

## Minutes of the Annual General Meeting of Shareholders no. 22 of Thai Rayon Public Company Limited

**Date of the Meeting:** Friday, 25 July 2014

**Venue of the Meeting:** Ruamruedee Ballroom, 9<sup>th</sup> 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 54 shareholders attending in person and 94 shareholders attending by proxy, totaling 148 shareholders representing 170,512,001 shares equivalent to 84.58% of the issued and paid-up capital. Additional shareholders representing 73,836 shares attended after the commencement of meeting. Thus the total numbers of shareholders attending in person were 72 shareholders and attending by proxy were 100 shareholders, totaling 172 representing 170,585,837 shares equivalent to 84.62% 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.

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. 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. Prasan Sipani as the President of the Company. Mr. Prasan Sipani introduced management team to the Meeting as follows:

- |                                    |   |
|------------------------------------|---|
| 1. Mr. Prasan Sipani               | President                                       |
| 2. Mr. Ram Gopal Agrawal           | Senior Vice President (Technical)               |
| 3. Mr. Sanjiv Kumar Kaul           | Vice President (Engineering)                    |
| 4. Mr. Pramod Khandelwal           | Assistant Vice President (Finance & Commercial) |
| 5. Mr. Panithan Sriyang            | General Manager (HR Management)                 |
| 6. Mr. Kumaresh Malli Vivekanandan | Manager (Marketing)                             |
| 7. Mrs. Suwanna Chalermwat         | Company Secretary                               |

The Chairman introduced Mr. Termphong Opanaphan and Mr. Methasit Kornvatcharaviroj, auditors of the Company from EY Office Limited, who attended the meeting to provide clarifications on financial statements and Ms. Piyarat Khunchit, Volunteer of Shareholders' Rights Protection, as the representative from Thai Investors Association, attending the meeting to evaluate the quality of the meeting. In addition, the Chairman introduced Mr. Chalermphol Singharattana as Independent Lawyer, who attended the meeting as observer.

Before starting discussions on agenda, the Secretary 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.21 held on 25 July 2013**

The Chairman requested the Meeting to approve the minutes of the Annual General Meeting of Shareholders no.21 held on 25 July 2013 as disclosed on pages 10-25 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:

- Shareholder suggested that instead of mentioning "a shareholder" the minutes of the meeting should mention "shareholder" only. Another shareholder, Mr. Basant Dugar, 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.

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. 21 held on 25 July 2013 by the unanimous voting as follows:

Approved	170,519,604	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 2 To acknowledge the performance of the Company for the year ended 31 March 2014**

The Chairman informed the Meeting that the performance of the Company for the year ended 31 March 2014 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 31 March 2014 to the Meeting.

Mr. Prasan Sipani explained to the meeting on the overall business performance and summarized financial highlights for the year ended 31 March 2014 through presentation as under:

#### **Summary of the key performance for the year ended 31 March 2014**

1. The Viscose Staple Fibre (VSF) production for the year ended 31 March 2014 was 78,939 tons, decreased by 41% compared to 134,210 tons of last year due to plant shutdown during strike period.
2. The total VSF sales volume was 78,580 tons, decreased by 42%. compared to 135,026 tons of last year. Export sales were decreased by 44% from 112,197 tons to 62,542 tons where as domestic sales also decreased by 30%, from 22,829 tons to 16,038 tons due to plant shut down during strike period.
3. The Company's total revenues were Baht 5,406 Million compared to previous year of Baht 10,165 Million, decreased by 47% due to plant shutdown during strike period.
4. Cost of goods sold decreased by 41% due to lower sales and production due to plant shut down during strike period.
5. Selling, administrative and other expenses were decreased by 18% due to lower sales.
6. The Company recorded Baht 240 Million as expenses towards unallocated production overhead cost incurred during plant shutdown.
7. The Company recorded impairment loss on investment in Alexandria Fiber Co.,S.A.E. (AFCO) of Baht 197 Million (74% of net worth) during the year.
8. The Company's net profit (loss) after tax was Baht (570) Million, decreased by 190% due to decrease in sales volume by 42% due to plant shut down during strike period and lower selling price by 14 %.
9. As per consolidated financial statements, share of profit from investment in associates was Baht 215 Million as compared to Baht 24 Million mainly due to better performance of some of associates. However overall, there is net loss of Baht (967) Million compared to net profit of Baht 75 Million in previous year, a decreased of 1,386% is mainly due to losses from subsidiary AVTB of Baht (611) Million, lower VSF sales and VSF sales realizations.
10. Subsidiary, AV Terrace Bay Inc. (AVTB) has first year of full operations.

Mr. Prasan Sipani also highlighted the key challenges/issues for the Company as follows:

- Margins likely to remain under pressure in near term due to overcapacity in China and China's Cotton policy
- Small and shrinking domestic market.
- Limitations in future expansion due to space unavailability.
- Higher energy cost due to rising prices of electricity.
- Higher manpower cost.
- Higher input prices mainly in CS<sub>2</sub> and Caustic soda

He also explained the initiatives for improvement in performance of the Company as follows:

- Better cost management by increasing steam availability from lower cost sources, improvement of consumption ratios and productivity and cost saving in procurement and other areas.
- Environment improvement through CS<sub>2</sub> recovery scheme.
- Increase of value added higher margin products.

The Chairman invited shareholders to ask questions or voice their observations. These are summarized as under:-

1. Shareholder, Mr. Chaiwat Battiya, asked the questions about impairment loss in investment in Alexandra Fiber Co., S.A.E. (AFCO) and performance of subsidiary - AV Terrace Bay Inc. (AVTB). Another shareholder enquired about the financial assistance from Government to AV Terrace Bay Inc. (AVTB).
2. Shareholder, Mr. Suriyon Jittraphan, asked the question about Alexandra Fiber Co.,S.A.E. (AFCO)'s liquidation and the impact of the same in the Company's financial statement and asked if the Company expects such type of losses in near future also. He further asked about the performance of Birla Jingwei Fibres Co.,Ltd. (BJFC).
  - Management explained that the Company has made provision of impairment loss on investment of Baht 197 Million (74% of the total investment in Alexandra Fiber Co.,S.A.E. (AFCO) of Baht 267 Million (based on book value as on 31 March 2014) in the financial statements for the year ended 31 March 2014. Subsequently, Shareholders of Alexandra Fiber Co.,S.A.E. (AFCO) in their meeting dated 28 June 2014 approved the liquidation of the company. The impact of any further losses due to liquidation will be known in the future and shown in the Company's financial statements when it happens.
  - AV Terrace Bay Inc. (AVTB) had first full year of its operations during the year ended 31 March 2014. Subsidiary has been able to reduce variable cost per ton of pulp as compared to last year. However performance continued to be impacted due to depressed market situation of paper grade pulp. During the year, subsidiary - AVTB received financial assistance of CAD 5 Million (approximately Baht 153 Million) under a Government assistance program.
  - Birla Jingwei Fibres Co.,Ltd. (BJFC) has made significant improvements over the years in operations in terms of cost reduction, productivity and quality. However, this year the share of loss under equity method has increased marginally to Baht 287 Million from Baht 272 Million in last year mainly due to lower realizations.
3. Shareholder asked the questions that due to lower production, selling price should not decrease and asked how the Company intends to improve the performance in near future.
4. Shareholder, Mr. Suriyon Jittraphan, enquired how could the Company sustain competition with other competitors and how the Company intends to manage its assets considering higher book value.

5. Few shareholders asked questions related to current VSF price, cost of production break-up for utility, pulp price, future business outlook, diversification of products and the Company's plan to compete with other major players.
  - Management explained that lower production is due to plant shut down during strike period whereas selling price depends on market factors. Current VSF prices are around USD 1.60 per Kg. Pulp prices are linked to market indices. Utilities costs are around 13% of total cost of production. Long term strategy of the Company to remain competitive and to improve performance by focusing on productivity, cost reduction and increasing share of specialty fibers. However, presently VSF business is in downward cycle mainly due to over capacity in China.
6. Shareholder asked that in view of higher reserves of the Company, can the Company pay higher dividend of Baht 10-20 per share or not? Also, can the Company manage land in a better way for higher returns?
  - Management explained that Company needs to consider all factors before paying higher dividend.
7. Shareholder, Mr. Suebsak Piphopmongkol, expressed concern on long duration of labor strike and enquired whether management took all appropriate steps to handle the situation. He also asked on the status of agreement post labor strike. Another shareholder asked about preventive measures and steps which the Company is taking to avoid repetition of strike like situation.
  - Management explained that Company took all possible efforts and measures to avoid strike. Negotiations with labor union started almost four months before the strike and renewal of agreement which is for a period of 3 years. Help of provincial administration including Governor's office and mediation by central labor department from labor ministry were also taken from time to time to resolve this issue amicably. The Company has been successful in keeping cordial relationships with workers during more than 36 years of operations and never had strike situation like this. The current VSF business environment has been affected significantly due to built up of huge capacity in China. So it becomes imperative for your Company to adjust its practice of fixed bonus to minimum guaranteed fixed bonus and additional bonus linked to the Company's performance. Present agreement is for a period of 3 years. The Company is working to improve employee engagement and promote harmonious industrial relations.
8. Shareholder, Mr. Suriyon Jittraphan, asked for clarification on progress on green zone?
  - Management explained that currently your Company and associate Thai Carbon Black Plc.'s factory sites are designated under green zone in the draft town planning law for Angthong Province. The Company has been making representations to relevant authorities including The Federation of Thai Industries, Town Planning Department and provincial administration. The progress of discussions is encouraging. The Company expects to have support of authorities for suitable amendment in draft law to ensure that Company's operations are not affected in future.
9. Shareholder, Mr. Tara Cholpranee, asked for clarification on figures of Aditya Group AB (AGAB), Sweden. As per page no.158-159 of annual report, Aditya Group AB (AGAB)'s paid-up capital is only SEK 0.05 Million (Baht 1 Million) whereas investment amount of the Company is shown as Baht 1,824 Million. In addition as compared to paid-up capital of SEK 0.50 Million (Baht 1 Million), Assets of Baht 14,342 Million and liabilities of Baht 8,938 Million are shown as on 31 March 2014.

- Management explained that the Company invested as share capital in Aditya Holding AB (AHAB) of Baht 1,824 Million which also acquired 100% stake in Aditya Group AB (AGAB) whose equity capital is SEK 0.50 Million (Baht 1 Million) in year 2011. Subsequently during the same year, Aditya Holding AB (AHAB) combined its business with its subsidiary, Aditya Group AB (AGAB), resulting in the dissolution of Aditya Holding AB (AHAB). The Company's shareholding in Aditya Holding AB became a shareholding of the same size in Aditya Group AB and the investment of the Company as equity capital in Aditya Holding AB (AHAB) is shown as reserves in Aditya Group AB (AGAB)'s financial statements.

10. Shareholder asked question on liabilities on forward exchange contracts (page no.108-109) and higher cost of sales and other components of shareholders equity (page no.110-111)

- Management explained that the liabilities on forward exchange contracts are due to forward contracts of foreign currency outstanding as on 31 March 2014. Higher cost of sales is mainly due to consolidation of subsidiary's cost of sales. Other components of equity are due to unrealized gain or loss on GDR investments, deferred tax and translation adjustments of foreign associates.

No question being raised. Shareholder suggested that there was no voting in this agenda and it was only acknowledgment.

The Chairman, then, requested the Meeting to acknowledge the performance of the Company for the year ended 31 March 2014.

After due consideration, the Meeting then passed a resolution to acknowledge performance of the Company for the year ended 31 March 2014 by the majority voting as follows:

Acknowledged	170,566,137	votes,	equivalent to	99.9884%
Dis-acknowledged	-	votes,	equivalent to	-
Abstain	19,700	votes,	equivalent to	0.0116%

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

**Agenda 3 To approve the audited consolidated balance sheet as on 31 March 2014 and the consolidated income statements for the year ended 31 March 2014**

The Chairman informed the Meeting that the Company had prepared the audited consolidated balance sheet and the consolidated income statements for the year ended 31 March 2014 appearing on pages 106-199 of the Annual Report, which the Board and the Audit Committee have considered to be prepared as per Thai Financial Reporting Standards. The Audit Committee had reported on this matter in "Report of the Audit Committee" on page 90-91 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. No question being raised.

The Chairman, then, requested the Meeting to approve the audited consolidated balance sheet as on 31 March 2014 and the consolidated statements of income for the year ended 31 March 2014.

After due consideration, the Meeting then passed a resolution to approve the audited consolidated balance sheet as on 31 March 2014 and the consolidated income statements for the year ended 31 March 2014 by the majority voting as follows:

Approved	170,511,609	votes,	equivalent to	99.9565%
Disapproved	54,428	votes,	equivalent to	0.0319%
Abstain	19,800	votes,	equivalent to	0.0116%

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 it is considered appropriate to propose to the Annual General Meeting of Shareholders to consider and approve the dividend payment for the year ended 31 March 2014.

For the year ended 31 March 2014, the Company recorded net loss of Baht 967 Million compared to net profit of Baht 75 Million (restated) of last year. However, the Board has recommended to pay a dividend of Baht 0.20 per share for the year ended 31 March 2014, amounting to Baht 40.32 Million. The dividend payment will be made on 19 August 2014 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. Shareholder representing Thai Investors Club, Mr. Hungchai Akkawassakul, suggested as follows:
  - The Board should consider pay an interim dividend next time
  - The Company should not close book registration one time only for dividend (XD) and instead should close the books after AGM date also in order of give enough time for consideration of shareholders.
2. Shareholder, Mr. Ritthichai Yibcharoenporn, enquired about the cost of book closing for XD and further asked whether the Company will pay dividend in coming years even in case of losses. Shareholder suggested that the Company should pay dividend based on consolidated financial statements
  - Management explained that cost of each book closure is approximately of Baht 20,000.- to Baht 30,000.-. In case of loss in coming years, the Board will consider dividend payment depending on the Company's overall situation. It was further explained that at present the policy of paying dividend based on separate financial statements is reasonable and the Board may consider request of shareholders to change the policy in future keeping overall interests of all stakeholders in consideration.

As no further questions or observations were made, the Chairman, then, requested the Meeting to approve the dividend payment for the year ended 31 March 2014.

After due consideration, the Meeting passed a resolution to approve the dividend payment of Baht 0.20 per share for the year ended 31 March 2014, amounting to Baht 40.32 Million. The dividend payment will be made on 19 August 2014 from un-appropriated retained earnings of the Company and further approved Mr. Prasan Sipani, President of the Company, as authorized person to take all necessary steps to arrange the dividend payment by the majority voting as follows:

Approved	170,511,609	votes,	equivalent to	99.9565%
Disapproved	54,428	votes,	equivalent to	0.0319%
Abstain	19,800	votes,	equivalent to	0.0116%

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**

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. Shyam Sundar Mahansaria, Independent Director (2) Mr. Vinai Sachdev, Independent Director and (3) Mr. Hari Krishna Agarwal, Director.

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* and profiles of the directors who retire by rotation have been disclosed as per the *Enclosure No.3*. The definitions of independent directors have been disclosed as per the *Enclosure No.5*.

The Board of Directors has considered that it should be proposed to the shareholders' meeting to approve the appointment of three directors namely (1) Mr. Shyam Sundar Mahansaria, Independent Director (2) Mr. Vinai Sachdev, Independent Director and (3) Mr. Hari Krishna Agarwal, Director 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 Chairman invited the shareholders to ask questions or raise their observations. Shareholder, Mr. Basant Dugar, suggested that the remunerations of the Board of Directors should also be shown in this agenda.

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 three retiring directors to be director for another term of 3 years by the majority voting as follows:

1. Mr. Shyam Sundar Mahansaria	Independent Director			
Approved	170,565,937	votes,	equivalent to	99.9883%
Disapproved	100	votes,	equivalent to	0.0001%
Abstain	19,800	votes,	equivalent to	0.0116%

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



- |    |  |             |                      |               |          |
|----|--|-------------|----------------------|---------------|----------|
| 2. | Mr. Vinai Sachdev  |             | Independent Director |               |          |
|    | Approved   | 170,565,937 | votes,               | equivalent to | 99.9883% |
|    | Disapproved  | 100         | votes,               | equivalent to | 0.0001%  |
|    | Abstain  | 19,800      | votes,               | equivalent to | 0.0116%  |
|    | of the total votes of shareholders attending the Meeting and entitled to vote. |             |                      |               |          |
| 3. | Mr. Hari Krishna Agarwal   |             | Director             |               |          |
|    | Approved   | 167,366,037 | votes,               | equivalent to | 98.1125% |
|    | Disapproved  | 3,200,100   | votes,               | equivalent to | 1.8759%  |
|    | Abstain  | 19,700      | votes,               | equivalent to | 0.0116%  |
|    | of the total votes of shareholders attending the Meeting and entitled to vote. |             |                      |               |          |

#### **Agenda 6 To consider and approve the appointment of the Audit Committee**

The Board has resolved to appoint the Audit Committee whose term is expiring on 30 January 2015. The Committee has been able to help the Board in studying the matters of importance, provide valuable inputs to the management and review the financial statements, internal control of the Company as well as compliance with the regulations of the Stock Exchange of Thailand and the Security and Exchange Commission.

The Company does not have a nomination committee. However, the selection of Audit Committee is considered by the Board based on qualifications, experiences and capabilities and is of opinion that they should be re-appointed as members of audit committee.

It is considered appropriate to propose the AGM to approve the appointment of audit committee for another term as follow.

- |    |                             |                             |
|----|-----------------------------|-----------------------------|
| 1. | Mr. Shyam Sundar Mahansaria | Chairman of Audit Committee |
| 2. | Mr. Vinai Sachdev           | Member of Audit Committee   |
| 3. | Mr. Nirmal Kumar Dalan      | Member of Audit Committee   |

The profiles of the Audit Committee have been disclosed in the *Enclosure No. 4* and scope of duties and responsibilities of the Audit Committee have been disclosed in the Annual Report under section "Management Structure".

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 appointment of each Audit Committee member.

After due consideration, the Meeting then passed a resolution to approve re-election of three directors to be Audit Committee members for another term of 3 years by the majority voting as follows:

- |    |  |             |                             |               |          |
|----|--|-------------|-----------------------------|---------------|----------|
| 1. | Mr. Shyam Sundar Mahansaria  |             | Chairman of Audit Committee |               |          |
|    | Approved   | 170,566,037 | votes,                      | equivalent to | 99.9884% |
|    | Disapproved  | -           | votes,                      | equivalent to | -        |
|    | Abstain  | 19,800      | votes,                      | equivalent to | 0.0116%  |
|    | of the total votes of shareholders attending the Meeting and entitled to vote. |             |                             |               |          |

- |    |                   |             |                           |          |
|----|-------------------|-------------|---------------------------|----------|
| 2. | Mr. Vinai Sachdev |             | Member of Audit Committee |          |
|    | Approved          | 170,566,037 | votes, equivalent to      | 99.9884% |
|    | Disapproved       | -           | votes, equivalent to      | -        |
|    | Abstain           | 19,800      | votes, equivalent to      | 0.0116%  |
- of the total votes of shareholders attending the Meeting and entitled to vote.
- |    |                        |             |                           |          |
|----|------------------------|-------------|---------------------------|----------|
| 3. | Mr. Nirmal Kumar Dalan |             | Member of Audit Committee |          |
|    | Approved               | 170,566,037 | votes, equivalent to      | 99.9884% |
|    | Disapproved            | -           | votes, equivalent to      | -        |
|    | Abstain                | 19,800      | votes, equivalent to      | 0.0116%  |
- of the total votes of shareholders attending the Meeting and entitled to vote.

**Agenda 7 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) Mr. Khitsada Lerdwana, CPA No. 4958, from EY Office Limited to be the Company's auditor for the year ending 31 March 2015 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 31 March 2015 at Baht 1,175,000.- (for the year ended 31 March 2014: 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. The issues or observations made by some shareholders are summarized as below:

1. Shareholder representing Thai Investor Club, Mr. Hungchai Akkawassakul, suggested that the Company should show the remuneration of auditor for the past three years for comparison and asked why there is an increase in remuneration when the Company is having loss, another shareholder suggested that audit fee should have remained same in view of loss.
2. Shareholder, Mr. Basant Dugar, suggested that common auditor for the Company and its subsidiary should help in reduction in cost of audit fee and improve efficiency of auditor.

3. Shareholder, Mr. Suriyon Jittraphan, asked the question whether audit fee of Baht 1,175,000.- is inclusive of out of pocket expense?

- Management and auditor explained that Audit fee is not linked to performance of the Company. The increase in audit fee should have been made in last year due to increased work load on account to consolidation of financial statements. In fact, audit fee for last two years was unchanged at Baht 1,100,000.-. Considering this, an increase of Baht 75,000.- is reasonable. The reimbursement of expenses is for conveyance, travelling and other expenses. During the year Baht 128,659.- was paid towards reimbursement of 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 31 March 2015 at Baht 1,175,000.- (for the year ended 31 March 2014: 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) Mr. Khitsada Lerdwana, CPA No. 4958, from EY Office Limited to be the Company's auditor for the year ending 31 March 2015 and also approved their remuneration for the year ending 31 March 2015 at Baht 1,175,000.-, excluding out of pocket expenses by the majority voting as follows:

Approved	170,565,409	votes,	equivalent to	99.9880%
Disapproved	728	votes,	equivalent to	0.0004%
Abstain	19,700	votes,	equivalent to	0.0116%

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

#### **Agenda 8 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. Shareholder representing Thai Investor Club, Mr. Hungchai Akkawassakul, appreciated that the annual report looked good in both Thai and English version, notice of AGM disclosing all necessary details of minutes of the AGM and the Board's recommendation to pay a dividend from retained earnings. He also suggested that annual general meeting of shareholders in future should be started at 14.00hrs. for accommodating enough time for Q&A and clarification. He further suggested that the Company should change to solar energy for cost reduction for consideration by the Board.
2. Ms. Piyart Khunchit, the representative of Thai Investor Association, asked the Board about anti-corruption plan and measures taken by the Company on this matter.
  - Management explained that Company has requisite checks and balances to ensure that no corruptions take place in Company's operations.

3. Shareholder, Mr. Suriyon Jittraphan, asked the question about the Company's vision and mission along with future plan of the Company.
- Management explained that the Company's vision is to become the global leader in man-made cellulosic fibre industry. The Company is taking various steps in improving the performance of the Company.

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.22 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](http://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.

Finally, the Board of Directors would like to express their sympathy to all the employees who faced hardship during the strike period. The Board appreciated their co-operation and dedication in stabilizing the plan operations.

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 18.00 hrs.

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