

Minutes of the Annual General Meeting of Shareholders no. 21 of Thai Rayon Public Company Limited

Date of the Meeting:	Thursday, 25 th July 2013
Venue of the Meeting:	Ruamruedee Ballroom, 9 th Floor, Novotel Bangkok Ploenchit Hotel, 566 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
Chairman:	Mr. Vinai Sachdev – Independent Director / Member of Audit Committee
Secretary to the Meeting:	Mrs. Suwanna Chalermwat, Company Secretary
The Meeting started:	15.00 hrs.
Attendants:	At the commencement of the Meeting, there were 64 shareholders attending in person and 63 shareholders attending by proxy, totaling 127 shareholders representing 150,134,313 shares equivalent to 74.47% of the issued and paid-up capital. Additional shareholders representing 5,652,282 shares attended after the commencement of meeting. Thus the total numbers of shareholders attending in person were 70 shareholders and attending by proxy were 73 shareholders, totaling 143 representing 155,786,595 shares equivalent to 77.28% of issued and paid up capital of the Company.

The quorum was 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. Mr. Nirmal Kumar Dalan, Independent Director and Audit Committee Member of the Company proposed the name of Mr. Vinai Sachdev as the Chairman of the Meeting.

Before starting the Meeting, the Chairman informed the meeting that the management is deeply grieved to inform all of you of the demise of Mrs. Rachani Kajiji (72 years old) on 19th May 2013, after a brief illness. She was a Director of Company since year 2000. Our heartfelt condolences go to her family members. We record our sincere appreciation of her valuable guidance to the Board and your Company during her tenure.

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

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| 1. Mr. Vinai Sachdev | Independent Director / Member of Audit Committee |
| 2. Mr. Shyam Sundar Mahansaria | Independent Director / Chairman of Audit Committee |
| 3. Mr. Nirmal Kumar Dalan | Independent Director / Member of Audit Committee |
| 4. Mr. Hari Krishna Agarwal | Director |

The Chairman then introduced Mr. H.K. Agarwal as Group Executive President of the Company. Mr. H.K. Agarwal introduced management team to the Meeting as follows:

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| 1. Mr. Prasan Kumar Sipani | Joint President (Works) |
| 2. Mr. Ram Gopal Agrawal | Vice President (Technical) |
| 3. Mr. Panithan Sriyang | General Manager (Human Resources) |
| 4. Mr. Pramod Khandelwal | General Manager (Finance & Commercial) |
| 5. Mr. Deepak Khandelwal | Deputy General Manager (Commercial) |
| 6. Ms. Pranorm Tragooltip | Deputy Manager (Accounts) |
| 7. Mrs. Suwanna Chalermwat | Company Secretary |

The Chairman introduced Mr. Termphong Opanaphan and Mr. Vanus Sinpornchai, auditors of the Company from Ernst & Young Office Limited, who attended the meeting to provide clarifications on financial statements if any and introduced Ms. Soontrapond Jittawattanarat as Independent Lawyer, who attended the meeting as observer.

Before starting discussions on agenda, the Secretary to the Meeting informed the rules for conducting shareholders meeting along with the procedures of voting and counting for each 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:

1. Prior to the voting of any agenda, the Chairman will invite shareholders to ask questions.
2. The voting of each agenda shall be made openly.
3. A shareholder may cast a vote for "Disapprove" or "Abstain" on each agenda on voting cards received when registered. The voting is counted as 'one share one vote'.
4. If there are shareholders who "Disapprove" or "Abstain" on any agenda, then they should raise their hands for the Company's staff to collect the filled voting cards for vote counting.
5. The Chairman will announce the scores of the votes by specifying the number of votes, which are in favor of "Approve, Disapprove or Abstain".
6. If the shareholder or proxy proposes to give any suggestion or ask question, then they can raise hands and give their suggestions or ask the questions after informing their identity.

After shareholders acknowledged the procedure of vote casting, vote counting and announcement of vote results as described above, the Chairman commenced the Meeting and conducted the following business agenda:

Agenda 1 To approve the Minutes of Annual General Meeting No.20 held on 25th July 2012

The Chairman requested the Meeting to approve the minutes of the Annual General Meeting of Shareholders no.20 held on 25th July 2012 as disclosed on pages 10-27 of the notice of the meeting which had been sent to the shareholders together with the notice of this meeting as per the *Enclosure No. 1*.

The Chairman invited the shareholders to ask questions or raise their observations. The issues or observations made by some shareholders are summarized as below:

1. Mr. Basant Dugar, a shareholder suggested that the minutes of the Annual General Meeting should be sent to all shareholders within 14 days from the date of meeting.
 - The Chairman explained that the minutes of AGM will be sent to the SET within 14 days after AGM date under the regulation of the SET and copy of the same will be posted on the Company's website.
2. Mr. Suebsak Piphopmongkol, a shareholder suggested that the minutes of AGM should mention shareholder's name raising a question or making an observation, suggestion or comment in the meeting.
 - The Chairman informed the meeting that Board will make efforts to improve further.

The Chairman invited the shareholders for further questions or observations. No question being raised.

After due consideration, the Meeting then passed a resolution to approve the Minutes of the Annual General Meeting of Shareholders no. 20 held on 25th July 2012 by the majority voting as follows:

Approved	155,785,794	votes,	equivalent to	99.9999%
Disapproved	100	votes,	equivalent to	0.0001%
Abstain	-	votes,	equivalent to	-

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 ended 31st March 2013

The Chairman informed the Meeting that the performance of the Company for the year ended 31st March 2013 had appeared in the section "Directors' Report to the Shareholders" on page 6-11 and other sections in the Annual report which had been sent to the shareholders together with the notice of this meeting as per the *Enclosure No.2*.

The Chairman invited Mr. Prasan Sipani to explain the business performance and financial highlights of the Company for the year ended 31st March 2013 to the Meeting.

Mr. Prasan Sipani explained to the Meeting on the overall business performance and summarized financial highlights for the year ended 31st March 2013 through presentation as under :

Summary of the key performance for the year ended 31st March 2013

1. The Company's consolidated total revenues were Baht 12,083 Million against same period of previous year of Baht 11,312 Million, an increase of 107% from previous period.
2. The Viscose Staple Fibre (VSF) production for the year ended 31st March 2013 was 134,210 tons, 2% higher compared to the same period of previous year.
3. The total VSF sales volume was 135,026 tons, an increase of 2%.
4. The Company has recorded consolidated net loss for the year ended 31st March 2013 of Baht 21 Million compared to net profit of Baht 1,320 Million during the same period of last year, a decrease of Baht 1,340 Million or 102%. The loss was incurred compared to last year mainly due to lower selling prices of fiber (Baht 1,533 Million), loss from subsidiary (Baht 507 Million) and a reduction in equity income (Baht 554 Million).
5. The share of loss from investment in associated companies under equity method amounted to Baht 114 Million compared to profit of Baht 440 Million in the same period of last year, a decrease of 126% or Baht 554 Million due to lower profits of the most of associated companies because of unfavorable economic and market conditions.
6. Corporate income tax decreased 35% or Baht 64 Million due to lower profits and reduced corporate income tax rate.

The presentation also covered the global VSF capacity vs VSF production trend including China's dominance in VSF business, the Company's concern on its higher energy cost compared to other producers, key financial highlights of subsidiary, AV Terrace Bay Inc. and CSR activities being taken by the Company.

The Chairman invited shareholders to ask questions or voice their observations. The issues or observations made by some shareholders are summarized as below:

1. Mr. Riithichai Yipcharoenporn, a shareholder asked the questions or clarifications about
 - Expected time frame to improve operations of subsidiary.
 - Reason of loss in subsidiary.
 - Impact of increased capacity and dominance of China in VSF and it's impact on the Company's profitability and selling prices.
 - The Company's strategy to face challenges from competition.

2. Mr. Basant Dugar, a shareholder ask the question that why did the Company invest in subsidiary? How much time subsidiary will take to change from paper grade to pulp grade mill?
3. Mr. Suebsak Piphopmongkol, a shareholder enquired whether the Company has postponed or stopped the operations and investment in subsidiary?
4. Mr. Tara Cholpranee, a shareholder asked the question relating to the global VSF production and capacity trend.
5. Mr. Sakchai Sakulsrimontri, a shareholder suggested that agenda 2 is only to acknowledge performance of the Company and not voting.
 - Management explained that the loss in subsidiary company is mainly due to lower sales volume and realizations due to poor market conditions and higher cost of production due to the initial stabilization phase. Subsidiary company will take at approximately 3 years time to convert to dissolving grade pulp. Its operations are expected to improve once the market conditions are favorable. There is no plan for stoppage of operations and investment in Subsidiary. It was further explained that the gap between VSF capacity and actual production/demand is expected to remain for few more years due to rapid increase in VSF production capacity in China which is almost 65% of the total world's VSF production capacity. The Company is making continuous efforts to improve its competitiveness by improving operations and product quality.

As no further questions or observations were made, the Chairman, then, requested the Meeting to acknowledge the performance of the Company for the year ended 31st March 2013.

After due consideration, the Meeting then passed a resolution to acknowledge performance of the Company for the year ended 31st March 2013 by the majority voting as follows:

Acknowledged	155,786,495	votes,	equivalent to	99.9999%
Dis-acknowledged	100	votes,	equivalent to	0.0001%
Abstain	-	votes,	equivalent to	-

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

Agenda 3 To approve the audited consolidated balance sheet as on 31st March 2013 and the consolidated statements of income for the year ended 31st March 2013

The Chairman informed the Meeting that the Company had prepared the audited consolidated balance sheet and the consolidated statements of income for the year ended 31st March 2013 appearing on pages 98-175 of the Annual Report, which the Board and the Audit Committee have considered to be prepared as per the generally accepted accounting principles. The Audit Committee had reported on this matter in "Report of the Audit Committee" on page 84-85 in the Annual report which had been sent to the shareholders together with the notice of this meeting as per the *Enclosure No.2*. The details had been explained in agenda 2.

The Chairman invited shareholders to ask questions or voice their observations. The issues or observations made by some shareholders are summarized as below:

1. Mr. Sakchai Sakulsrimontri, a shareholder asked and enquired about :-
 - Purpose of short-term loan taken by subsidiary. (page 154-155 of Annual Report)
 - Government Grant (page 96-97 of Annual Report)
 - Reason of reduction in cash and cash equivalents. (page 98-99 of Annual Report)
 - Consequences of cancellation of Pulp Purchase Agreement. (page 166-167 of Annual Report)
 - Foreign exchange gain or loss in comparison to last year
 - Impact of exchange gain or loss on loan taken by Subsidiary

2. Mr. Tara Cholpranee, a shareholder asked clarifications on figures relating to fixed assets shown in cash flow statement and in Balance sheet (page 112-113 of Annual Report)
- Management explained that the short term loan taken by subsidiary is for working capital requirements and the Government grant is received by subsidiary and the accounting of the same has been done as per the accounting standard. Reduction in cash and cash equivalents (together with current investments) is mainly due to investment in subsidiary AV Terrace Bay Inc. of Baht 840 Million and further investments of Baht 474 Million as equity in Birla Jingwei Fibres Co.,Ltd. and Baht 63 Million as equity in Birla Lao Pulp & Plantations Ltd. The gain on foreign exchange during the year is Baht 208 Million as compared to gain of Baht 93 Million in previous year. The loan taken by subsidiary is in Canadian Dollar. As the accounts of subsidiary are also prepared in Canadian dollar hence there is no exchange gain or loss on loan. Cancellation of the Pulp purchase agreement is not a good option considering long term business benefits of securing key raw-material at competitive price on sustainable basis. The difference in figures of fixed assets between cash flow statement and Balance Sheet is due to impact of Government Grant and subsidy in interest on loan to subsidiary company (as disclosed in page 152-153 of the Annual report).

As no further questions or observations were made, the Chairman, then, requested the Meeting to approve the audited consolidated balance sheet as on 31st March 2013 and the consolidated statements of income for the year ended 31st March 2013.

After due consideration, the Meeting then passed a resolution to approve the audited consolidated balance sheet as on 31st March 2013 and the consolidated statements of income for the year ended 31st March 2013 by the majority voting as follows:

Approved	155,786,495	votes,	equivalent to	99.9999%
Disapproved	100	votes,	equivalent to	0.0001%
Abstain	-	votes,	equivalent to	-

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

Agenda 4 To consider and approve the dividend payment

The Chairman informed the Meeting that the Company's dividend payment policy is to distribute dividend of 20-35% of the net income based on separate financial statements, after making necessary provisions for reserves as may be required by the applicable laws and considering requirement of funds for future business plans as deemed appropriate by the Board of Directors of the Company.

For the year ended 31st March 2013, the Company recorded net loss of Baht 21 Million compared to net profit of Baht 258 Million for six months period ended 31st March 2012. The Board has recommended to pay a dividend of Baht 1.17 per share for the year ended 31st March 2013, amounting to Baht 235.87 Million. The dividend payment will be made on 16th August 2013 from un-appropriated retained earnings of the Company.

The Chairman invited the shareholders to ask questions or raise their observations. The issues or observations made by some shareholders are summarized as below:

1. Mr. Chawaphong Vasuthaoithak, a shareholder asked the question that why the Company is paying dividend while there is a net loss on consolidated basis?
 - Management explained that proposed dividend is as per the policy i.e. to distribute dividend based on the net income as per separate financials. The Company made a profit of Baht 674 million as per separate financials.

2. Mr. Basant Dugar, a shareholder suggested that the tax rate should be suitably disclosed.
3. Mr. Tara Cholpranee, a shareholder suggested that the considering the Company's net loss on consolidated basis the option of stock dividend should be considered.
 - The Chairman clarified that corporate income tax rate of the Company was 23% and acknowledged and promised to look into the suggestions.

As no further questions or observations were made, the Chairman, then, requested the Meeting to approve the dividend payment for the year ended 31st March 2013.

After due consideration, the Meeting passed a resolution to approve the dividend payment of Baht 1.17 per share for the year ended 31st March 2013, amounting to Baht 235.87 Million. The dividend payment will be made on 16th August 2013 from un-appropriated retained earnings of the Company 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	155,786,595	votes, equivalent to	100.00%
Disapproved	-	votes, equivalent to	-
Abstain	-	votes, equivalent to	-

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

Agenda 5 To consider and approve the appointment of Directors in place of those who retire by rotation and appointment of new director

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 are three (3) Directors who shall retire by rotation, namely (1) Mr. Kumar Mangalam Birla, Director (2) Mrs. Rajashree Birla, Director and (3) Mrs. Rachani Kajiji, Director who passed away on 19th May 2013.

The Company does not have Nomination Committee. However, the process of nomination is based on the knowledge and experiences of directors. The criteria and process for nomination of director had been disclosed as per the *Enclosure no.6*.

The Board of Directors has considered that it should be proposed to the shareholders' meeting to approve the appointment of two directors namely (1) Mr. Kumar Mangalam Birla and (2) Mrs. Rajashree Birla in place of those who retire by the rotation as directors of the Company for another term because their experience and knowledge are highly beneficial for the continued success of the Company. The profiles of the directors who retire by rotation had been disclosed as per the *Enclosure no.3*.

The Board of Director in its meeting dated 27th May 2013 discussed the appointment of new director in place of Mrs. Rachani Kajiji who passed away on 19th May 2013. The Board could not find a suitable and qualified person to fill this vacancy due to time constraints. However, the Board agreed to propose the above re-appointment and appointment of new director, if any to the next AGM for approval by shareholders.

The Chairman invited the shareholders to ask questions or raise their observations. Shareholders raised some issues which were summarized as follows:

1. Mr. Basant Dugar, a shareholder suggested that the Company should put the photos in the directors' profile of the proposed persons to be elected as Directors.
2. Mr. Tara Cholpranee, a shareholder suggested that the disclosure on the remunerations of each director should be suitably disclosed in Notice in case approval is sought in AGM for directors' remuneration.
 - The Chairman acknowledged and promised to look in to the suggestions.

As no further questions or observations were made, the Chairman, then, requested the Meeting to approve the appointment of each director.

After due consideration, the Meeting then passed a resolution to approve re-election of two retiring directors to be director for another term of 3 years and also approved the meeting allowance of directors as per the Company's Articles at Baht 25,000.- per attended meeting by the majority voting as follows:

1.	Mr. Kumar Mangalam Birla	Director		
	Approved	152,303,795	votes, equivalent to	97.7644%
	Disapproved	3,482,800	votes, equivalent to	2.2356%
	Abstain	-	votes, equivalent to	-
	of the total votes of shareholders attending the Meeting and entitled to vote.			
2.	Mrs. Rajashree Birla	Director		
	Approved	152,303,795	votes, equivalent to	97.7644%
	Disapproved	3,482,800	votes, equivalent to	2.2356%
	Abstain	-	votes, equivalent to	-
	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 proposed the Meeting to appoint the auditors namely, (1) Mr. Termphong Opanaphan, CPA No. 4501 (as the Company's auditor since year 2012) and/or (2) Ms. Thipawan Nananuwat, CPA No. 3459 and/or (3) Ms. Siraporn Ouaanunkun, CPA No. 3844, from Ernst & Young Office Limited to be the Company's auditor for the year ending 31st March 2014 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 ending 31st March 2014 at Baht 1,100,000.- (for the year ended 31st March 2013: Baht 1,100,000.-), 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 the shareholders to ask questions or raise their observations. Mr. Sakchai Sakulrimontri, a shareholder enquired about the amount of other expenses reimbursed to auditors.

- Management explained that the amount of other expenses of auditor is approximately Baht 58,000.- which is towards the reimbursement of travelling and administrative expenses.

As no further questions or observations were made, the Chairman, then, requested the Meeting to approve the appointment of the Company's auditors and fix their remuneration for the year ending 31st March 2014 at Baht 1,100,000.- (for the year ended 31st March 2013: Baht 1,100,000.-), excluding out of pocket expenses.

After due consideration, the Meeting passed a resolution to approve the appointment of the Company's auditors namely, (1) Mr. Termphong Opanaphan, CPA No. 4501 and/or (2) Ms. Thipawan Nananuwat, CPA No. 3459 and/or (3) Ms. Siraporn Ouaanunkun, CPA No. 3844, from Ernst & Young Office Limited to be the Company's auditor for the year ending 31st March 2014 and also approved their remuneration for the year ending 31st March 2014 at Baht 1,100,000.-, excluding out of pocket expenses by the majority voting as follows:

Approved	155,786,495	votes,	equivalent to	99.9999%
Disapproved	100	votes,	equivalent to	0.0001-%
Abstain	-	votes,	equivalent to	-

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 matters would be proposed for consideration and approval; therefore, no voting would be made.

The Chairman invited the shareholders to ask questions or raise their observations. The issues or observations made by some shareholders are summarized as below:

1. Mr. Sakchai Sakulsrimontri, a shareholder asked about the current status of green zone in Anghong and smell pollution around factory.
 - Management explained that your Company is complying with environmental norms as prescribed by the regulatory authorities. The Company is also making additional efforts on continuous basis in close co-ordination with surrounding communities and local authorities for better environment around factory area.
2. A shareholder suggested the Company should disclose the pictures or VDO of affiliates and subsidiary.
3. Mr. Suebsak Piphopmongkol, a shareholder suggested that shareholders who need more information or details from the Company should contact directly to the management with questions in order to have better utilization of valuable time of other shareholders present in the meeting.

The Chairman invited the shareholders to ask questions or raise their observations. No question being raised.

The Chairman informed the Meeting that the minutes of the Annual General Meeting of Shareholders No.21 will be submitted to the SET and would also be posted on the Company's website within 14 days after the date of AGM. The shareholders could visit our website at www.thairayon.com.

The Chairman declared that the Meeting considered all agenda of the Meeting and 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 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 18.25 hrs.

Signed.....Chairman of the Meeting
(Vinai Sachdev)
Independent Director / Member of Audit Committee