

**THAI CANE PAPER PUBLIC COMPANY LIMITED**  
**MINUTES OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS**  
**FOR THE YEAR 2009**

The meeting was held at Salon A Room, Swissôtel Le Concorde, Bangkok, no. 204 Ratchadapisek Road, Huay Kwang, Bangkok, on Friday, March 20, 2009, at 14:00 hours.

Mr. Chaovalit Ekabut was the Chairman of the meeting.

The Chairman informed the meeting that there were 29 shareholders present in person representing 6,058,927 shares and 58 shareholders present by proxy representing 331,463,051 shares, totaling 87 shareholders present in person and by proxy, representing 337,521,978 shares equivalent to 94.2131 percent of the total 358,253,721 paid-up shares. A quorum was therefore constituted according to the Company's Articles of Association. He then declared the meeting open and proposed the meeting to consider the following matters according to the agenda.

The Chairman further informed the Meeting that there were Directors, the Management, and the Auditors of the Company from KPMG Phoomchai Audit Ltd. (KPMG) appointed by the 2008 Annual General Meeting of Shareholders in attendance at the meeting to answer questions with the representatives by the Auditors as witnesses during the voting process as follows:

**Board of Directors:**

Present: All 11 Directors

- |                  |               |   |
|------------------|---------------|---|
| 1. Mr. Chaovalit | Ekabut        | Chairman of the Board and<br>Chairman of the Executive Committee              |
| 2. Mr. Krishana  | Sivakrisakul  | Independent Director and<br>Chairman of the Remuneration Committee            |
| 3. Mr. Damri     | Tunshavong    | Member of the Nomination Committee and<br>Member of the Executive Committee   |
| 4. Mr. Paiboon   | Pongchairerks | Director  |
| 5. Mr. Yunyong   | Puthapipat    | Member of the Executive Committee and   |
| 6. Ms. Rawewan   | Peyayopanakul | Independent Director and<br>Member of the Audit Committee                     |
| 7. Mr. Virapan   | Pulges        | Independent Director and<br>Member of the Nomination Committee                |
| 8. Mr. Somboon   | Chuchawal     | Member of the Remuneration Committee and<br>Member of the Executive Committee |
| 9. Mr. Sophon    | Dhammapalo    | Independent Director and<br>Chairman of the Audit Committee                   |

- |                               |          |  |
|-------------------------------|----------|--|
| 10. Pol.Maj.Gen.Urai          | See-Urai | Independent Director, Member of the Audit Committee and Chairman of the Nomination Committee |
| 11. Mr. Poramate Larnroongroj |          | Managing Director and Member of the Executive Committee                                      |

**The Management:**

Present: All 5 persons

- |                  |                |  |
|------------------|----------------|--|
| 1. Mr. Nakorn    | Manomayangkul  | Mill Manager-Prachin Buri Mill                       |
| 2. Mr. Saharath  | Pattनावibool   | Mill Manager-Kanchanaburi Mill                       |
| 3. Mr. Ong-ard   | Limprayulyong  | Executive Vice President-Finance, Accounting and MIS |
| 4. Ms. Boonna    | Tormaitrichitr | Executive Vice President-General Administration      |
| 5. Ms. Naphaporn | Kanjatatawewat | Executive Vice President-Marketing                   |

**Auditor and Representative from KPMG Phoomchai Audit Limited:**

Present: All 4 persons

- |                 |                |   |
|-----------------|----------------|---|
| 1. Mr. Pisit    | Chiwaruangroch | Auditor (Certified Public Accountant Registration No. 2803)       |
| 2. Mr. Winid    | Silamongkol    | Auditor (Certified Public Accountant Registration No. 3378)       |
| 3. Ms. Pornthip | Rimdusit       | Auditor's Representative  |
| 4. Mr. Suksan   | Kaseansin      | Auditor's Representative (as witnesses during the voting process) |

**Secretary:**

Mr. Amnuay                      Apichainun                      Secretary to the Board and Corporate Secretary

Before the Meeting began, the Chairman invited the shareholders to propose their representative to be the witness of the voting process at the Meeting. In this regard, Mr. Hungchai Akkawaskul, a shareholder, proposed Ms. Roongchat Yunpiset to be the representative to witness the said process jointly with the Auditor's Representative from KPMG. The Chairman agreed as proposed.

The Chairman, then, appointed the Secretary to explain the Meeting of the Company's Articles of Association relating to this Annual General Meeting of Shareholders as per details presented in the document which, together with the notice, was distributed to all shareholders prior to this meeting. For convenience of all shareholders and correct record of the Meeting, the Secretary also informed the Meeting of the voting procedure for each agenda including vote counting and vote result announcement as follows:

- (1) A vote cast on each agenda item shall be done openly by the raising of the hand and one share is entitled to one vote.
- (2) Five or more shareholders may request that the voting be cast by secret ballot and the meeting resolve accordingly.
- (3) Before voting each agenda, the Chairman shall inform the Meeting of the votes required for the resolution of such agenda. i.e. simple majority vote or two-thirds of the total number of votes of shareholders present at the meeting with valid voting rights.

- (4) Proposing in vote casting for each agenda item, the Chairman shall ask, one at a time, whether any shareholder or proxy shall approve, disapprove or abstain by raising of the hand and marking the voting cards distributed to shareholders or proxies upon registration for the meeting. The voting cards shall be collected by the Company's officials for vote counting and kept as voting evidence. The vote results shall be counted as per the votes indicated in the voting cards. In case of vote casting by proxy, the proxy shall vote in accordance with the instruction specified by the shareholder on the proxy form. The Company's officials shall count the votes based on the votes indicated in the form. However, in the event that no instructions have been specified or the instructions are unclear, the proxy has the discretion to vote as he or she deems appropriate.
- (5) A barcode system is used to count the votes for each agenda item. The Auditor's representative shall observe the counting and check the number of "Approved", "Not Approved" and "Abstained" votes from the voting cards submitted by the shareholders and proxies attending the meeting. Shareholders who do not submit their voting cards will be treated as attending the meeting without wishing to exercise their voting rights.

The Secretary further informed the meeting that the votes on each agenda item shall be counted from the total number of the votes cast by the shareholders present at the meeting. The number of votes may vary from agenda to agenda since some shareholders might just arrive or leave the meeting during the voting on the proposed resolution. Announcement of the vote casting results for each agenda item is made at the end of the consideration of each agenda item.

Before the Chairman proceeded with the agenda, he informed the shareholders regarding the 2008 annual report that there was printing error on Page 19 at the signature of Mr. Sophon Dhammapalo, Independent Director and Chairman of the Audit Committee. In this regard, the Company profusely apologized to Mr. Sophon Dhammapalo and all shareholders for the said error. However, the Company provided insertion with the correct information for shareholders prior to the Meeting.

The meeting acknowledged and agreed with the voting procedure, vote counting and vote result announcement as described above, the Chairman, then, proceeded with the meeting with the following agenda:

**1. TO APPROVE MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS NUMBER 1/2008**

The Chairman proposed the meeting to consider the minutes of the Extraordinary General Meeting of Shareholders 1/2008, held on Monday, June 9, 2008, which were finished within 14 days and sent to The Stock Exchange of Thailand and Ministry of Commerce within the period as required by law. The copies of such minutes were distributed together with the notice to all shareholders and

posted on the Company's website prior to the meeting. The Board considered that the said minutes had been recorded correctly.

The Chairman, then, proposed the meeting to consider and approve the minutes of the Extraordinary General Meeting of Shareholders 1/2008. This agenda required simple majority votes of shareholders present at the meeting with valid voting rights

Since the said minutes of the Extraordinary General Meeting of Shareholders was related to the delisting of the Company's securities from the Stock Exchange of Thailand (SET), the Chairman then would inform the progress to the Meeting regarding delisting after such agenda has been resolved.

Before voting, Mr. Hungchai Akkawaskul complimented on the thorough details of the said minutes taking including shareholders' queries, the Board's explanations and the names of participants. He stated that such minutes taking was clear for any shareholders who was not present at the said meeting to understand the role of their own in expressing demand and given suggestion that will be benefit to the Company's operation. Finally he thanked the Board for welcoming questions.

Mr. Hungchai Akkawaskul also suggested the Board to have annual reports in CD-ROM version distributed to shareholders together with the notice. If shareholders prefer hard copy to CD-ROM, he/she should contact the Company accordingly. The Chairman then acknowledged further consideration.

**The meeting's resolution:** The meeting, by a simple majority vote of shareholders in attendance and had the right to vote, approved the Minutes of the Extraordinary General Meeting of Shareholders 1/2008 held on Monday, June 9, 2008 as proposed by the Board.

Number of Shareholders:	86	representing	333,319,678	shares	
Approved:	70	representing	315,198,698	shares	equal to 94.5635%.
Disapproved:	10	representing	18,090,479	shares	equal to 5.4274%.
Abstained:	0	representing	0	shares	equal to 00.00%.
Attended the meeting					
with no votes:	6	representing	30,501	shares	equal to 00.0091%

Before the meeting proceeded with the agenda, the Chairman informed the Meeting of the progress in the delisting of the Company's securities from the Stock Exchange of Thailand (SET). It was reported that following the resolution regarding the delisting made by the Extraordinary General Meeting of Shareholders held on Monday, June 9, 2008, nine shareholders of the Company filed a petition in the Kanchanaburi Court requesting the revocation of such resolution. The action has put a halt to the delisting of the Company's securities. For its part, SCG Paper Public Company Limited (SCG Paper) notified the SET and the Company that SCG Paper would await the court decision on the lawsuit prior

to making any move. Up until now, the case is still in the court process. Should there be any further material progress made in this matter, the Company shall inform the Shareholders accordingly.

## **2. TO ACKNOWLEDGE THE COMPANY'S ANNUAL REPORT FOR THE YEAR 2008**

The Chairman requested the Managing Director to give a summarized report on the performance and major changes during the year 2008 to the Meeting, after which any questions from the Shareholders were welcomed.

The Managing Director reported the summary of the performance of the Company for the year 2008 to the Meeting as follows:

In 2008, the Thai economy grew at 3.9%, a decline from 2007 as a result of the U.S. financial turmoil that spilled over to the rest of the world coupled with the internal political instability which dampened exports investment, tourism, and domestic consumption.

For the industrial paper and packaging industry, the domestic demand witnessed a modest growth of 1% from the previous year. This could be attributed to the global financial crisis together with the volatile prices of raw materials including pulp and paper waste as well as the rising energy costs, resulting in significantly higher costs compared to 2007. Meanwhile, demand for paper outstripped supply in the wake of rising capacities in Thailand and Asia, heating up the already intense competition, especially price competition. Worse yet, paper manufacturers could not adjust their prices to keep up with the higher costs of energy and raw materials.

The adverse impact coupled with the volatile and higher costs of waste paper, pulp, and energy contributed to a downward pressure on the Company's growth in light of the country's sluggish economy. Further, the financial meltdown also dealt a severe blow to the demand for kraft paper in the fourth quarter, resulting in a sharp drop in prices and sales. Overall, the company's operating results saw a decline from 2007 as follows:

1. Total revenues amounted to Baht 4,471 million, an increase of 2% from 2007 which totaled 4,365 million Baht.
2. Net loss totaled 101 million Baht, a fall of 221% compared to a net profit of 84 million Baht in 2007. This could be attributable to a 19% rise in production costs and higher fixed costs of 53 million Baht due to the temporary halt of some production at both plants to reduce inventory levels. Another 20 million Baht loss resulted from the write-down of inventory value at year-end.
3. Total assets amounted to 6,245 million Baht, a drop of 10% compared to the previous year which amounted to 6,919 million Baht. This was largely due to a decrease of 240

million Baht in finished goods and raw materials from 2007 as well as accumulated depreciation and impairment losses.

4. Shareholders' equity totaled 4,911 million Baht compared to 5,047 million Baht in 2007, a decline of 3% as a result of the operating loss.

In 2008, the Company received a number of awards and recognition from various institutions as follows:

- March** - The Kanchanaburi Plant attained the Green Label Certification for paper product for the corrugated paper category CA115 and CA125 from the Thailand Environment Institution.
- May** - The Prachinburi Plant received the Outstanding Award for Safety and the Environment from the Ministry of Social Development and Human Security for the first year.
  - The Kanchanaburi Plant obtained the Outstanding Award for Safety and the Environment from the Ministry of Social Development and Human Security for the second year.
- September** - The Kanchanaburi Plant attained the Outstanding Award for Labour Relations and Welfare from the Ministry of Labour for the second year.
- October** - The Prachinburi Plant received the Green Label Certification for paper product for the kraft paper category KA KI and II from Thailand Environment Institution.

The Managing Director further informed the Meeting that the world's sluggish economy in 2009 would continue to persist with highly intense competition in the fast-changing markets, both home and foreign. In response, the Company has carefully adjusted and articulated strategic plans to turn threats into opportunities. The emphasis was placed on reducing costs in every area, keeping raw materials and inventory at an optimum level, introducing new product offerings, and expanding export markets. This would allow the Company to achieve operating profits.

As there were no further questions, the Chairman requested the Meeting to acknowledge the report on the Company's 2008 performance.

**The Meeting's Resolution:** The Meeting acknowledged the report on the Company's 2008 performance.

### **3. TO ADOPT THE BALANCE SHEETS AND THE PROFIT AND LOSS STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008**

The Chairman requested the Meeting to consider the Balance Sheets and the Profit and Loss Statements for the year ended December 31, 2008 as duly audited and certified by the auditor of KPMG Phoomchai Audit Ltd. and reviewed by the Audit Committee. The details appeared in the 2008 Annual

Report (Page 22-46) which were distributed to the shareholders prior to the meeting together with the notice, as the following summary:

Total Assets	6,244.78	million Baht
Total Liabilities	1,333.76	million Baht
Total Revenues	4,482.50	million Baht
Net Loss	(100.70)	million Baht
Operating Loss per Share	(0.28)	Baht/Share

Then, the Managing Director and the Executive Vice President-Finance, Accounting and MIS welcomed any questions and suggestions from shareholders, as the following summary:

- The discrepancies between the amount of plant and equipment purchase and the amount of software license purchase for the year 2007 and 2008 as appears in the Annual Report under Cash Flows from Investing Activities on page 27 (inquiry by Mr. Samart Sae Ung)

The Managing Director explained that in 2008, the Company did not make any purchase of land or plant. The amount of “Plant and Equipment Purchase” shown in the Statement of Cash Flows was the expenses from improving the quality of machinery, some of which has been in use for over 10 years, as well as the expenses from enhancing the efficiency of the machinery to minimize environmental impacts. The largest expense in this category was the 40 million Baht investment in a computer system developed by a foreign firm as commissioned by the Company for its production planning and marketing encompassing procurement, production, distribution and the like to enhance operating efficiency.

- Changes occurred in operating assets and liabilities as appears in the Annual Report under Trade Payables on page 26 (inquiry by Mr. Samart Sae Ung) since the Company stopped buying raw materials in the fourth quarter, resulting in a decrease of 155 million Baht in cash flow statement.

- The increase in service charges payable to Siam Cement Public Company Limited (SCC) and SCG Paper Public Company Limited (SCG Paper) in 2008 compared to 2007 as appears in the Annual Report under Service Fees on page 34 (inquiry by Mr. Hungchai Akkawaskul) came from information technology (IT) expenses which included applications, software and internal audit fees payable to SCC. The service charges also included the provision of training programs by SCC and SCG Paper as the company did not outsource such programs to outsiders.

- The reclassification of the items as appears in the Annual Report page 46 (inquiry by Mr. Sarayuth Aeruaychai) was in conformance with the new financial accounting standards. For example, a software license like SAP (Systems, Applications and Products in Data Processing), which was previously classified under other fixed assets under old accounting standards, is now classified under intangible assets. The adjustment of the item was made accordingly to reflect the change in the accounting standards.

As there were no further questions, the Chairman requested the meeting to adopt the Balance Sheet and the Profit and Loss Statements for the year ended December 31, 2008. This agenda required simple majority votes of shareholders present at the meeting with valid voting rights.

**The meeting's resolution:** The Meeting, by simple majority votes of present shareholders with valid voting rights, adopted the Balance Sheet and the Profit and Loss Statements for the year ended December 31, 2008 with the following votes:

Number of Shareholders:	82	representing	334,457,001	shares	
Approved:	62	representing	315,134,650	shares	equal to 94.2228%.
Disapproved:	11	representing	18,375,879	shares	equal to 5.4942%.
Abstained:	1	representing	936,267	shares	equal to 0.2799%.
Attended the meeting with no votes:	8	representing	10,205	shares	equal to 0.0031%

**4. TO APPROVE THE NON-ALLOCATION OF THE PROFIT FOR THE YEAR 2008 AND THE SUSPENSION OF THE DIVIDEND PAYMENT FOR THE YEAR**

The Chairman informed the Meeting that referring to the Company's operating performance for the year 2008 as reported by the Managing Director, the Company has net loss amounted to 100.70 Million Baht with the liability to pay within the year 2009 at the approximate of 1,090 Million Baht. In order to maintain financial liquidity to deal with the current economic recession, the Board deems it appropriate to suspend the dividend payment for the year 2008 as the Company's policy indicated that "the Company will consider the dividend payment annually by taking into account the Company's profit, the financial requirement for investment projects and the Company's liabilities".

The Chairman and the Managing Director then jointly answered a question by a shareholder (Mr. Samart Sae Ung) regarding the business plans and strategies to achieve profits in 2009. The Chairman explained that in the course of operating business, the Company might risk suffering loss. However, the Management went these extra miles to ensure profits with the Board of Directors providing suggestions and overseeing the performance of the Management on a regular basis. In the first half of 2008, the Company managed to achieve some profits. Yet the volatile economy in the second half of the year dealt a severe blow to the Company. In the fourth quarter, in particular, the Company kept a large stock of raw materials obtained at high prices. But later in the year, the product prices dropped dramatically, and so did the demand, resulting in a considerable loss for the Company in 2008. For 2009, the Company has put in place an operating plan designed to improve performance. The Managing Director further informed the Meeting that the loss in 2008 could be attributed to the dramatically shrinking economy in the fourth quarter, prompting the Company to adjust to the fast-changing circumstances. In the moves which started since late 2007, many efforts have been taken including cost reduction in all areas as well as raw material and inventory control, which resulted in a decrease of 240 million Baht in raw material and finished goods inventories, helping ease the Company's cash flow. At the same time, the prices of raw materials dipped significantly compared to the previous year. This enabled the Company to be more price competitive in 2008 than in the fourth quarter of 2007 as the costs dropped faster than the selling prices. Furthermore, the Company planned to introduce a newly developed paper grade into the local market and push more exports in an attempt to steer the Company back into profit.

The Chairman further explained with regard to the unfavorable factors contributing to the Company's significant loss in the past quarters that a major variable in the Company's operating performance was the price of waste paper for use as raw material. In mid-2007, its price went up to 8-9 Baht per kilogram, fuelled by a supply shortage that prompted paper manufacturers to rush out to buy more stocks of waste paper. The move pushed the price to shoot up sharply. However, the prevailing economic recession later in the year shrank the demand for paper products, causing the prices of paper and waste paper to drop by over 50% from 8 Baht to 4 Baht per kilogram. This contributed to a lower cost in 2009, which together with the operating improvements could allow the Company to achieve satisfactory results and profits.

- In response to the inquiry that the price of waste paper bought from households was approximately 2 Baht per kilogram from households and yet the Company bought waste paper at 8-9 Baht per kilogram (inquiry by Mr. Chatri Charoenuang), it was explained that the waste paper collected from households and commercial areas by scrap dealers would be sent to collection centers where it was sorted and bailed before reaching the paper mills. It was at these collection centers that the prices of waste paper fluctuated. Currently, the waste paper was sold to the Company at around 4 Baht per kilogram as previously mentioned by the Chairman. The price of 8-9 Baht per kilogram was paid for by all paper mills last year as a result of the supply shortage.

- On the buying of waste paper (inquiry by Mr. Chatri Charoenuang), it was explained that the Company has a daily requirement of waste paper in tons which is sourced from Siam Kraft with its extensive network of scrap dealers across the country and which also buys waste paper from wholesalers at market prices. Yet, Thai Cane is not the only paper mill buying waste paper for recycling, many other small paper mills also do so, resulting in competition in price and transportation distance. However, a major part of the Company's waste paper supply comes from wholesalers whose price quotes are transparently compared before a buying decision is made.

The Managing Director added that the market prices of waste paper normally changes everyday. To sell to the Company, the wholesaler will submit its price quote for a specific amount of paper waste at a price as agreed upon before collecting the waste. The mill price at which the waste paper is sold to the mill fluctuates, depending on weather conditions. For example, the price will go up in the rainy season as the rain hampers waste paper collection.

As there were no further inquiries from shareholders, the Chairman requested the meeting to approve the non-allocation of the profit for the year 2008 and suspension of the dividend payment as proposed by the Board. This agenda required simple majority of the total numbers of votes of shareholders present at the meeting with valid voting rights

**The Meeting's Resolution:** The Meeting, by simple majority votes of present shareholders with valid voting rights, approved the Non-Allocation of the Profit for the Year 2008 and the Suspension of the Dividend Payment for the Year 2008 as proposed by the Board of Directors with the following votes:

Number of Shareholders:	81	representing	334,452,001	shares	
Approved:	55	representing	315,171,682	shares equal to	94.2353%.
Disapproved:	6	representing	965,860	shares equal to	0.2888%.
Abstained:	11	representing	18,303,679	shares equal to	5.4727%.
Attended the meeting					
with no votes:	9	representing	10,780	shares equal to	0.0032%

Before the Meeting proceeded to the next agenda, the Chairman requested the Executive Vice President Finance, Accounting and MIS to inform the Meeting the operating performance for the year 2008 quarterly (inquiry by Mr. Chatri Charoennuang). It was then revealed that the first and second quarter, the Company generated a net profit of 33 million Baht and 26 million Baht, respectively. However, the Company's net loss was 27 million Baht and 133 million Baht in the third and fourth quarters, respectively. The latter amount was also the Company's biggest net loss. To sum up, at the end of the third quarter of the year 2008, the Company had the net profit of 33 million Baht; the Company turned the fourth quarter into a loss of 100 million Baht.

#### **5. TO APPROVE THE ELECTION OF DIRECTORS IN REPLACEMENT OF THOSE WHO WERE DUE TO RETIRE BY ROTATION**

Since Mr. Chaovalit Ekabut, the Chairman, who retired by rotation in this year, he then proposed Pol.Maj.Gen.Urai See-Urai, the Chairman of the Nomination Committee, to conduct the agenda. The Meeting agreed with the Chairman's proposal. The Chairman of the Nomination Committee then proceeded with the meeting.

*(The three directors who were due to retire by rotation voluntarily left the meeting room.)*

The Chairman informed the Meeting that in order to be compliance with the Public Limited Companies Act B.E. 2535, Clause 71 and the Company's Articles of Association, Clause 18, one-third of the directors shall retire from office at the Annual General Meeting of Shareholders. The three directors who were due to retire by rotation in this meeting were:

1. Mr. Chaovalit Ekabut Chairman of the Board of Directors and Chairman of the Executive Committee
2. Mr. Yunyong Puthapipat Director and Member of the Executive Committee
3. Mr. Sobhon Dhammapalo Independent Director and Chairman of the Audit Committee

The Board of Directors, excluding directors who had special interest, deliberately considered the individual qualifications of each retiring director and agreed with the proposal of the Nomination Committee that Mr. Chaovalit Ekabut, Mr. Yunyong Puthapipat, and Mr. Sobhon Dhammapalo were knowledgeable and qualified in compliance with the Public Limited Companies Act with fundamentals and

expertise from various professions, having leadership and far-sighted vision, transparent and clean working record, continuous contributions dedicated for the Company's prosperity while engaging the directorship, being capable of expressing their opinions independently which was highly beneficial to the Company's operations, having no forbidden qualifications by never dishonestly committing an offence against property and never entering into any transaction which may cause conflicts of interest against the Company during the year. The Board of Directors, thus, agreed to propose the Shareholders Meeting to elect the three retiring directors to retain office for another term. The curricula vitae of the nominated persons as well as shareholding in the Company Limited, the position of director or management in other listed companies, non-listed companies or incorporations, and relationship characteristics of nominated persons qualified as an independent director were presented in the Attachment no. 3, page 28-32 of the notice.

In addition, Mr. Chaovalit Ekabut and Mr. Yunyong Puthapipat, the nominated persons are directors in other companies which do the same business and compete with the Company. Details were presented in page 4-5 of the notice.

The Chairman additionally explained the Meeting of voting procedure of this agenda as stipulated in Clause 15 of the Company's Articles of Association regarding the rules and procedures to elect directors as follows:

- (1) Every shareholder has one vote for every share held.
- (2) Each shareholder shall cast all his/her votes in (1) to elect a director or more but he/she shall not allot his/her votes to any such person.
- (3) The persons who receive the highest votes in their descending order shall be elected directors in a number not exceeding the number of directors to be elected in that meeting. In case the last person in that respective order and the person next to him have equal votes, the chairman of the meeting shall have a casting vote.

Before voting on this agenda, a shareholder (Mr. Sarayuth Aeruaychai) inquired about Mr. Chaovalit Ekabut and Mr. Yunyong Puthapipat who held directorship positions for other companies operating and competing in the same business as that of the Company. The Secretary to the Board responded that Mr. Chaovalit Ekabut is the Chairman of Siam Kraft Industry Co.,Ltd, Thai Kraft Paper Industry Co.,Ltd, and Vina Kraft Paper Company Limited in Vietnam as well as a director of United Pulp and Paper Co., Inc in the Philippines. Although Mr. Chaovalit Ekabut also serves as a director of SCG Paper Public Company Limited, this was not considered to be holding a directorship position for another company operating and competing in the same business as that of the company since the businesses of both companies were different in nature. As for Mr. Yunyong Puthapipat, he serves as Managing Director of Siam Kraft Industry Co.,Ltd and Thai Kraft Paper Industry Co.,Ltd as well as a director of United Pulp and Paper Co.,Ltd in the Philippines and Vina Kraft Paper Company Limited in Vietnam.

Besides, the Managing Director further informed the Meeting that every company has worked with full competitiveness and with their own customer's base.

As there were no inquiries from shareholders and no proposal for additional candidates for election, the Chairman requested the meeting to elect the directors individually by marking on the voting card on which the names of proposed candidates appeared. The meeting agreed with this procedure. This agenda required not less than one half of the total numbers of votes of shareholders present at the meeting with valid voting rights.

**The Meeting's Resolution:** The Meeting resolved to re-elect Mr. Chaovalit Ekabut, Mr. Yunyong Puthapipat and Mr. Sobhon Dhammapalo to be directors of the Company for another term with the following votes:

**1) Mr. Chaovalit Ekabut**

Number of Shareholders: 81 representing 334,452,001 shares  
Approved: 70 representing 334,208,594 shares  
Disapproved: 1 representing 1,000 shares  
Abstained: 2 representing 233,200 shares  
Attended the meeting  
with no votes: 8 representing 9,207 shares

**2) Mr. Yunyong Puthapipat**

Number of Shareholders: 81 representing 334,452,001 shares  
Approved: 70 representing 333,272,329 shares  
Disapproved: 1 representing 1,000 shares  
Abstained: 3 representing 1,169,467 shares  
Attended the meeting  
with no votes: 7 representing 9,205 shares

**3) Mr. Sobhon Dhammapalo**

Number of Shareholders: 81 representing 334,452,001 shares  
Approved: 68 representing 333,270,327 shares  
Disapproved: 1 representing 1,000 shares  
Abstained: 3 representing 235,200 shares  
Attended the meeting  
with no votes: 9 representing 945,474 shares

*(The three directors who were due to retire by rotation came back to attend the meeting)*

The Chairman congratulated the said three directors on having been re-elected as directors for another term.

Mr. Chaovalit Ekabut, the Chairman, then thanked the Meeting and continued acting Chairman.

**6. TO APPROVE THE APPOINTMENT OF THE AUDITORS AND THE AUDIT FEE FOR THE YEAR 2009**

The Chairman informed the Meeting that in order to be in compliance with the Public Limited Companies Act B.E.2535, Clause 120 and the guidance of The Office of Securities and Exchange Commission (SEC), the annual general meeting of shareholders would appoint the auditor and determine the audit fee of the company every year. The former auditor might be re-appointed but not exceeding five consecutive fiscal years and thereafter such former auditor obliged to observe a gap period of at least two consecutive fiscal years.

For the year 2009, the Board agreed with the Audit Committee and recommended the Meeting to appoint KPMG Phoomchai Audit Ltd. as the auditor of the Company due to its high working standard, expertise and good working record. After taking into account of the workload and the audit fee comparing with those of other listed companies in the same business level, KPMG Phoomchai Audit Ltd. proposed reasonable audit fee. Thus, it is considered appropriate to propose the Meeting to appoint the Company's auditor and approve the audit fee for the year 2009 as follows:

- 1) To appoint Mr. Pisit Chiwaruangroch (Certified Public Accountant Registration No. 2803) and/or Mr. Winid Silamongkol (Certified Public Accountant Registration No. 3378) and/or Mr. Charoen Phosamritlert (Certified Public Accountant Registration No. 4068) as the auditor of the Company for the year 2009.
- 2) To approve the audit fee for the year 2009 of 760,000 Baht and to acknowledge the fee for quarterly review at the amount of 270,000 Baht, making the total audit fee of 1,030,000 Baht equal to the year 2008. The proposed fee was solely for the audit services, exclusive of any non audit services, similar to the year 2008.

Thus, KPMG Phoomchai Audit Ltd. as well as Mr. Pisit Chiwaruangroch, Mr. Winid Silamongkol and Mr. Charoen Phosamritlert, who are proposed to be the Company's auditor, have no direct or indirect material relationship with the Company/the Management/ the major shareholders or affiliated persons to those mentioned. They shall also be appointed as the auditors of SCG Paper Public Company Limited, the Company's major shareholder.

As there was no further question, the Chairman proposed the Meeting to approve the appointment of the auditors and the audit fee for the year 2009 as the above-mentioned details. This agenda required simple majority votes of shareholders present at the meeting with valid voting rights

**The Meeting's Resolution:** The Meeting, by simple majority votes of present shareholders with valid voting rights, appointed Mr. Pisit Chivaruengroch (Certified Public Accountant No. 2803) and/or Mr. Winid Silamongkol (Certified Public Accountant No. 3378) and/or Mr. Charoen Phosamritlert (Certified Public Accountant No. 4068) of KPMG Phoomchai Audit Ltd. as the Company's auditor for the

year 2009, determined the audit fee for the year 2009 of 760,000 Baht, acknowledged the fee for quarterly review at the amount of 270,000 Baht, totaling the aggregate audit fee for the year 2009 of 1,030,000 Baht

Number of Shareholders:	81	representing	334,452,001	shares	
Approved:	61	representing	315,182,850	shares equal to	94.2386%.
Disapproved:	0	representing	0	shares equal to	0.0000%.
Abstained:	11	representing	18,322,679	shares equal to	5.4784%.
Attended the meeting with no votes:	9	representing	946,472	shares equal to	0.2830%

## **7. TO ACKNOWLEDGE THE REMUNERATION OF THE BOARD OF DIRECTORS AND THE SUB-COMMITTEES**

The Chairman informed the Meeting that according to the principles of good corporate governance, if there was no change in the remuneration of the Board of Directors and the sub-committees from the rule previously approved, the Board should report the Shareholders Meeting to acknowledge the said remuneration every year. The remuneration was reported to the Meeting as follows:

### **7.1 The Board of Directors' Remuneration**

To comply with the Company's Articles of Association, Clause 14 paragraph 2, the directors shall be entitled to receive remuneration from the Company as resolved by the Shareholders Meeting. The Annual General Meeting of Shareholders for the year 2001 held on April 25, 2001 approved the directors' remuneration, details as presented in the Attachment No.5 (page 34) of the Notice, as follows:

#### **The Board of Directors**

<u>Position</u>	<u>Annual Honorarium</u> (Baht/Person/Year)	<u>Attendance Fee</u> (Baht/Person/Time)
Chairman	90,000	30,000
Director	90,000	15,000

In 2009, upon recommendation by the Remuneration Committee, which considered the remuneration of the Board in comparison with the remuneration of directors of other listed companies in the same or similar industries and which took into account the business and profit growth of the Company, the Board agreed to maintain the Board's remuneration for the year 2009 as previously fixed by the Annual General Meeting of Shareholders and reported this resolution to the Meeting. For 2008, the remuneration and attendance fee paid to the Board of Directors amounted to 2,407,500 Baht which did not exceed the above fixed amount, details of which were shown on the Annual Report (page 69).

The Chairman then invited the shareholders to make recommendations and ask questions. The answers are summarized as follows:

- Regarding the suggested change in the remuneration of the Board from the annual fixed remuneration to annual performance bonus base on the dividend payment to shareholders plus attendance fee which shall be paid actual attendance at meetings of the Board. It was suggested that the change would be fair to both shareholders and the Board. Should the company report profit and the Board propose the distribution of dividends to the shareholders' meeting, the Board shall receive an annual bonus in proportion to the dividends paid to shareholders. However, if the company reports a loss and there is no dividend payment for that particular year, the Board shall not receive the annual bonus (suggestion by Mr. Chatri Charoennuang).

The Chairman added that the Company did not pay a retainer fee to the Board. The director compensation package included only attendance fee and annual remuneration. The suggested change to pay annual bonus to the Board which was tied to the dividend paid to shareholders would be studied. Any changes to be made would be proposed at future shareholders' meetings.

- Regarding the suggestion to give a gift to the shareholders who volunteered to observe the voting process (suggestion by Mr. Chatri Charoennuang). The Chairman asked the Company to take care of the matter.

## **7.2 The Sub-Committees' Remuneration**

The Annual General Meeting of Shareholders for the year 2007 held on March 23, 2007 approved the remuneration of the Company's four Sub-Committees namely the Audit Committee, the Nomination Committee, the Remuneration Committee and the Executive Committee. The said committees were appointed by the Board to screen the work for the Board according to Clause 25 of the Company's Articles of Association (details of scope of work of each sub-committee were shown in the item Management Structure of the 2008 Annual Report page 59-63). The approved remuneration was in the form of attendance fee payable in accordance with actual numbers of meeting attendance and shall be effective from the date of approval until the Shareholders Meeting shall resolve otherwise, details as presented in the page 34 of the Notice, summarized as follows:

### **The Audit Committee**

<u>Position</u>	<u>Annual Honorarium</u> (Baht/Person/Year)	<u>Attendance Fee</u> (Baht/Person/Time)
Chairman	90,000	30,000
Director	90,000	15,000

**The Nomination Committee / The Remuneration Committee/ The Executive Committee**

<u>Position</u>	<u>Annual Honorarium</u> (Baht/Person/Year)	<u>Attendance Fee</u> (Baht/Person/Time)
Chairman	60,000	20,000
Director	60,000	15,000

In accordance with the recommendation of the Remuneration Committee, who thoroughly considered the appropriate remuneration of the Company's sub-committees by comparing with the information of the remuneration referred of other listed companies in the same industry and business category as well as considering the business expansion and the profit growth of the Company, the Board agreed to maintain the remuneration of each sub-committee for the year 2008 in accordance with the rate and the rule previously approved by the 2007 Annual General Meeting of Shareholders, and to propose for acknowledgment of the Shareholders Meeting.

In the year 2008, the payment for the Sub-Committees' remuneration and attendance fee was at the amount of 1,845,000 Baht.

The Chairman informed the Meeting that he would take the remuneration of each committee of the Company into consideration together with the remuneration of the Board of Directors as proposed by the shareholders.

**The Meeting's Resolution:** The Meeting acknowledged the remuneration of the Board of Directors and the Sub-committees as proposed by the Board.

The Chairman, then, invited the shareholders to ask questions or give suggestions. The Chairman and the Managing Director jointly answered the shareholder's query as follows:

Suggestions by Mr. Chatri Charoennuang

- Arranging a plant visit for the shareholders. The Managing Director and the Management would work to arrange a proper time for a visit to the Prachinburi Plant and inform the Shareholders accordingly.

Inquiry by Mr. Wanchai Rangsiyapornrat

- Progress in the delisting of the Company's securities from the Stock Exchange of Thailand and the lawsuit filed against the Company. The Chairman reiterated what the Meeting had been informed of during the consideration of Agenda item 1 that following the resolution regarding the delisting made by the shareholders' meeting held on Monday June 9, 2008, nine shareholders of the Company filed a petition in the Kanchanaburi Court requesting the revocation of such resolution. The litigation has halted the delisting of the Company's securities. As such, SCG Paper Public Company Limited (SCG Paper) notified the Company that it would await a court decision on the lawsuit before taking any action. So far, the case is

still in the court process. Should there be any further material progress made in this matter, the Company shall inform the Shareholders accordingly.

The Chairman added that it would be difficult to pinpoint how long it would take for the court to try this case as it depended on the length of the hearing and court proceedings.

- Regarding the case of shareholders wishing to sell their shares to SCG Paper at the initial tender offer price made by SCG Paper (16 Baht per share) without the court decision. The Chairman would notify SCG Paper of such intentions.

Inquiry by Mr. Samart Sae Ung

- Regarding the potential impact of the lawsuit on the Company's operations and book value of the shares. The Chairman explained that the case under trial would not affect the Company's business operations. Both SCG Paper and the Company would only have to hear from the Stock Exchange of Thailand. As at year end 2008, the book value of the shares was 13.71 Baht per share as shown in the Annual Report.

Inquiry and suggestions by Mr. Hungchai Akkawaskul

- Agenda item 8, 9, and 10 as appears n the voting cards. The Chairman explained that they were spare in case the Meeting needed to consider additional agenda items not stated in the Notice to Shareholders.
- Admiration was expressed for the Company's highly efficient vote-counting procedure.
- Objection to the delisting of the Company's securities from the Stock Exchange of Thailand. By remaining listed, the Company would be able to mobilize funds without absorbing the interests unlike other methods such as borrowings from financial institutions.

The Chairman expressed his gratitude to the shareholders for giving their views and suggestions which the Board would further take into consideration and maximize the value of the company for all shareholders. Since there was no other business to consider anymore, the Chairman thanked the shareholders for their attendance and participation in every matter.

The meeting adjourned at 16:00 hours.

*-- Signed by Mr. Chaovalit Ekabut --*

The Chairman of the meeting