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## The 2020 Annual General Meeting of Shareholders

### Pacific Pipe Public Company Limited

Friday, April 24<sup>th</sup>, 2020

The Meeting was held at Meeting room at office of Pacific Pipe Public Company Limited, no. 1168/74 Lumpini Tower, 26th Floor, Rama4 Rd., Tungmahamek, Sathorn, Bangkok 10120.

The Meeting started at 02.00 p.m.

Mr. Somchai Lekapojpanich is a Chairman of the meeting.

The directors and auditors who attended the meeting as follows:

1. Mr. Somchai Lekapojpanich Chairman and Chairman of Executive and Risk Management Committee
2. Dr. Vicharn Aramvareekul Independent Director, Vice Chairman and Chairman of Audit Committee
3. Mr. Kriengkrai Rukkulchon Independent Director and Chairman of Remuneration Nomination and Corporate Governance Committee
4. Ms. Piyanus Chaikajornwat Independent Director
5. Mrs. Udomwara Dechsongjarus Independent Director
6. Mrs. Aeimporn Punyasai Executive Director and Chief Executive Officer
7. Ms. Viriya Ampornnapakul Executive Director and Chief Financial Director
8. Ms. Watoo Kayankannawee Auditor from EY Corporate Services Company Limited
9. Ms. Sirarom Cheungsophonvitawas The legal advisor at Dragon Tree Service Company Limited is a shareholder representative in monitoring the counting of votes in each agenda.

#### Absent Director

- None -

There were 7 directors from 7 directors or 100% from total of all directors that attended the 2020 AGM and there were a total of 43 shareholders which accounted for 504,594,591 shares or 76.45% of 660,000,000 total ordinary shares, achieving the quorum according to the Company's articles.

Before the meeting, the company has attached documents to revise the profile of Mr. Kriengkrai Rukkulchon, an independent director who serve as proxy for shareholders. For consensual understanding about voting in each agenda, Ms. Nantana informed the shareholders the voting methods stated as follows;

1. Each shareholder was entitled to vote equaling to the number of shares held.

2. In casting vote, Chairman asked for votes whether there were disapproved or abstained. Shareholders who wished to vote as said should raise their hands and gave the ballot paper to the company's officer so that votes would then be deducted from the total number of votes cast by shareholders presenting at the meeting and having voting rights. The remained votes after the deducting would be included as agreed.
3. To collect voting cards rapidly, the officers would collect only disapproved and abstained voting cards.
4. For continuity of the meeting, the Chairman was proposed the shareholder to consider next agenda and then back to inform the result of the previous agenda while authority was gathering a score for each agenda.
5. Shareholders could ask questions related to items on the agenda. If questions were not related to any agenda, please ask in agenda of other matters. Shareholders shall inform their names before asking any question.

The Company had published on the company's website and through the system of Stock Exchange of Thailand, providing minor shareholders an opportunity to propose the agendas and qualified nominees to appoint as directors of the Company in the period of January 30<sup>th</sup>, 2020 – February 17<sup>th</sup>, 2020 and send questions in advance before AGM meeting date since March 16<sup>th</sup>, 2020 to April 15<sup>th</sup>, 2020. However, no shareholders proposed agendas, nominees and any question. The meeting proceeded according to following agendas:

**Agenda 1**      **To consider and certify the Minutes of Extraordinary General Meeting of Shareholders No.1/2019**

The company, informed to shareholders that the Company sent a copy of the minute of Extraordinary General Meeting of Shareholders No.1/2019 which held on September 16<sup>th</sup>, 2019 to shareholders in advance.

There were no questions; the assistant company secretary asked the shareholders to vote.

**Resolution**

The meeting considered and resolved unanimously to approve the Minutes of Extraordinary General Meeting of Shareholders No.1/2019. The votes are as follows;

Vote	Share (s)	Percentage (%)
Approved	504,594,591	100.0000
Disapproved	0	0.0000
Abstained	0	
Invalid ballot	0	
<b>Total vote(s)</b>	<b>504,594,591</b>	<b>100,0000</b>

## Agenda 2

To acknowledge the Board of Directors' report on the Company results of the operations of the year 2019.

### Revenues

The company had total revenue of 9,337 million baht, which was a decrease from the year 2018 of 6.09%. Because of the economic war and the delay in budget payments for 2020 to generate public investment, the steel consumption in Thailand is steadily decreased from 2018 by 4.5%. Therefore, the company's operation in 2019 remained at the same level as the previous year in the sale volume (tons). As a result, the world steel price is downtrend.

### Gross profit and Net profit

The company had gross profit of 613 million baht or 6.56% of total revenue compare the last year gross profit margin of 6.67% of total revenue. The company had net profit of 72 million baht or 0.78% of total revenue, which decreased from year 2018 of 0.95%. This is result from the world steel price in declining trend.

### Revenue from sales

Revenue from domestic sales was 8,950 million baht, which decreased from year 2018 of 4.68% due to the result of steel consumption in Thailand is steadily falling. Revenue from export sales was 69 million baht, which decreased from year 2018 of 175.75% because of US anti-dumping and economic war. The service income was 130 million baht, which increased from year 2018 of 13.23% because of steel service solution. Other income, it was revenue from scrap sales of 186 million baht, which decreased from year 2018 of 22.56% because of the world steel price in the downward trend.

### Asset

The company had asset of 4,390 million baht, which decreased from year 2018 of 10.68% due to the decreasing in inventory and advance payment for raw material. The company had liabilities of 1,931 million baht, which decreased from year 2018 of 22.57% due to short-term loan from finance institutions decreased from year 2018.

### ROE and ROA

ROE was 2.91% and ROA was 1.63%, which decreases following the net profit margin for the year 2019.

### Capital Structure

The debt-to-equity ratio was 0.79, which decreased from year 2018 due to short-term loan from finance institutions decreased.

### Current Ratio

Current ratio was 1.43, which increased from year 2018 because the company had Short-term debt such as short-term loan from finance institutions decreased. The company's interest coverage ratio was 2.63, down from 2018 due to a decline in net profit margins and the Cash Cycle ratio was 13 days longer than 2018. In summary, liquidity remains in good condition.

### Important events in 2020

The company was certified by the Collective Action against Corruption (CAC) on May 21<sup>st</sup>, 2019. The company accepted the entire business transfer of two subsidiaries which were Tamose Trading Company Limited and Meesup Transport Company Limited that approved from the Extraordinary General of Shareholders Meeting No.1/2019 on September 16<sup>th</sup>, 2019. The two subsidiaries had already registered for the dissolution with the Department of Business Development, Ministry of Commerce on December 4<sup>th</sup>, 2019. However, the dissolution of the said two subsidiaries will not affect the operations of the Company in any way.

There were no questions; the assistant company secretary asked the meeting to acknowledge the Board of Directors' report on the Company results of the operations of 2020.

### **Agenda 3 To consider and approve of balance sheets and statement of income of the Company and subsidiaries for the year ended December 31<sup>st</sup>, 2019.**

The company, informed to the meeting that the financial statement of the Company ended December 31<sup>st</sup>, 2019 was audited by Mr. Watoo Kayankarnavee, an auditor from EY Office Company Limited. The auditor reported that the financial statement was accurate in accordance with significance of Financial Reporting Standards. Today, the representatives from EY Office Company Limited attended the meeting to explain inquiries on the financial statements. The summarized significant issues of financial statement which had the details are as follows

	<i>Unit : Million Baht</i>
Total Asset	4,390
Total Dept	1,931
Shareholder's Equity	2,459
Total Income	9,337
Total Expense	9,190
Profit (Loss) Before Tax	91
Net (Loss) Profit	72
Basic (Loss) Earnings per Share	0.11

There were no questions; the assistant company secretary asked the shareholders to consider and vote.

**Resolution**

The meeting considered and approve of balance sheets and statement of income of the Company and subsidiaries for the year ended December 31<sup>st</sup>, 2019 by majority votes as follows:

Vote	Share (s)	Percentage (%)
Approved	504,594,591	100.0000
Disapproved	0	0.0000
Abstained	0	
Invalid ballot	0	
<b>Total vote(s)</b>	<b>504,594,591</b>	<b>100,0000</b>

**Agenda 4** To consider and approve dividend payment

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The company announced the Company's dividend policy of paying the shareholders at the rate of no less than 40 percent of the net profit after withholding reserves according to the law. Nonetheless, such dividend payment can be changed, depending on the Company's performance, financial status and investment planning of the Company. After the Board of directors approves the dividend annual payment, the payment shall be proposed to the shareholder's meeting, except for the interim dividend, that board of director is authorized to approve before reported to the shareholders in the next meeting.

According to the Company's operating results ended 31 December 2019, The Company had 344.68 million baht net profit from separated financial statement and full legal reserve. The Board of directors proposes the shareholder to pay the dividend payment at the rate of 0.27 baht per share or 51.70 of net profit to the shareholders entitled to attend the 2020 Annual General Meeting, receive the dividend and whose names were listed in the record date in March 6<sup>th</sup>, 2020. The date of dividend payment is May 15<sup>th</sup>, 2020.

There were no questions, the company secretary asked the shareholders to consider and vote.

**Resolution**

The meeting considered and resolved unanimously to approve dividend payment in the rate at 0.27 baht per share to the shareholders entitled to attend the 2020 Annual General Meeting, receive the dividend and whose names were listed in the record date in March 6<sup>th</sup>, 2020. The date of dividend payment is May 15<sup>th</sup>, 2020. The votes are as follows;

Vote	Share (s)	Percentage (%)
Approved	504,594,591	100.0000
Disapproved	0	0.0000
Abstained	0	
Invalid ballot	0	
<b>Total vote(s)</b>	<b>504,594,591</b>	<b>100,0000</b>

**Agenda 5**

To consider and approve the appointment of directors to replace the retiring directors by rotation

The company, informed the shareholders that according to the Company's Articles no.13 "One third of directors are requested to resign at every Annual Shareholder's Meeting. In the event that the number of directors cannot be clearly divided into one third, the closet number of directors to one third is required to resign. A draw will be held to identify directors required to resign from their positions in the first and second year after the Company becoming a listed company. After that, directors who have remained in the position for the longest will be required to resign. However, directors required to resign due to expiration of their term remain eligible for re-appointment". In this year, there were 3 directors who retired by rotation;

- |                  |                |                      |
|------------------|----------------|----------------------|
| 1. Dr. Vicharn   | Aramvareekul   | Independent Director |
| 2. Mrs. Udomwara | Dechsongjarus  | Independent Director |
| 3. Ms. Viriya    | Ampornnapaakul | Executive Director   |

The Board of Directors considered the appropriateness of company structure with the qualification, knowledge, abilities and experiences of the nominees considered proposing Dr. Vicharn Aramvareekul, Mrs. Udomwara Dechsongjarus and Ms. Viriya Ampornnapaakul as the company director for another term. The Company had attached the curricula vitae of the nominees with the invitation to shareholders consideration in advance.

The Company had published on the company's website and through the system of Stock Exchange of Thailand, providing minor shareholders an opportunity to propose any qualified person as a company director since January 30<sup>th</sup>, 2019 to February 17<sup>th</sup>, 2019. However, no shareholders proposed any nominee.

There were no questions; the assistant company secretary asked the shareholders to consider and vote.

**Resolution**

The meeting considered and resolved to appoint the directors individually as follows;

- The meeting considered and approved the re-appointment of Dr. Vicharn Aramvareekul as Independent Director for another term by majority votes as follows:

Vote	Share(s)	Percentage (%)
Agree	504,594,591	100.0000
Disagree	0	0.0000
Abstained	0	
Invalid ballot	0	
<b>Total vote(s)</b>	<b>504,594,591</b>	<b>100.0000</b>

2. The meeting considered and approved the re-appointment of Mrs. Udomwara Dechsongjarus as Independent Director for another term by majority votes as follows:

Vote	Share(s)	Percentage (%)
Agree	504,594,591	100.0000
Disagree	0	0.0000
Abstained	0	
Invalid ballot	0	
<b>Total vote(s)</b>	<b>504,594,591</b>	<b>100.0000</b>

3. The meeting considered and approved the re-appointment of Ms. Viriya Ampornnapaakul as Executive Director for another term by majority votes as follows:

Vote	Share(s)	Percentage (%)
Agree	504,594,591	100.0000
Disagree	0	0.0000
Abstained	0	
Invalid ballot	0	
<b>Total vote(s)</b>	<b>504,594,591</b>	<b>100.0000</b>

#### Agenda 6

To consider the directors' remuneration for year 2020

The company secretary, informed the shareholders that the Compensation for the Board of Directors includes meeting allowance, gratuity, training fee to support the increase in the performance of the directors and Medical treatment fee and Executive Directors will receive only gratuity.

The Board of Directors proposed the compensation of director for year 2020 within the amount 5,500,000 baht to the shareholders' consideration. The Company had sent the details of

the directors' remuneration 2020 and the previous year in Enclosure No.6 of the invitation 2020 Annual General Meeting to the shareholders in advance.

There was no question from shareholders, the assistant company secretary asked the shareholders to consider and vote.

#### Resolution

The meeting approved the directors' remuneration for year 2020 in the amount not exceeding 5,500,000 baht by majority vote as follows:

Vote	Share(s)	Percentage (%)
Agree	504,594,591	100.0000
Disagree	0	0.0000
Abstained	0	
Invalid ballot	0	
<b>Total vote(s)</b>	<b>504,594,591</b>	<b>100.0000</b>

#### Agenda 7

To consider the appointment of the auditors and the auditor's fee for year 2020

The company, informed the shareholders that EY Office Company Limited had expertise and good experienced in auditing including the independent that appropriate for the duty. The Board of Directors proposed that meeting appoint EY Office Company Limited as an auditor of the Company for year 2020. The auditor's name was:

1. Ms. Watoo Kayankannawee Registration No. 5423  
(She had signed on financial statement of the Company for year 2017).
2. Ms.Supanee Triyanantakul Registration No. 4498  
(Never signed on financial statement of the Company)
3. Mr.Preecha Arunnara Registration No. 5800  
(Never signed on financial statement of the Company)

One of the above has the authority to audit and express opinion towards the Company's financial statement. In the case that the auditors cannot work, EY Office Company Limited has a power to appoint other auditors to complete the task instead.

The Board of Directors then asked the meeting to approve the auditor's compensation of 2020 at 1,5450,000 Baht which has the details from 2018-2020 are as follows;

	2018	2019	2020
Company audit fee	1,160,000	1,200,000	1,540,000
2 Subsidiaries audit fee	610,000	630,000	-
Others	-	-	-
<b>Total</b>	<b>1,770,000</b>	<b>1,830,000</b>	<b>1,540,000</b>

In case of other task beyond quarterly and yearly financial statement audit, the Board of Directors is entitled to consider specific compensation for each case.

There was no question from shareholders, the assistant company secretary asked the shareholders to consider and vote.

#### Resolution

The meeting considered and resolved as follows;

- 1) Approved the appointment of the auditors from EY Office Company Limited as the Company's 2020 auditors by majority votes as follows,

Vote	Share(s)	Percentage (%)
Agree	504,594,591	100.0000
Disagree	0	0.0000
Abstained	0	
Invalid ballot	0	
<b>Total vote(s)</b>	<b>504,594,591</b>	<b>100.0000</b>

- 2) Approved with majority vote the auditor's fee of 2020 in the amount of 1,540,000 baht

Vote	Share(s)	Percentage (%)
Agree	504,594,591	100.0000
Disagree	0	0.0000
Abstained	0	
Invalid ballot	0	
<b>Total vote(s)</b>	<b>504,594,591</b>	<b>100.0000</b>

#### Agenda 8

To consider any other business (if any)

-None -



Questions from shareholders

A Minor shareholder had been asking inquiries as per below;

1. Why the dividend payment is higher than the profit? Does the policy of dividend payment will be the same for next year?

Ms. Viriya Ampornnapakul, an executive director and Chief Financial Officer inform that the policy of dividend payment to shareholder is no less than 40 % of the net profit which based on separate financial statement, not the consolidate financial statement. According to separate financial statements in 2019, net profit is 344 million baht. The resolution of dividend payment to shareholders is 0.27 baht per share, which 51.70% of net profit from separate financial statement. Therefore, this dividend payment is accordance with the company policy. The dividend payment policy is to pay the shareholder at the rate no less than 40% of the net profit after withholding reserves. Nevertheless, this dividend payment may change because of the company's performance, financial condition and investment planning.

2. Does the rate of capacity utilization will be decreasing as same as the previous year?

Mrs. Aeimporn Punyasai, an executive director and Chief Executive Officer informs that the production capacity is 450,000 ton per year. In 2019, the capacity utilization had used by 84%. For this year, we expect production capacity to increase.

3. As company had launch a product, which called 'Cut Sheet', any feedback from customer and for steel business, which customer group provides high margin to the company?

Mrs. Aeimporn Punyasai, an executive director and Chief Executive Officer informs that the business expansion on 'Cut Sheet' is on process of the quality improvement and marketing development. Company also got positive feedback from the customers. Next, for the business model, there are three main groups of customers, which are Traders, Constructions, and Industrials. The high-margin customer is industrials. Because they are demanding the product with standardization and excellent quality.

No addition question was raised; the reporter of the meeting thanked all shareholders for attention and adjourned the meeting at 2.40 pm.

Name \_\_\_\_\_ -sign- \_\_\_\_\_ Chairman  
(Somchai Lekapojpanich )

Name \_\_\_\_\_ sign- \_\_\_\_\_ Company Secretary  
(Viriya Ampornnapakul) / Minute Taker