the auditors and the audit fee for the year 2018-2019 with the majority vote of the shareholders who attended the meeting and had the right to vote, as proposed by the Board of Directors. The voting results are as under:

The voting results are as follows;

Shareholders cast their votes	Representing	6,231,411,352 Shares	or	100.0000%
Shareholders voted for the matter	Representing	6,228,089,152 Shares,	or	99.9467%
Shareholders voted against the matter	Representing	560,200 Shares,	or	0.0090%
Shareholders abstained	Representing	2,762,000 Shares,	or	0.0443%
Voided Ballot	Representing	0 Shares	or	0.0000%

**Remarks:** While this matter was being reviewed in the meeting, no additional shareholders joined the meeting. There were totaling 585 shareholders represented 6,231,411,352 shares, an equivalent of 73.9937% of the 8,421,540,848 issued shares.

## **Tata Steel (Thailand) Public Company Limited**

### **Agenda 8: Other Business (if any)**

Chairman reported to the meeting that all items of the agenda for this meeting have been completed as specified in the notice of this meeting and the Board of Directors did not have any further items to propose to the shareholder meeting today.

Prior to inviting questions from the shareholders, Chairman informed that the shareholders holding shares amounting to not less than one-third of the total number of paid up shares (For TSTH equaled to issued shares), may request the meeting to consider matters other than those indicated in the notice calling for this meeting. He asked whether any shareholders requested to propose other items for consideration or not.

There was no request from the shareholders to add any new items to the agenda. Chairman requested the meeting to continue with the questions from Mr. Rithichai Yibcharoenporn has sent his questions to the Company through Company website during June 15, 2019–July 15, 2019. He requested President and CEO to answer these questions. President and CEO thanked the shareholder for the questions sent to the Company's website in advance and answered the questions as follows:

Question 1: What was the cause of the significant rise in the prices of Graphite electrodes? Is it because of the expansion of Electric Arc Furnace plants in China or because of the rise of coal prices? What is the trend of the Graphite Electrode Prices just now? President and CEO answered that due to China is investing in more EAF capacities because of the environment pressure. As EAF capacity in China increased, the consumption of the electrode increased. At the same time the trend of using electrical vehicle to replace automobile on the road. The battery used in the electrical vehicle uses needle coke, the same raw material used in making graphite electrode. As a result, there was a shortage of needle coke around the world in the middle of the year 2017 and led the price of graphite electrode from around 2,000 USD/ton to more than 15-18,000 USD/ton. When the price went up, more companies started investing in graphite electrode factory as well as alternate technology for making battery or the electrical vehicle. The increase of supply of electrode and slightly lower demand of needle coke had helped graphite electrode prices to come down to 7-8,000 USD/ton.

Question 2: With the rise in Graphite Electrode prices will affect to Company's profitability or not. President and CEO answer yes as GE has an important part in conversion cost of EAF. The cost went up in the last two years but now the GE price has started coming down. The conversion cost would also come down and this will impact profitability favourably.

Question 3: How can the Company break from ups and downs of the cycles of profit and loss cycle? President and CEO answered that there are supports from the Government, industry, and the Company's internal efforts. Due to oversupply from industry around the world and also Thailand, various cooperation occurred e.g. Law for preventing addition of rebar capacity in the country for the next 5 years, Anti-Dumping duty, and Anti circumvention (prevent importers to bypass the AD duty). And within TSTH, the Company continued on operational excellent to improve consumption, reduce fixed cost as well as variable cost, increase manpower productivity, investments in upgrading improving automation as well as upgrading plants to sell more value added products.

## **Tata Steel (Thailand) Public Company Limited**

1. Mr. Rithichai Yibcharoenporn, a shareholder, asked about details of high margin special product of the Company e.g. tire cord in terms of its status in the market, sales income and profit. Estimation of the Company increase in income and volumes from rebars arising from an increase of Government projects. He asked whether availability of raw material is adequate for induction furnaces production in Thailand.

President and CEO thanked the shareholder for the questions and answered that it was difficult for the Company to inform the exact profit number from value added products. Presently, value added products comprised of almost 22-25% of total mix of the sales. In general, value added products gave higher profit than the other products so it helps to improve profitability. In terms of challenges, there is a long approval cycle because the customer wants to test the product and process since it has to compete with the best of Japanese, Korean and Taiwan quality products. Once the Company gets the approval, the business becomes more steadily. The Company expects the volume of rebars to improve by 5-10% if the new infrastructure projects as per Government budget approvals are implemented. Induction Furnaces use special processed scrap. This has resulted in higher demand of scrap and consequently the price for processed scrap has gone up. TSTH's view is to look at the combination of other kind of scarp and processed scrap so that the Company is able control metallic cost into the system. The large projects do not accept products from induction furnace; their products are normally sold to regional market or small projects with cost advantage from not using graphite electrode. The Company has worked on brand, channel, and promotion. As per regulations in Thailand, rebars in the market have to have the production route i.e. IF, BF or EF embossed on the bar. The Company is also working to educate the customers and market about the advantages of EAF products over induction furnace route. Countries like China, USA, Europe, and Japan do not have any induction furnaces or have closed down the facilities due to environment and other causes. In the long run, this will expand to ASEAN and SEA but this will take time. Induction route has a challenge of pollution which is becoming more and more important in all these countries so the regulation will make it more difficult for induction furnaces to operate in future. Big projects do not use products from Induction Furnaces.

2. Mr. Watin Chutiparo, a shareholder, asked why Tata Steel Limited is planning to sale shares to HBIS, was this because of steel business was no longer the interest or the management was unable to run the business with profit.

Chairman thanked the shareholders for the comment and answered that Tata Steel Limited has been looking for a long term business strategy in order to sustain and make stronger business in SE Asia. Such offer has benefits to shareholders. While waiting for the transaction to complete, Tata Steel continues to run business in stable manner.

Mr. Watin also asked about the effect of high iron ore prices and power cost. He mentioned that some steel company has corruption problem in sourcing scrap and wanted to know whether TSTH has the similar problems. Chairman answered that TSTH does not use iron ore for steel production. President and CEO added that TSTH uses electrical power and natural gas for its energy needs, which are big components of the cost in EAF route. TSTH continues to work towards reduction of power consumption in operation. Solar power is one such option which has cost 30-40% lower from the grid. He added that TSTH has strong system including regular audits for prevention of corruption.

## **Tata Steel (Thailand) Public Company Limited**

3. Mr. Pravit Virojwongchai, a shareholder, asked to send a letter to SET to inform the status of the HBIS transaction.

Chairman responded the matter would be certainly reviewed. Mr. Pravit then wanted to know the size of HBIS as compared with Tata Steel. Chairman answered that HBIS (based in China and Serbia) is the second largest company in China with around 45 million tons in terms of global production. Tata Steel Global (based in India, Europe and SEA) is 29 million tons.

Mr. Pravit further asked if HBIS would like to invest in Thailand without tender offer but create own factory provided Thai law allows, how much will they need to invest in Thailand for facility of similar size of TSTH. Chairman answered that Government does not allow new rebar investment in Thailand. There are many options for investment such as IF, EAF; second hand mill etc. and the cost would be different depending on different approaches the investors may take. TSL acquired TSTH's 3 plants long time ago and which now has a strong position in Thailand and is a leader in various areas. It was therefore difficult to compare if some investor wants to invest in new facility comparable to TSTH.

He further asked about the expected synergy strategy HBIS would provide to TSTH. Chairman was unable to answer on behalf of HBIS, he therefore answered from his view that from new law announced by the Government, no new rebar plant can be added to the system. Nor China is able to export easily to Thailand due to TISI and Anti-dumping duty. Therefore to do business in Thailand, a Chinese company would either come to Thailand and set up their own shop or join hands with others in Thailand. Thailand has many positive factors to attract investments including being well connected to the neighboring countries.

Lastly he asked about cost of steel in Thailand compared to neighboring countries. President and CEO answered that the three countries viz., Myanmar, Laos and Cambodia which neighbor Thailand, do not have any domestic steel manufacturing. Therefore fully dependent on imports for steel. 'Made in Thailand' has a premium in these three countries in terms of product, services and Thainess. Competitors are Vietnam and China. TSTH also plans to export to Vietnam, Indonesia and Malaysia.

4. Mr. Yuthtapong Pongpawasuth, a shareholder, asked about the transition to HBIS, what is the operation policy towards induction furnaces. How to handle situation to the current market.

Chairman answered that operation policy is TSTH focusses on EAF and runs EAF in 3 locations. TSTH worked with TISI and the Government for the IF and EF marked on the bar so that the customers will know the source of the production route. He further informed that HBIS did not mention anything about induction furnaces during their discussions.

Since there was no further question regarding to the meeting, the Chairman on behalf of the Board of Directors of Tata Steel (Thailand) Public Company Limited thanked each and every shareholder for participating in the Annual General Meeting of Shareholders No. 18 and approving the proposals submitted by the Board of Directors and declared to close the meeting accordingly.

## **Tata Steel (Thailand) Public Company Limited**

Besides, after the meeting was opened, more shareholders turned up to register and attend the meeting. Finally, there were 585 shareholders attending this Annual General Meeting of Shareholders No. 18 both in person and by proxy, representing a total of 6,231,427,852 shares or 73.9939 percent of 8,421,540,848 total issued shares of the Company.

The meeting was adjourned at 12:30 hours.

Mr. Peeyush Gupta  
Chairman of the Meeting