

(Translation)

Minutes of the Annual General Meeting of Shareholders no. 16/2008

of

Thai Rayon Public Company Limited

Date of the Meeting: Friday 30th January 2009 at 15.00 hrs.
Venue of the Meeting: London Room (1st Floor), The Conrad Hotel, All Seasons Place, 87 Wireless Road, Bangkok 10330
Chairman: Mr. Vinai Sachdev – Independent Director / Member of Audit Committee
Attendants: At the Commencement of the Meeting, there were 47 shareholders attending in person and 18 shareholders attending by proxy, totaling 65 shareholders, representing 114,322,536 shares or equivalent to 56.71% of the issued & fully paid up Share Capital of the Company, thus, constituting a quorum as per law and Article 34 of the Articles of Association of the Company.
Some additional shareholders attended during the Meeting and accordingly final no. of shareholders became 80 person (57 in person and 23 by proxy), representing 119,931,276 shares or equivalent to 59.49% of the issued & fully paid up share capital of the Company.

The Chairman of the Meeting welcomed the shareholders and requested President of the Company to introduce the directors and management team to the Meeting as follows.

1.	Mr. P.M. Bajaj	President & Director
2.	Mr. Vinai Sachdev	Independent Director / Member of Audit Committee
3.	Mrs. Rachani Kajiji	Director
4.	Mr. Amolat Thakral	Director
5.	Mr. V.K. Kapoor	Joint President
6.	Mr. P.K. Sipani	Joint President (Finance & Commercial)
7.	Mr. N.K. Jain	Vice President (Production)
8.	Mr. R.G. Agrawal	Asst. Vice President (Process & Development)
9.	Mr. Wiruch Nitteranon	General Manager (CS ₂ Plant)
10.	Mr. Pramote Pattanamongkol	General Manager (HR & Administration)
11.	Mr. Sithipong Horlerttam	General Manager (Production)
12.	Mr. Pramod Khandelwal	Deputy General Manager (Finance & Commercial)
13.	Mr. Deepak Khandelwal	Assistant General Manager (Commercial)
14.	Mrs. Mayuree Na Rangsilpa	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. Mr. Weerayuth Rodpradit, Volunteer of Shareholders' Rights Protection, as the representative from Thai Investors Association, attended the Meeting and evaluated the quality of the Meeting. In addition, Ms. Nutteema Pongprasert, legal advisor from Thai Audit TheTruth Co.,Ltd., attended the meeting as observer.

Before starting discussions on agenda, the Chairman requested K.Mayuee - Company Secretary to inform the Meeting regarding the governing rules for conducting shareholders meeting and procedure of voting for agenda. 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 "Disapprove or Abstain", those agendas will be mutatis mutandis taken as approved by the shareholders.

If any shareholder is voting against, 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', which is used for Shareholders residing in abroad and authorized the custodian taking care of their shares, could divide the votes for casting.
- If there are shareholders 'Disapprove or Abstain' 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 'Disapprove or Abstain'.

The Chairman, then, commenced the Meeting and conducted the meeting as per agenda.

Agenda 1 To certify the Minutes of Annual General Meeting No.15/2007 held on January 28, 2008

The Chairman proposed the Meeting to certify the Minutes of Annual General Meeting of the shareholders no.15/2007, which was held on January 28, 2008; correctly reflecting the resolutions passed by the said Shareholders' Meeting and requested the Meeting to certify the said minutes of the Annual General Meeting of Shareholders no. 15/2007, 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, but no questions were raised.

The Meeting, then, passed a resolution to certify the minutes of the Annual General Meeting of Shareholders no.15/2007 by the majority voting as follows:

Approved	114,322,536	votes, equivalent to	100.00%
Disapproved	-	votes, equivalent to	0.00%
Abstained	-	votes, equivalent to	0.00%

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 2008 and to approve the audited balance sheet and the income statements for the year ended 30 September 2008

The Chairman informed the Meeting that the performance of the Company for the year 2008 has been described in the annual report under the content "Directors' Report to the Shareholders" on page 6, "Major Changes and other events" on page 11 and "Management Discussion and Analysis" on page 58.

The Chairman informed the Meeting that a copy of the balance sheet as at September 30, 2008 and income statements for the year ended on that date, audited by the auditors have been included under the content "Financial Statements" on page 66 has been corrected. Also, The Audit Committee report has been disclosed in page 56 of the Annual Report.

Based on The Chairman's request, the President summarized the Company's performance as under:

1. **The Summary on the Company's Operating Result for the year 2008**

- As explained in Management Discussion and Analysis on page 58 of annual report, VSF production was up by 9% to 103,197 tons. Sodium sulphate production increased by 14% to 80,672 tons.
- Total sales volume was higher by 9% and sales revenues increased by 22% despite appreciation of Thai Baht by 6%. Total sales revenue was Baht 8,873 Million against previous year revenue of Baht 7,265 Million. Domestic sales declined by 13% due to slow down in yarn export demand in some key markets. Export sales recorded impressive growth of 29% in volume and 40% in value. The average selling prices increased by 12% in all markets.

- Share of income from investment in associated companies increased to Baht 1,017 Million from previous year income of Baht 947 Million registering 7% increase on account of improved sales revenues and better profitability of some of the associated companies.
- However, the overall net profit reduced by 10% to Baht 2,233 Million as against Baht 2,489 Million recorded in previous year. The fibre prices peaked in first quarter of current financial year, which gradually declined in all subsequent quarters and even in current financial year. Impact of high oil and commodity prices led to cost spiral. Cost of goods sold per ton went by 26% over previous year leading to reduction in profitability despite increase in sales volumes and prices.
- Global financial & economic crisis leading to demand recession, over VSF capacity build up in China, sharp reduction in cotton and polyester fibre prices and reduced export demand of textile products have brought about extremely bearish situation in VSF industry bringing down significantly capacity utilization and wiping out profitability, despite reduction in raw material prices.

2. Major Strategic steps

- Launching of new generation 'Modal' fibre in major export markets should yield positive response from customers. Several production runs have led to quality optimization and improvement in product value. Modal fibre will contribute to export revenues in future.
- Completion of 5th line expansion project in September 2008. With this expansion, the Company's production capacity for viscose fibre has increased to 128,000 tons per year. The profit of this production line will be tax free for 3 years.
- Commissioning of gas based new technology 20,000 TPA carbon disulphide (CS₂) plant at Saraburi in August 2008 end. This plant would meet our captive requirement and export potential of CS₂.
- Conversion of paper grade pulp mill to rayon grade mill of our associated company - AV Nackavic Inc. in Canada has been completed recently. Pulp supply from this acquisition project is expected during the current financial year.
- Above projects are all of long term natures. Once global economic environment improves, these projects would strengthen our competitiveness and we shall be able to generate profits from these projects.

3. Projects in Progress

- Replacement and modernization of first production line installed in 1976 is under progress and expected to be completed by 2009 end. The modernized line would have a capacity of 36,500 tons per annum bringing an increase of 6,500 TPA.
- Modification of spinning section of line 2 is under progress and expected to be completed by March 2009. The modification is intended to create flexibility to produce Modal fibre on line 2 also.

4. Company's plans to sail through economic crisis

- The Company has proactively embarked on cost reduction initiatives. Sharp reduction in commodity prices is helping to reduce variable, fixed and logistic costs. Continued focus on cost reduction would be crucial to maintain competitiveness.
- Other than modernization of production lines for which most of the spending is already made, the Company has deferred most of the capital expenditure programs to conserve liquidity.
- Working capital and inventories are being reduced to improve liquidity position.
- Despite continuing effects of economic crisis, the Company continues to place emphasis and provide resources for its safety and environment management system, employee training and development, corporate social responsibility (CSR) programs. A strong emphasis is placed on product quality improvement and customer interaction.
- Despite these initiatives, the company does not expect quick turnaround in business situation as external economic factors continue to worsen. The current situation does not provide clear visibility of turn around time frame but in our view it could run one to two years.

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

- The higher amount of expenses incurred under Pension to Director & reimbursement of expenses compared to last year is mainly due to reimbursement of medical expenses on account of major sickness in a retired Executive Director's family member. This was a part of remuneration package duly approved by shareholders in earlier AGM.
- Loss of Baht 279.45 Million on account of diminution of value of raw materials is due to sharp fall in value of Sulphur as on Balance Sheet date. This was done in line with applicable accounting standards. Management's decision to purchase the Sulphur at that time was prudently taken considering various factors like unavailability from regular markets, increasing prices and increased requirement following expanded production capacity. The management expressed the inability of passing the higher cost of raw material to final price of finished goods due to extremely depressed market conditions. The Auditor also explained that the cost of raw materials purchased at that time was in line with prevailing market situations.
- Looking to the increase in production capacity (almost by 60%) & commencement of CS₂ plant at Saraburi, the increase in no of executives & their remuneration is reasonable and it is at par or on lower side compared to the similar Industries.
- Investments in AV Cell Inc. & AV Nackawic Inc. can not be classified as associate companies as per law since Thai Rayon's shareholding in these companies is less than 20%

During the conduct of this agenda, additional shareholders, representing 5,567,740 shares, started attending the Meeting. Thus, the total strength of the shareholders became 119,890,276 shares constituting 59.47% of issued & paid up share capital of the Company.

The Chairman invited the shareholders to ask further questions. No further questions being raised, the Chairman requested the Meeting to approve the agenda.

After due consideration, the Meeting then passed a resolution to acknowledge performance of the Company for the year 2008 and approved the audited Balance Sheet and the Income Statements for the year ended 30 September 2008 together with Directors' Report to the Shareholders by the majority voting as follows:

Approved	119,890,276	votes, equivalent to	100.00%
Disapproved	-	votes, equivalent to	0.00%
Abstained	-	votes, equivalent to	0.00%

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 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 2,233 Million compared to Baht 2,489 Million last year, a decrease of 10.3%. 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 1.30 per share for the year 2008, amounting to Baht 262.08 Million or 20% 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 February 25, 2009.

During the conduct of this agenda, additional shareholders, representing 41,000 shares, started attending the Meeting. Thus, the total strength of the shareholders became 119,931,276 shares constituting 59.49% of issued & paid up share capital of the Company.

The Chairman invited the shareholders to ask questions but no questions were raised.

After due consideration the Meeting then passed a resolution to approve the dividend payment of Baht 1.30 per share for the year 2008, amounting to Baht 262.08 Million as recommended by the Board with the payment date as February 25, 2009 and further approved Mr. P.M. Bajaj, President of the Company, as authorized person to take all necessary steps to arrange the dividend payment by the majority voting as follows:

Approved	119,931,276	votes, equivalent to	100.00%
Disapproved	-	votes, equivalent to	0.00%
Abstained	-	votes, equivalent to	0.00%

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 No. 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. S.S. Mahansaria (2) Mr. Vinai Sachdev and (3) Mr. P.M. Bajaj. These directors are knowledgeable, competent 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 39.

The Chairman invited the shareholders to ask questions but no questions were raised. The Chairman, then, requested the Meeting to consider and approve the nomination of each director as follows:

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. S.S. Mahansaria Independent Director

Approved	119,931,276	votes, equivalent to	100.00%
Disapproved	-	votes, equivalent to	0.00%
Abstained	-	votes, equivalent to	0.00%

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

2. Mr. Vinai Sachdev Independent Director

Approved	119,931,276	votes, equivalent to	100.00%
Disapproved	-	votes, equivalent to	0.00%
Abstained	-	votes, equivalent to	0.00%

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

3. Mr. P.M. Bajaj Director

Approved	119,931,276	votes, equivalent to	100.00%
Disapproved	-	votes, equivalent to	0.00%
Abstained	-	votes, equivalent to	0.00%

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

Agenda 5 To consider the appointment of the audit committee and fix their remuneration

The Chairman informed the meeting that the tenure of the Audit Committee is expiring on 30 January 2009. The Committee has been able to help the Board in studying the matters of importance, provide valuable inputs to the management, to review financial statements and internal control of the Company as well as compliance with the regulation of the Stock Exchange of Thailand. The profiles of the Audit Committee have been disclosed in the annual report on page 39.

The Chairman invited the shareholders to ask questions but no questions were raised. The Chairman, then, requested the Meeting to consider and approve the nomination of each member of the audit committee along with a remuneration amount of Baht 10,000 per member for each attended meeting.

After due consideration, the Meeting passed a resolution to approve the election the 3 audit committees to be a member of audit committee for another term of 3 years by the majority voting as follows:

1. Mr. S.S. Mahansaria Chairman of Audit Committee

Approved	119,931,276	votes, equivalent to	100.00%
Disapproved	-	votes, equivalent to	0.00%
Abstained	-	votes, equivalent to	0.00%

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

2. Mr. Vinai Sachdev Member of Audit Committee
- | | | | |
|-------------|-------------|----------------------|---------|
| Approved | 119,931,276 | votes, equivalent to | 100.00% |
| Disapproved | - | votes, equivalent to | 0.00% |
| Abstained | - | votes, equivalent to | 0.00% |
- of the total votes of shareholders attending the Meeting and entitled to vote.
3. Mr. Ramakant Rathi Member of Audit Committee
- | | | | |
|-------------|-------------|----------------------|---------|
| Approved | 119,931,276 | votes, equivalent to | 100.00% |
| Disapproved | - | votes, equivalent to | 0.00% |
| Abstained | - | votes, equivalent to | 0.00% |
- 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 No. 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 elected the auditors from Ernst & Young Office Limited while considering the qualification, competency, skill and remuneration of the auditors.

The Board proposed the Meeting to appoint the auditors for the accounting year ended 30 September 2009 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 2009 for another term as recommended by the Audit Committee based on rules, scope of audit, qualification of auditor, auditor's remuneration and their competency & skill. The Board also proposed the meeting to approve the remuneration of the auditor for the year 2009 at Baht 1,000,000.- (2008: Baht 1,000,000.-) plus out of pocket expenses.

As regards relationship of the auditor and their office, they are neither advisor nor shareholders of the Company.

The Chairman invited the shareholders to ask questions. On enquiry from a shareholder, Auditor informed the meeting that out of three proposed Auditors two will act as first time Auditor whereas Mr. Narong Puntawong appointment is second one as Auditor of the Company. No further questions were raised. The chairman, then, requested the meeting to approve the appointment & remuneration of auditor.

After due consideration, the Meeting passed a resolution to approve the appointment of auditors for the accounting year ended 30 September 2009 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 2009 for another term and also approved their remuneration for the year 2009 at Baht 1,000,000.- (2008: Baht 1,000,000.-) plus out of pocket expenses.

- | | | | |
|-------------|-------------|----------------------|---------|
| Approved | 119,931,276 | votes, equivalent to | 100.00% |
| Disapproved | - | votes, equivalent to | 0.00% |
| Abstained | - | votes, equivalent to | 0.00% |
- 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 informed the Meeting that the Minutes of Annual General Meeting of Shareholders No.16/2008 will be posted in SET's website and the Company's website within 13 February 2008. The shareholders can visit our website at www.thairayon.com.

The Chairman then invited the shareholders to ask questions. The President's answers to various questions and/or observation of shareholders are summarized as follows:.

- Operations of Birla Jingwei Fibres Co.,Ltd., an associate Company is passing through a difficult time right now as overall world economic conditions in general and textile value chain in particular are not good. Capacity utilization of company is also on lower side at this moment.
- The Company does not have any plan to buy back shares as liquidity of shares in the market is quite low. Besides, the Company does not see any major economic benefit on buy back of shares.
- The Company does not have any plan to acquire any business although there are some good opportunities available at this moment since the Company would like to preserve the cash to sail through the present difficult conditions and to meet various financial commitments like dividend and ongoing capital expenditures.
- Enquiry on cash flow related to Plant & Machineries raised was duly clarified as the amount was spent on CS₂ plant at Saraburi & Line no. 5 also. The Company does not have any further plan to spend money on expansion except those which are already in process.
- Reason for lower 'other income' was explained in page 59 of the Annual Report.
- As the shareholding is less than 20% in Alexandria Fiber Company S.A.E. hence it is not possible to incorporate the loss or profit from investments in that company into the Company's Financial Statements. However, the Guarantees given by the Company will still continue, even after reduction of shareholding from 29% to 14.4%, as the same will be released on meeting certain conditions by Alexandria Fiber Company S.A.E. to the lenders.
- Sales of Modal fiber was lower than forecast for last year but this has started picking in current year. However again it depends upon over all marketing conditions in the world to improve the demand on sustainable basis.
- The President also observed further as under :-
 - In current year the Company is expected to be badly affected due to very low demand for VSF along with lower realization due to world wide recession. Recovery of complete value chain of Textile may take at least another one year or so.
 - Export is down by almost 38% in the 1st Quarter of current year from the average exports of last year including lower demand in domestic market. This has resulted in lower capacity utilization of less than 50% in the 1st quarter of current financial year.
 - Anti dumping investigation process is on from Brazil against exports of VSF from Thailand.
 - As a part of CSR activities, the Company has installed 28 water filter systems to provide drinking water to the villagers of Angthong and recently provided a kid's Library to the children of Angthong in addition to various small projects for the welfare of people surrounding factory.
 - The company has not yet terminated and/or laid off any people as of now in spite of lower production but from 1st February plan to reduce the working days from 6-day to 5-day in order to face the present difficult situation in a better way.
 - The inventory level of raw materials are expected to be at normal level except for Pulp which the Company has to continue buying keeping overall larger interest of the Company.
- The date of the Company visit is fixed for 28th March 2009 for shareholders 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 after inquiring no shareholder raised any further issue. The Chairman then 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 for the Company's growth.

The Chairman declared the Meeting closed at 17.15 hrs.

Signed.....Chairman of the Meeting
(Mr. Vinai Sachdev)