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## The Minutes of Extraordinary General of Shareholders Meeting No.1/2019

### Pacific Pipe Public Company Limited

Monday, September 16<sup>th</sup>, 2019

The Meeting was held at Infinity Room, 7<sup>th</sup> Floor, Aetas Lumpini Hotel Bangkok, No.1034/4, Rama IV Rd., Thungmahamek, 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 Chief Executive Officer   |
| 2. Dr. Vicharn    | Aramvareekul    | Independent Director and Chairman of Audit Committee                                 |
| 3. Mr. Kriengkrai | Rukkulchon      | Independent Director and Chairman of Remuneration Nomination and Corporate Committee |
| 4. Ms. Piyanus    | Chaikajornwat   | Independent Director   |
| 5. Mrs. Udomwara  | Dechsongjarus   | Independent Director   |
| 6. Ms. Viriya     | Ampornnapakul   | Executive Director and Chief Financial Director                                      |
| 7. Ms. Thitima    | Vattanasakdakul | Executive Director and Chief Financial Officer                                       |
| 8. Mr. Jakrin     | Mingjitdhammun  | Advisor from EY Corporate Services Company Limited                                   |

In this meeting KhunSiirarom Jungsophonwittawas, 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 EGM no.1/2019.

Ms.Nantana Lakkham, assistant company secretary is a representative to report and conduct the meeting

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 send questions in advance before EGM meeting date since August 15<sup>th</sup>, 2019 to August 30<sup>th</sup>, 2019. However, no shareholders proposed any question.

In the Extraordinary General of Shareholders' Meeting no.1/2019, there were a total of 130 shareholders which accounted for 505,335,224 shares or 76.57% of 660,000,000 total ordinary shares, achieving the quorum according to the Company's articles. The meeting proceeded according to following agendas:

**Agenda 1**      **To consider and certify the Minutes of 2019 Annual General Meeting of Shareholders**

Ms.Nantana, assistant of the company secretary, informed to shareholders that the Company sent a copy of the minute of 2019 Annual General Meeting of Shareholders which held on April 25<sup>th</sup>, 2019 to shareholders in advance.

A minor shareholder asked about the information on page 3 in AGM minute 2019. The minute stated a list of names and positions of the directors who attend the meeting but there is no name of the chairman. So, one of an independent director has been appointed as the chairman of the meeting. In this case, the directors acting as chairman of the shareholders' meeting must be Vice Chairman or if there is no vice chairman, the shareholders must select any director to be the chairman of the meeting.

Ms.Nantana apologized to the meeting and clarified that the former chairman Namely, Mrs.Saowanee Kamolbutr is resigned by rotation as at April 17<sup>th</sup>, 2019 so she was not attends the meeting. The director who acted as chairman of the meeting namely, Mr.Vicharm is the company's vice chairman and chairman of audit committee.

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

**Resolution**



The meeting considered and resolved unanimously to approve the Minutes of 2019 Annual General Meeting of Shareholders. The votes are as follows;

Vote	Share (s)	Percentage (%)
Approved	505,336,224	100.0000
Disapproved	0	0.0000
Abstained	0	
Invalid ballot	0	
<b>Total vote(s)</b>	<b>505,336,224</b>	<b>100,0000</b>

**Agenda 2**

To consider the entire business transfer of Tamose Trading Company Limited and Meesup Transport Company Limited

Mr.Pert Leewilaikulrat, assistant of director present the information of this agenda that the board of director agrees and proposes the shareholder consider the entire business transfer of subsidiaries and sent details of the said transaction to shareholders in advance. The details are shown on the Enclosure No.2 on page 13-18 and summarized as follows:

Pacific Pipe Public Company Limited (PAP) as the transferee of the subsidiaries which are; Tamose Trading Company Limited as distributor for products under the trademark  and  and Meesup Transportation Company Limited as delivering products. PAP holds 99.99% of total shares of Tamose Trading Company Limited and 99.97% of total shares of Meesup Transportation Company Limited.

**Transfer asset value and transfer price payment detail**

On 31 December 2018, said asset of Tamose Trading Company Limited is approximately 739,407,986 baht, the entire liability is 459,935,287 baht, book value of assets is approximately 279,472,699 baht and 93 employees.

On 31 December 2018, said asset of Meesup Transportation Company Limited is approximately 122,931,330 baht, the entire liability is 8,959,164 baht, book value of assets 113,972,166 baht, 123 employees and any contracts, intellectual property rights, licenses, privileges and any rights to operate of Tamose Trading Company Limited and Meesup Transportation Company Limited.

**Benefits of acquisition of the entire business**

The business transfer will lessen redundant work, reduce the cost of general management, reduce value added tax and withdrawal tax paid between the related companies.

After Pacific Pipe Public Company Limited acquire the approval from the shareholder's meeting with not less than 3 quarters of the votes from shareholders who attend the meeting and have rights to vote. Transferor and transferees must all sign the entire business acquisition contract which is free from obligations from the business transfer date.

In this regard, both companies transferring must acquire the approval from the shareholder's meeting to dissolve the business after the business transfer is completed and

proceed with registration for dissolution and arrange payment of liquidation within the accounting period that the entire business transfer is active.

#### **Effects of the entire business acquisition on the shareholder's advantage**

With the entire acquisition, Pacific Pipe Public Company Limited will obtain assets, liabilities, rights and responsibility of Tamose Trading Company Limited and Meesup Transportation Company Limited. However, both companies are already its subsidiaries that the Company holds approximately 99.99% and 99.97% shares respectively. The acquisition does not significantly affect the overall operating result of Pacific Pipe group and the benefits of the shareholders.

#### Questions from shareholders

A minor shareholder asked about the reason not to run business of Meesub Transportation Company Limited, the company having a good performance throughout. Does Pacific Pipe have planned to manage the jobs for employees of both the transfer companies?

Mr.Somchai, Chairman and CEO clarified that the reason to not doing business of Meesup due to the transportation business requires a high investment and the company has to reserve funds to expand the steel business which is the core business. In the part of employees, the company has plan and job for them.

Will the company register as a transportation business in the company's objective after the transfer business is completed? A question from a minor shareholder.

Mr.Pert, assistance of director clarified that the company's objective has already registered as a transportation business.

KhunWilaiwan Arjariyanont, a minor shareholder queried that Meesup Transportation Company Limited is a business exempt from Tax so all the exempted assets have to be modified after transfer to PAP and PAP has paid compensation to the transferred employees or not.

Mr. Jakrin Mingjithammun, advisor from EY Corporate Services Company Limited clarified that a company whose income is exempt from tax does not exceed 10% of revenue subject to VAT such company doesn't have to average VAT. By comparing with the proportion, Meesub Transport Company Limited has the revenue less than 10% of Pacific Pipe Public Company Limited.

Mr.Pert, assistance of director explained that Entire Business Transfer (EBT) method is exempt from relevant taxes such as VAT, corporate tax, specific business tax and stamp duty. Moreover the two transfer companies do not have real estate, so there is no fee for transferring the land at 2 %. As for the employees, they just change the name of employer so the rights granted are still the same, the company does not pay compensation.

KhunRungsri Jearanaikajorn, a rights protection volunteer from Thai Investor Association queried about the total expenses for business transfer and total of percentage of cost reduction that the company expected after business transfer.

Mr.Pert, assistance of director explained that transfer costs are currently being assessed and after transferring the business, the company can definitely reduce costs.

There were no questions; the reporter asked the meeting consider and approve this agenda.

### Resolution

The meeting considered and resolved unanimously to approve the entire business transfer of Tamose Trading Company Limited and Meesup Transport Company Limited.

Vote	Share (s)	Percentage (%)
Approved	505,336,224	100.0000
Disapproved	0	0.0000
Abstained	0	
Invalid ballot	0	
<b>Total vote(s)</b>	<b>505,336,224</b>	<b>100,0000</b>

### Agenda 3

To consider any other business (if any)

-None-

### Questions from shareholders

KhunSaowaluck Jirayothin, proxies queried that the company has changed the business model by expanding the product and service for last w year. Please story the company's competitiveness compared to competitors.

Ms.Thitima, executive director and chief operating officer informed that the business model increase the chances of competition of the company due to the product and service can serve customers' need and able to reduce cost for customers.

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KhunVinai Rungtiwasuwan, a minor shareholder queried about the managing working capital and accounts receivable because changing business model caused using more working capital and have more risk on accounts receivable. Will these factors affect to the dividend payment?

Ms.Thitima, executive director and chief operating officer clarified that the company expand the business to customers in the construction sector which will have a longer credit term and resulted in higher trade receivables. However the company still maintains the D/E Raito at an appropriate and controllable level.



Ms.Viriya, executive director and chief financial officer explained that the company pays the dividend from the company's operation in each year. However, the company defines the measurement, follow up and focus on debt management to prevent affect the company's performance.

KhunVinai Rungtiwasuwan, a minor shareholder queried the progressive of the filing a case to the government about the anti-dumping especially from Vietnam and the plan to manage the risk if the government does not have any measurement to support steel business.

Ms.Thitima, executive director and chief operating officer clarified that the source from newspapers stated that the results of the investigation will be in mid-October 2019.

Mr.Somchai, Chairman and CEO said that the company's solution is to propose the quality products and adjust business model to compete to be able to compete internationally.

KhunVinai Rungtiwasuwan, a minor shareholder requested to the directors forecast the business at last 6 months of the year. Because of the last 2-3 years, the Domestic steel prices were low, resulting in higher competition and decreased margin.

Ms.Thitima, executive director and chief operating officer clarified that at the end of quarter 2 till present, there were 2 major problems which were 1. Global Economic: currently, most steel manufacturer faces economic slowdown and trade war problems. Therefore, the overall of the world steel industry is down trend. 2. Domestic Construction: although, Thailand has Mega-Projects but large projects have long-term plans. For this reason, the steel industry from the above problems causes to decreased demand.

Mr.Somchai, Chairman and CEO said that Thailand is in the flood situation in the north and northeast which must monitor the situation during the 4<sup>th</sup> quarter. If returning to normal, domestic demand may improve.

KhunVinai Rungtiwasuwan, a minor shareholder queried that in annual report stated the production capacity used nearly 90%. Will the company expand the capacity?

Mr.Somchai, Chairman and CEO said that the company started to expand investment in the production of cut sheets and monitor market conditions and maintain product quality. It must take time to see the market trends before investments in the future.

No addition question was raised; the reporter of the meeting thanked all shareholders for attention and adjourned the meeting at 3.00 pm.

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

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