

(Translation)

Minutes of the Annual General Meeting of Shareholders no. 17/2009  
of  
Thai Rayon Public Company Limited

---

<b>Date of the Meeting:</b>	Thursday 28 <sup>th</sup> January 2010
<b>Venue of the Meeting:</b>	London Room (1 <sup>st</sup> Floor), The Conrad Hotel, All Seasons Place, 87 Wireless Road, Bangkok 10330
<b>Chairman:</b>	Mr. Vinai Sachdev – Independent Director / Member of Audit Committee
<b>Secretary to the Meeting:</b>	Mrs. Nantakan Jirawattanakul, Company Secretary
<b>The Meeting started:</b>	15.00 hrs.
<b>Attendants:</b>	At the commencement of the Meeting, there were 35 shareholders attending in person and 18 shareholders attending by proxy, totaling 53 shareholders representing 121,102,940 shares equivalent to 60.07% of the issued and paid-up capital. Additional shareholders representing 1,797,221 shares attended after the commencement of meeting. Thus the total numbers of shareholders attending in person were 55 and attending by proxy were 20, totaling 75 representing 122,900,161 shares equivalent to 60.96% of issued and paid up capital of the company.

The quorum was, then, constituted in accordance with the law and Clause 34 of the Articles of Association of the Company.

The Secretary to the Meeting welcomed all shareholders. The Secretary informed the shareholders that the page no. 44 of the Annual Report showing details of the shareholding of the members of the Board of Directors and management team has been replaced and has been provided to the shareholders attending the meeting. Mrs. Rachani Kajiji, a Director to the Company proposed the name of Mr. Vinai Sachdev as the Chairman of the Meeting.

The Chairman convened the meeting, welcomed the shareholders and introduced the directors to the Meeting as follows:

- |                        |  |
|------------------------|--|
| 1. Mr. Vinai Sachdev   | Independent Director / Member of Audit Committee |
| 2. Mrs. Rachani Kajiji | Director   |
| 3. Mr. Amolat Thakral  | Director   |
| 4. Mr. P.M. Bajaj      | Director   |

The Chairman then introduced Mr. H.K. Agarwal as new Group Executive President of the Company effective from 1<sup>st</sup> September 2009. Mr. H.K. Agarwal has knowledge and experience of working with Aditya Birla Group for many years. Having lived in Thailand for more than 20 years, Mr. H.K. Agarwal has been the President of many other companies in

Birla Group. The Chairman requested Mr. H.K. Agarwal to introduce management team to the meeting. Accordingly Group Executive President introduced management team to the meeting as follows:

- |                                 |   |
|---------------------------------|---|
| 1. Mr. V.K. Kapoor              | Joint President                               |
| 2. Mr. P.K. Sipani              | Joint President (Finance & Commercial)        |
| 3. Mr. N.K. Jain                | Vice President (Production)                   |
| 4. Mr. S.K. Kaul                | Vice President (Engineering)                  |
| 5. Mr. Pramote Pattanamongkol   | Asst. Vice President (HR & Administration)    |
| 6. Mr. Sithipong Horlerttam     | General Manager (Production)                  |
| 7. Mr. Pramod Khandelwal        | Deputy General Manager (Finance & Commercial) |
| 8. Mr. Deepak Khandelwal        | Assistant General Manager (Commercial)        |
| 9. Mrs. Nantakan Jirawattanakul | Company Secretary                             |

The Chairman introduced Mr. Narong Puntawong, Auditor from Ernst & Young Office Limited, who attended the Meeting to provide any clarifications on financial statements and also introduced Mr. Pitsinee Sirithanakulchai, Volunteer of Shareholders' Rights Protection, as the representative from Thai Investors Association attending the Meeting to evaluate the quality of the Meeting. In addition, Ms. Nutteema Pongprasert, legal advisor from Thai Audit TheTruth Co.,Ltd. also attended the meeting as observer.

Before starting discussions on agenda, the Secretary to the Meeting informed the governing rules for conducting shareholders meeting and the voting processes for the agenda. In the event of vote casting being called and none of the shareholders voting for "Disapprove or Abstain", those agendas will be mutatis mutandis taken as approved by the shareholders.

If any shareholder is voting against the agenda, the procedures for counting the votes shall be as under:

- Prior to the voting of any agenda, the Chairman will invite shareholders to ask questions.
- A shareholder may cast a vote for 'Disapprove or Abstain' on each agenda on voting cards received when registered (There will have different color of Voting Card of each agenda to fill shareholder name and number of shares). The voting is counted as 'one share one vote'.
- Shareholders attending the Meeting by themselves or delegation by proxies with Form 'A' or Form 'B' could not divide their votes for casting.
- For the delegation with proxy Form 'C', used for Shareholders residing abroad who have authorized the custodian taking care of their shares, such proxy holders could divide the votes for casting.
- If there are shareholders who 'Disapprove or Abstain' with any agenda, they should raise their hands and the Company's staff would collect the voting cards filled in for the vote counting.
- Announcement of the score of the votes by specifying the number of votes, which are in favor of 'Disapprove or Abstain'.

The Chairman commenced the Meeting and conducted the following business agenda.

**Agenda 1 To approve the Minutes of Annual General Meeting No.16/2008 held on January 30, 2009**

The Chairman requested the meeting to approve the minutes of the Annual General Meeting of the Shareholders no.16/2008 held on 30<sup>th</sup> January 2009 which reflects the correct status of resolutions passed by the said Shareholders Meeting, the copies of which had been sent to the shareholders together with the Notice of this Meeting as per the Enclosure No. 1.

The Chairman invited shareholders to ask questions or voice their observations. Following is the summary of issues raised:-

1. Name of shareholders asking question or issue should be disclosed in minutes.
2. Voting card should be in Thai Language along with English.
3. Printing quality of Annual Report should improve.  
- The Chairman promised the Meeting to make necessary improvements.

The Chairman invited the shareholders to ask questions or raise their observations. No question being raised, the Chairman, then, requested the Meeting to approve the agenda.

After due consideration, the Meeting passed a resolution to approve the minutes of the Annual General Meeting of Shareholders no.16/2008 by the majority voting as follows:

Approved	122,899,761	votes, equivalent to	99.9997%
Disapproved	-	votes, equivalent to	0.00%
Abstained	400	votes, equivalent to	0.0003%

of the total votes of shareholders attending the Meeting and entitled to vote

**Agenda 2 To acknowledge the performance of the Company for the year 2009 and to approve the audited balance sheet and the income statements for the year ended 30 September 2009**

The Chairman informed the Meeting that the Company had prepared the report of the Board on the performance of the Company for the year 2009 and disclosed in the annual report under the content "Directors' Report to the Shareholders" on page 6 and under "Management Discussion and Analysis" on page 66.

The Chairman also informed the Meeting that audited balance sheet and the income statements for the year ended 30<sup>th</sup> September 2009 under the content "Financial Statements" on page 74. The report of the Audit Committee has been disclosed in annual report on page 64 the copies of which had been sent to the shareholders together with the Notice of this Meeting as per the Enclosure No. 2. The Chairman requested Mr. H.K. Agarwal to summarize the performance of the Company in details which could be summarized as under:-

## 1. Summary of the operational results for the year 2009

- VSF production was lower by 11.5 % to 91,311 tons. Sodium Sulphate production was reduced by 13.6 % to 69,676 tons.
- Total sales volume was lower by 11% whereas sales realization decreased by 22% in comparison to last year. Total sales revenue was Baht 6,214 million against previous year's revenue of Baht 8,873 Million, a decline of 30% from last year. Due to slow down in world economy in general and textile in particular, export sales recorded negative growth of 19% in volume and 23% in average selling price.
- Share of income from investments accounted for under equity method decreased by 106% or Baht 1,073 Million compared to last year due to decrease in profits of the associated companies mainly on account of global economic slow down.
- The overall net profit reduced to Baht 463 Million as against Baht 2,233 Million recorded in previous year. Net Profit was lower mainly due to lower sales volume and realization, higher depreciation and equity loss.
- Despite recording net loss of Baht 914 Million in first six months of the financial year, the company ended the year with net profit of Baht 463 Million. Improved performance in second half was achieved with increased sales volume and prices following improvement in market situation.

## 2. Major Initiatives:

- Company has successfully introduced new generation 'Birla Modal' fibre in major markets. Feedback from customers received so far is quite encouraging. We expect to enhance brand equity of Birla Modal fibre and increase revenues over long term.
- Company plans to increase productivity and increase capacity utilization considering present market situation.
- Pulp supply from our associated company AV Nackawic in Canada has already been started for the first time during the current financial year which should help us to meet our increased requirement of pulp following our capacity increase.
- The company would continue to focus on quality, safety, environment and CSR activities

The Chairman invited shareholders to ask questions or voice their observations. Following is the summary of issues raised along with management's response:-

1. CS2 Plant :- The Company's plant produces carbon disulphide by using natural gas and sulfur as raw materials. Within the production process normally hydrogen sulfide is also generated and is fully recycled in the system. Before the incident, the plant was shut down for annual maintenance after about one year in full operation without any accident. The purpose of the annual maintenance was to have all machinery parts well repaired or changed to be in perfect condition again. This was for the optimum performance and for ensuring safe operations. On 18<sup>th</sup> December 2009, during start up of the plant after completion of the maintenance program, due to malfunctioning of some instrument, some hydrogen sulfide gas passes to the storage tanks along with CS2. This caused injury to 5 technical staff who had rushed to handle the matter and inhaled hydrogen sulfide gas. This incident did not have

material impact on the operations of the Company. The operations of the Company's Viscose Staple Fiber plant at Angthong continued in normal way. During this time, the Company implemented the stipulated improvement actions in consultation with technology supplier. The Company has received approval of provincial authorities on 21<sup>st</sup> January to start the operations subject to some stipulations.

2. Overall profitability of the investee companies in aforesaid period was poor compared to last year due to world-wide recession which affected their performances which in turn resulted in lower returns for the company. However due to recovery in world market management expects to get better return on its investments.
3. Higher depreciation this year is due to commencement of new production lines and CS 2 plant.
4. Increase in management benefit expense is due to higher no of management staff due to promotion and also due to normal increments and benefits.
5. Dividend income from investments depends upon investee company's requirements of funds for their operations and future business plans.
6. Separate disclosure on Modal fiber is not possible as this is part of same product as viscose fiber. However management is taking all possible steps to stabilize the product and promote the same in market.
7. The Company has a proper environment management system and required actions are being taken to further strengthen the system.

The Chairman invited the shareholders to ask questions or raise their observations. No question being raised, the Chairman, then, requested the Meeting to acknowledge and approve the agenda.

After due consideration, the Meeting passed a resolution to acknowledge performance of the Company for the year 2009 and approve the audited balance sheet and the income statements for the year ended 30 September 2009 together with Directors' Report to the Shareholders by the majority voting as follows:

Approved	122,899,761	votes, equivalent to	99.9997%
Disapproved	-	votes, equivalent to	0.00%
Abstained	400	votes, equivalent to	0.0003%

of the total votes of shareholders attending the Meeting and entitled to vote

### **Agenda 3 To consider and approve the dividend payment**

The Chairman informed the Meeting that the Company's dividend payment policy is to pay dividend in accordance with cash profit generated after considering appropriately the requirement of funds for future investments.

This year, the Company recorded net profit of Baht 463 Million compared to Baht 2,233 Million last year, a decrease of 79%. However, considering the cash flow generation from the earnings and funds requirement for expansion and new investments in the upcoming year, the Board has recommended to pay dividend at Baht 1.00 per share for the year 2009, amounting to Baht 201.60 Million or 36% of net profit on cost method. This dividend payment is fully exempted from corporate income tax under BOI's promotion certificate no.1779 (2)/2548. The dividend payment date will be on 23 February 2010.

The Chairman invited the shareholders to ask questions or raise their observations. No question being raised, the Chairman, then, requested the Meeting to approve the Agenda.

After due consideration, the Meeting passed a resolution to approve the dividend payment of Baht 1.00 per share for the year 2009, amounting to Baht 201.60 Million as recommended by the Board to be paid on 23 February 2010 and further approved Mr. H.K. Agarwal, Group Executive President of the Company, as authorized person to take all necessary steps to arrange the dividend payment by the majority voting as follows:

Approved	122,899,761	votes, equivalent to	99.9997%
Disapproved	-	votes, equivalent to	0.00%
Abstained	400	votes, equivalent to	0.0003%

of the total votes of shareholders attending the Meeting and entitled to vote

#### **Agenda 4 To consider and approve the appointment of directors in place of those who retire by rotation**

The Chairman informed the Meeting that in accordance with Clause 13 of the Company's Articles of Association, "At every annual general meeting, one-third of the number of the Directors shall vacate the office. If the number is not a multiple of three, then the number nearest to one-third must retire from the office. A retiring director is eligible for re-election."

This year, there were three directors who had to retire by rotation namely, (1) Mr. Ramakant Rathi – Independent Director (2) Mr. Shailendra Kumar Jain - Director and (3) Mr. Amolat Thakral - Director. These directors are knowledgeable, capable and experienced for benefit to the Company's operations. The profiles of the directors who retire by rotation have been disclosed in the annual report on page 46.

The Chairman invited shareholders to ask questions or voice their observations. A few Shareholders raised issues concerning attendance of Directors. The Chairman explained the meeting that while all directors based in Thailand attend almost all meetings but foreign directors could not attend the meeting every time. However, management is getting their advice and inputs through video-conference and other means of communication.

The Chairman invited the shareholders to ask questions or raise their observations. No question being raised, the Chairman, then, requested the Meeting to approve the agenda.

After due consideration, the Meeting then passed a resolution to approve re-election of the three retiring directors to become directors for another term by the majority voting as follows:

1. Mr. Ramakant Rathi	Independent Director		
Approved	122,898,761	votes, equivalent to	99.9989%
Disapproved	-	votes, equivalent to	0.00%
Abstained	1,400	votes, equivalent to	0.0011%

of the total votes of shareholders attending the Meeting and entitled to vote

2.	Mr. Shailendra Kumar Jain	Director		
	Approved	122,898,661	votes, equivalent to	99.9989%
	Disapproved	100	votes, equivalent to	0.00%
	Abstained	1,400	votes, equivalent to	0.0011%
	of the total votes of shareholders attending the Meeting and entitled to vote			
3.	Mr. Amolat Thakral	Director		
	Approved	122,898,761	votes, equivalent to	99.9989%
	Disapproved	-	votes, equivalent to	0.00%
	Abstained	1,400	votes, equivalent to	0.0011%
	of the total votes of shareholders attending the Meeting and entitled to vote			

**Agenda 5 To approve the appointment of Mr. Pooranmal Bajaj as fulltime advisor to the Company**

The Chairman informed the Meeting that Mr. Pooranmal Bajaj was the Group Executive President of the Company and has retired with effect from 1<sup>st</sup> September 2009 in accordance with the retirement policy of the Company. In the opinion of the Board, he has extensive knowledge and experience to advise on the Company's business which will be useful. Therefore, it is considered appropriate to propose to the AGM to consider and approve the appointment of Mr. Pooranmal Bajaj as an advisor of the Company for a period of 2 years, starting 1<sup>st</sup> September 2009 at the remuneration of USD 15,952 per month plus other benefits. The total remuneration will not be over Baht 21.069 Million for the aforesaid period which in the opinion of the Board is reasonable considering the advisor's knowledge and experience.

The Chairman invited shareholders to ask questions or voice their observations. A few Shareholders raised some issues concerning the reasonability of remuneration vis-à-vis benefits to the Company. The Chairman, Mr. H.K. Agarwal and Mr. Amolat Thakral explained the Meeting that the Mr. P.M. Bajaj's advice will be beneficial to the Company considering his experience & knowledge and hence the remuneration amount is reasonable.

The Chairman invited the shareholders to ask questions or raise their observations. No question being raised, the Chairman, then, requested the Meeting to approve the agenda.

After due consideration, the Meeting then passed a resolution to approve the appointment of Mr. Pooranmal Bajaj as an advisor of the Company for a period of 2 years, starting 1<sup>st</sup> September 2009 at the remuneration of USD 15,952 per month plus other benefits, not exceeding Baht 21.069 Million for the aforesaid period by the majority voting as follows:

Approved	122,893,667	votes, equivalent to	99.9947%
Disapproved	100	votes, equivalent to	0.00%
Abstained	6,444	votes, equivalent to	0.0053%

of the total votes of shareholders attending the Meeting and entitled to vote.

#### **Agenda 6 To appoint the Company's auditors and fix their remuneration**

The Chairman informed the Meeting that in accordance with Clause 36 of the Company's Articles of Association, an annual general meeting shall appoint the Company's auditor and fix their remuneration.

The Board and the Audit Committee approved the appointment of the auditors from Ernst & Young Office Limited .

The Board proposed the Meeting to appoint the auditors for the year ended 30 September 2010 namely, (1) Mr. Narong Puntawong, CPA No. 3315 or (2) Ms. Thipawan Nananuwat, CPA No. 3459 or (3) Ms. Siraporn Ouaanunkun, CPA No. 3844, from Ernst & Young Office Limited to be the Company's auditor for the year ended 30 September 2010 as recommended by the Audit Committee and the Board considering their requisite qualification as auditor. The Board also proposed the Meeting to approve the remuneration of the auditor for the year 2010 at Baht 1,050,000.- (2009: Baht 1,000,000.-), excluding out of pocket expenses.

The auditors named above have no relationship or conflict of interest with the Company, management, major shareholders or other related persons. Therefore, all proposed auditors are independent to audit and express their opinions on Financial Statements of the Company.

The Chairman invited shareholders to ask questions or voice their observations. A shareholder suggested keeping the remuneration unchanged due to lower profit of the company. Mr. H.K. Agarwal explained that remuneration of auditor may not be linked with the performance of the Company alone and the proposed remuneration amount is reasonable. The Chairman, then, requested the Meeting to approve the agenda.

After due consideration, the Meeting passed a resolution to approve the appointment of auditors for the year ended 30 September 2010 namely, (1) Mr. Narong Puntawong, CPA No. 3315 or (2) Ms. Thipawan Nananuwat, CPA No. 3459 or (3) Ms. Siraporn Ouaanunkun, CPA No. 3844, from Ernst & Young Office Limited to be the Company's auditor for the year ended 30 September 2010 and also approve their remuneration for the year 2010 at Baht 1,050,000.- (2009: Baht 1,000,000.-) excluding out of pocket expenses by the majority voting as follows:

Approved	122,899,761	votes, equivalent to	99.9997%
Disapproved	-	votes, equivalent to	0.00%
Abstained	400	votes, equivalent to	0.0003%

of the total votes of shareholders attending the Meeting and entitled to vote

#### **Agenda 7 Other business (if any)**

The Chairman advised that this agenda was provided for shareholders to ask questions and/or for directors to clarify any queries of the shareholders (if any). No issue would be proposed for consideration and approval, and therefore, no voting would be made.



The Chairman invited shareholders to raise questions or issues which could be summarized as follows:

1. The Company should increase the dividend amount as retained earning is on higher side.
2. The Company should increase the dividend pay out ratio as the book value is Baht 76.00.
3. The Company to take extra care on environment related issues.
4. The cost of CS2 plant setting up is Baht 762 Million.

The Chairman informed the Meeting that the Company would prepare the minutes of the Annual General Meeting of Shareholders No.17/2009 within the stipulated period and would also be posted on the Company's website at [www.thairayon.com](http://www.thairayon.com).

The Secretary to the Meeting informed that the date of the Plant Visit for shareholders is fixed on 27<sup>th</sup> March 2010 whose name appeared in the registration book as on book closing date.

The Chairman declared that the Meeting considered all agenda of this Meeting and paid gratitude to all Shareholders and informed the Shareholders that the Board of Directors, Management and Employees of the Company would perform their duties and responsibilities at their best for the benefit to all shareholders and for the Company's growth.

The Chairman asked whether there was any question to be raised, but no shareholder raised any issue. Thus, the Chairman declared the meeting adjourned.

The Meeting was adjourned at 17.30 hrs.

Signed.....Chairman of the Meeting

(Mr. Vinai Sachdev)

Independent Director / Member of Audit Committee