
**Minutes of the 15th Annual General Meeting
of
Thai Rayon Public Company Limited**

Date of the Meeting: Monday 28th January 2008 at 15.30 hrs.

Venue of the Meeting: V.A. Drawing Room (2nd Floor),
Plaza Athenee Bangkok Hotel, Wireless Road, Bangkok

Chairman : Mr. Vinai Sachdev – the director of the Company
was elected as the Chairman of the Meeting.

Attendance : Meeting was attended by 55 shareholders in person and 18 shareholders by proxy, representing in aggregate 114,516,797 no. of shares, which is equivalent to 56.8% of the issued shares capital of the Company, thus, constituting a quorum as per the Article 34 of the Articles of Association of the Company.

The Chairman welcomed the Shareholders and requested President of the Company to introduce the directors, management team and auditors to the Meeting. The president introduced the following team to the shareholders:

- | | | |
|-----|----------------------------|---|
| 1. | Mr. P.M. Bajaj | President & Director |
| 2. | Mr. Vinai Sachdev | Director |
| 3. | Mrs. Rachani Kajiji | Director |
| 4. | Mr. P.K. Sipani | Senior Vice President, Finance & Commercial |
| 5. | Mr. R. G. Agrawal | Asst. Vice President, Process & Development |
| 6. | Mr. Mukesh Chandra Jain | Asst. Vice President, Commercial |
| 7. | Mr. Pramote Pattanamongkol | General Manager, HR & Administration |
| 8. | Mr. Wiruch Nitteranong | General Manager, Stores |
| 9. | Mr. Sittipongse Horlertham | General Manager, Production |
| and | | |
| 10. | Mrs. Mayuree Na Rangsilpa | Company Secretary |

The Chairman introduced Mr. Narong Puntawong, Auditor from Ernst & Young Co., Ltd. the Company's auditor, who attended the meeting to support the explanation on financial statement. Ms. Kamolrat Monthon, Volunteer of Shareholders' Rights Protection, as the representative from Thai Investors Association, attended the Meeting and evaluated the quality of the Meeting. In addition, there was Ms. Apassara Lee, legal advisor from Thai Audit the Truth Co., Ltd., who had the duty to inspect vote casting.

Before starting on the agenda, the Chairman explained the Meeting regarding voting procedure. In order to avoid the valuable time of the shareholders, in the event of vote casting being called and none of the shareholders voting for "Disapproval or Abstention", those agendas will be *mutatis mutandis* taken as approved by the shareholders.

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

- A Shareholder may cast a vote for 'Disapproval or Abstention' on each agenda on voting cards received when registered. 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', which is used for Shareholders living in abroad and authorized the custodian taking care of their shares, could divide the votes for casting.
- If there are Shareholders disagreed with any agenda, to raise their hands and the company's staff would collect the voting cards that already filled in for the vote counting.
- The Chairman will announce the score of the votes by specifying the number of votes, which are in favor of 'Disapproval or Abstention'.

After completing the above procedure, the Chairman declared the 15th Annual General Meeting opened and proceeded with the meeting according to the agenda.

Agenda 1 To approve the Minutes of Annual General Meeting No.14

The Chairman proposed the Meeting to consider and approve the Minutes of 14th Annual General Meeting of the shareholders held on January 30, 2007, copies of which had been distributed together with the Notice to all shareholders prior to this meeting. The Chairman invited shareholders to ask question or voice their observation. Shareholders raised some issues, which were summarized as under:

- **Agenda 6** – regarding the remuneration for USD 100,000 per annum paid to Mr. K.M. Birla, the Chairman of the Company. It was explained that this remuneration being paid to him is for certain services rendered by him to the company in his personal capacity and not remuneration as the Chairman of the Company. It was also clarified that, as per Article of Association - Clause No. 14, only those directors who attended the meeting, shall be entitled to get the meeting fee of Baht 25,000.- per meeting. Any other remuneration paid to a director, therefore, should be approved by the Shareholders' meeting.

As there was no other question, the Chairman requested the Meeting to approve the Minutes of 14th Annual General Meeting of the shareholders held on January 30, 2007.

After due consideration, the Meeting unanimously approved the minutes of the 14th Annual General Meeting of the shareholders of the Company held on January 30, 2007.

Agenda 2 To acknowledge the performance of the Company

The Chairman informed to the Meeting that the performance of the Company for the year 2007 has been described under the content "Directors' Report to the Shareholders" and "Major Changes and other events" in the annual report. On request of the Chairman, the President made the summarized report to the shareholders as under:

1. The Summary on the Company's Operating Result for the Year 2007

- VSF production was up by 19% to 94558 tons as the company commissioned Line no. 4 on 1st April 2007. Sodium Sulphate production also increased to 70,706 tons.
- Sales volume was higher by 16% and sales revenue by 18%, despite Thai Baht strengthened by 10%. Total sales revenue was Baht 7265 million. Domestic sales grew by 10.5% and Exports by 21%. The average selling price was higher by 12% in domestic market and 24% in exports. The total revenues for this year were at Baht 8,494 million, an increase of 37%.
- Equity in Net income was higher at Baht 947 million as against 619 million in previous year, reflecting better margins and improvement in sales revenues of associated companies.
- The overall net profit increased to Baht 2489 million as against Baht 1373 million in previous year, which comes from both operating activities and investments. The fiber price increase in export market and timely expansion volume helped in realizing the higher profits. The low priced raw materials inventories and pending purchase contracts greatly helped in improving the bottom line.
- However, the situation in current year has started changing. The raw material prices have gone up very high and the low priced raw material inventories and O/S contracts are no longer available in this year. The higher price of VSF has pushed buyers to find cheaper substitutes. The increased volume from expansions will also have impact on sales realizations.

2. Major strategic steps taken by the company:

- Timely completion of 4th Line expansion- in April 2007 is equipped to produce new generation 'Modal' fiber for high-end textile value chain. This specialty product will provide an edge to the product range of the company. Now the company has capacity to produce 110,000 tons of normal fiber in a year.
- Acquisition of 2nd Paper grade pulp mill in Canada in Nov., 2005 is being converted to produce dissolving grade wood pulp which will enable the company to source pulp supply for 5th production line at fair market price from 2nd quarter of this year.
- Acquisition of VSF plant in China is completed. The plant is doing well. There is a plan to install 2nd production line to reduce its fixed cost. This plant mainly market its product in China.
- The company and the group are moving forward on its futuristic project in Laos to grow eucalyptus plantations followed with a pulp plant in next 8 years from now. This facility will provide a low cost based pulp supply source from a nearby distance.
- The company has entered into a long term contract for the supply of caustic soda with Viny-Thai, a listed company on Stock exchange of Thailand, for four years, which meets 50% of the requirement.

The Chairman invited shareholders to ask question or voice their observation. The President later answered the shareholders' inquiries, which are summarized as under:

- The properties of Modal fibre as compared to normal fibre: (1) more stronger fibre when it is wet (2) when it is dyed, more colorful & brighter (4) products made from this fibre have better feeling. Overall the properties are better than normal fibre & it is used in high value fashion fabrics.
- Development of specialty fibre i.e. 'Viscose+' / 'Modal' and 'Excel'. For Viscose+ and Model, the company can produce. 'Excel' fibre has a very small demand in South East Asia market and therefore not economical to produce by the company.
- VSF price is on peak at right time when we have expanded with the 4th line, which is reflected directly to our operation performance.
- Pending purchase order of raw material at lower price helped the company greatly to bring down the cost of production.
- From December'07 onwards, the situation has started changing due to higher raw material price, Thai Baht appreciation & reduction in demand due to substitution effect.

As there were no further questions, the Chairman requested the Meeting to acknowledge and adopt the said report.

After due consideration, it was:

"RESOLVED UNANIMOUSLY that the performance of the Company for the year 2007 as described under the content "Directors' Report to the Shareholders" in Annual Report and circulated to the Shareholders be and the same are hereby adopted and approved."

Agenda 3 To approve the audited Balance Sheet and statement of Income for the year ended September 30, 2007.

The Chairman informed the Meeting that a copy of the audited Balance Sheet as at September 30, 2007 and Statement of Income for the year ended on that date as described under the content "Financial Statements" page no. 60 in the annual report has been circulated. The auditor expressed unqualified opinion that these financial statements present fairly in accordance with generally accepted accounting principles and the Audit Committee has informed the details on this matter in the Audit Committee's Report and the Board considered it to be correct, complete and adequate.

The Chairman invited shareholders to ask question or voiced their observation.

- There is no provision for obsolete inventory. After physical checking, Mr. Narong Puntawong, auditor explained that the possibility of such obsolete inventory value could be very low and the impact will be very small as gross margin is quite high.
- President informed that there might be some provision of obsolete inventory this year after completely scraping the line# 1, as some inventory of spare parts will no longer be used. The amount will be very minimal and shall be provided in this year.
- Export incentive is the benefit provided by the Ministry of Finance to help the exporter to realize the tax impact on input cost. At present, the company's export incentive rate is 1.88% of FOB export realization.

As there were no questions, the Chairman then requested the Meeting to consider and approve the same.

After due consideration, it was:

"RESOLVED UNANIMOUSLY that the audited Balance Sheet as at September 30, 2007 and the Statement of Income for the year ended on that date be and the same are hereby adopted and approved."

Agenda 4 To consider and approve the dividend payment

The Chairman informed the Meeting that the Company has a policy to pay dividend according to the cash profit generated after considering appropriately the requirement of funds for the business and investments. This year, the Company recorded net profit of Baht 2,489 Million, which included Baht 947 million 'Equity in net income' from the investments. Considering the cash generation and funds requirement for expansion and new investments in the upcoming year, the Board has recommended to pay dividend @ Baht 1.60 per share for the year 2007, amounting to Baht 322.56 Million. This dividend payment is fully exempted from corporate income tax under BOI's promotion certificate no. 1779(2)/2548. If approved, the dividend payment would be made on February 14, 2008.

The Chairman invited shareholders to ask question or voice their observation.

- What is the strategy to manage high liquidity of cash surplus position instead of paying dividend?

On request of the Chairman, the President explained to the shareholders that,

1. Projects in progress are as under:
 - 5th line VSF expansion shall be completed in March 2008 but the real production increase to come in from July 2008 after installing the equipment to produce back process, which are scheduled to be completed along with replacement of line no. 1.
 - Construction of new CS2 plant in Saraburi, using new gas based technology, will be completed by June 2008. This will help to replace the imported CS2 supply for 4th production line at much lower cost than the imported cost. The capital expenditure is still going on.
 - 1st VSF production line installed in 1976 is being replaced with better technology and equipment, which is to be completed by end Jul. 2008. This line will provide marginal production increase of 30 TPD.
2. Future projects are as under :
 - Despite having pulp supply from 2 pulp mills in Canada with buyback arrangement and long-term supply source from other suppliers, the company still needs more supplies of pulp for its expansion projects. Therefore, to sustain the profitable production growth, the company

faces a challenge to procure additional requirement of pulp through an acquisition of another pulp mill. This would entail a large capital investment in tune of USD 100 to 150 million.

- Total above projects & new investments will require about Baht 3700 million.
- Immediately after AGM, the company will pay dividend and corporate income tax totaling Baht 600 million.
- Due to expansion projects, the company needs more working capital of about Baht 600 million.

The shareholder suggested to pay stock dividend instead of cash dividend and also study its taxation aspect, which should be more beneficial to the shareholders. In last two year, as per suggestion of the shareholders, the company has already split par value from Baht 10 to Baht 1 that helped to increase the trading liquidity also.

The Chairman noted the shareholders' suggestions and asked the Company Secretary to propose to the next board meeting for discussion.

As there were no further questions, the Chairman requested the Meeting to consider and approve the agenda.

After due consideration, it was:

"RESOLVED UNANIMOUSLY that the dividend @Baht 1.60 per share for the year ended September 30, 2007 as recommended by the Board of Directors, is hereby approved. "

"RESOLVED further that the dividend amounting to Baht 322,560,000 (Baht: Three Hundred Twenty Two Million Five Hundred Sixty Thousand Only) be paid on February 14, 2008 from Un-appropriated Retained Earnings of the Company."

"RESOLVED further that Mr. P.M. Bajaj, President of the Company be and is hereby authorized to take all necessary steps to make the payment of the dividend."

Agenda 5: To consider the appointment of Directors in place of those who retire by rotation.

The Chairman informed the meeting that, as stipulated in the Company's Articles of Association Article no. 13, one third of the Board of Directors would be retiring by rotation at the Ordinary General Meeting of Shareholders but are eligible to be re-elected as directors. This year, there are four directors who are due to retire by rotation namely (1) Mrs. Rachani Kajiji (2) Mr. R.K. Rathi (3) Mrs. Neerja Birla and (4) Mr. K.M. Birla. The profiles and nomination procedure of the directors who retire by rotation have been disclosed in the annual report.

The Chairman invited shareholders to ask question or voice their observation.

- There are some of the non-residence directors who cannot attend the meeting. But they always give their valuable advises through other means like telephone, e-mail, video conference etc. It was informed that, It does not matter even if they are not able to present personally in the meeting as they are contributing otherwise. Some of the companies have higher numbers of directors with full attendance. The chairman informed that our directors have worked very hard to improve the performance of the company with very minimal amount of directors' fee as compared to other listed companies.

As there were no further questions, the Chairman proposed the Meeting to re-elect the above-mentioned directors individually to be the company's directors for another term.

After due consideration, it was unanimous :

"RESOLVED that (1) Mrs. Rachani Kajiji (2) Mr. R.K. Rathi (3) Mrs. Neerja Birla and (4) Mr. K.M. Birla as the directors of the Company for another term."

Agenda 6 To appoint the Auditors and fix their remuneration

The Chairman informed the meeting that in accordance with Article No. 36 of the Company's Articles of Association, the annual general meeting shall appoint the Company auditor and fix their remuneration.

After considering the qualifications, quality, efficiency of work and the remuneration of the auditors, the proposed auditors have competence and skill acceptable by the business and therefore the Board of Directors has proposed to the Meeting to appoint (1) Mr. Narong Puntawong, CPA No. 3315 or (2) Ms. Thipawan Nananuwat, CPA No. 3459 or (3) Ms. Siraporn Ouaanunkun, CPA No. 3844, to be the Company's auditor for the year ended 30 September 2008. The Board has also proposed the meeting to approve the remuneration for the year 2008 at Baht 1,000,000 (2007: Baht 981,067). All traveling expenses will be collected on actual. As regards relationship of the auditor and their office, they are neither advisor nor shareholders of the company

The Chairman invited shareholders to ask question or voice their observation.

As there were no questions, the Chairman then requested the Meeting to consider and approve the appointment of the auditors.

After due consideration, it was:

"RESOLVED UNANIMOUSLY that (1) Mr. Narong Puntawong, CPA No. 3315 or (2) Ms. Thipawan Nananuwat, CPA No. 3459 or (c) Ms. Siraporn Ouaanunkun, CPA No. 3844 of Ernst & Young Office Limited to be the auditor for another term. The audit fee was proposed at Baht 1,000,000 for the year 2008 and all traveling expenses will be paid on actual."

Agenda 7 To consider other business (if any)

The Chairman advised that this agenda was provided for the 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 therefore, no voting would be made.

The Chairman informed the meeting that the Company would prepare the Minutes of Annual General Meeting No. 15 for the year 2007 within 14 days from the date of meeting and will be posted in the company's website.

The Chairman then invited the shareholders to ask questions.

- Cost of pulp as compared to rayon selling price : in range of 55-60%.
- The status of 'Thai Polyphosphate & Chemicals Co., Ltd', is still in existence but due to entire fixed assets have been transferred to 'Aditya Birla Chemicals (Thailand) Co., Ltd. '; there is not much activity in the company. There is only some investment.
- Trend of rayon price in next 2 years- (1) It is the market condition, whenever rayon price is higher, the customers start using substitute fibre instead. Accordingly, the rayon price has to be adjusted to compete with substitute fibre like cotton, polyester, etc. (2) Due to Global Warming situation, the tendency for using natural or cellulosic fibre would be better than oil based fibres, which will help in increasing demand of VSF and consequently the price of rayon fibre is also better.

- **Competitive advantage when compared with other rayon producers. (1) Cost of production is lower, as compared to European producers and also with Chinese producer, as we are better in terms of quality, service and variety of products. (2) Group level common Marketing Team- with various offices in different parts of the world (Turkey, Brazil, USA, China etc) which help to get better relationship with customers, better service to them and able to get faster & accurate marketing information. (3) Controlling of complete value chain- Group has own raw materials viz. (a) Pulp –two pulp mills in Canada and project of Eucalyptus plantation at Laos. (b) Caustic Soda –investment in Aditya Birla Chemicals (Thailand) Co., Ltd. and long-term contract agreement with Viny-Thai Public Company Limited. (c) CS2 – existing production in Angthong and new plant at Saraburi will be completed by June'2008. (d) Expanded at same location, therefore, the fixed cost is much lower. (e) Under the umbrella of Aditya Birla Group, we have 5 spinning mills at multi locations (f) Common branding and promotion.**
- **Operation performance of the association companies. The average profitability is about 53% higher than previous year, especially Thai Carbon Black Public Company Limited & Aditya Birla Chemicals (Thailand) Co., Ltd. performed very well.**
- **When do we start to scrap line#1? Around middle of Mar'08, after completion of installation line# 5.**
- **How about performance of some major shareholders ? The company do not enquire about the operation performance of the major shareholders.**
- **There is not much impact on sub-prime crisis but it is affected indirectly in term of appreciation of Thai Baht, lower demand in USA, exchange impact as the increased production capacity will be exported in denomination of US Dollar.**
- **The board of directors cautioned the shareholders and brought to their attention the risk factors relating to environment and country risk of the customers. The company has set a team of CSR (corporate social responsibility) to take improve the build up the relationship with community nearby the factory and with various stakeholders.**
- **The date of company visit is fixed on Saturday 29th March 2008 for the shareholders whose name appeared in the registration book as on book-close date.**

The Chairman declared that the Meeting considered all agenda of this Meeting and after inquiring the Meeting, no Shareholder proposed other matter, or made any inquiry, or gave more recommendation. The Chairman paid gratitude to all Shareholders and informed the Shareholders that the Board of Directors, executives and employees of the Company, would perform their duties and responsibilities at their best for the benefit of all Shareholders and to the Company's growth.

The Chairman also added that the Company's performance has been conformed to the concepts of good corporate governance, which the Company would maintain it continuously. Besides producing strong financial benefits to its shareholders, it would be of great benefit to develop cordial relationship with all the stakeholders: employees, customers, suppliers and society as good Corporate Social Responsibility.

If the Shareholders have any inquiry, it could contact the company's website at all the time.

The Chairman declared the Meeting closed at 17.30 hours.

Mr. Vinai Sachdev
Chairman of the Meeting

Certified true copies by :

Mrs. Rachani Kajiji
Director

Mr. P.M. Bajaj
Director