

**Minutes of the 2006 Annual General Meeting of Shareholders  
of  
Polyplex (Thailand) Public Company Limited**

---

**Date, time and place**

The Meeting was held on 28 July 2006 at 10.00 a.m. at the Function room on 2nd Floor of Rembrandt Hotel, located at Soi Sukhumvit 18, Sukhumvit Road, Kwaeng Klongtoey, Khet Klongtoey, Bangkok 10110, Thailand.

**Preliminary proceedings**

Mr. Manu Leopaiprote was the Chairman of the Meeting. The Chairman announced that as there were a total of 68 shareholders attending the meeting in persons and by proxy, representing 608,711,395 shares equal to 76.09 per cent of the total issued shares (the total issued shares are 800,000,000), and that a quorum was thus constituted. During the meeting, there were additional shareholders and proxy holders presented and attended the meeting. At the end of the meeting, there were a total of 90 shareholders attending the meeting in person and by proxy, representing 613,879,159 shares equal to 76.73 percent of the total issued shares. The Chairman then declared the Meeting duly convened to consider the agenda as follows:

**1. To certify the Minutes of the 2005 Annual General Meeting of Shareholders**

The Chairman proposed the Meeting to certify the Minutes of the 2005 Annual General Meeting of Shareholders.

**Resolved** The Meeting unanimously resolved that the Minutes of the 2005 Annual General Meeting of Shareholders be approved.

**2. To acknowledge the report on the Company's operating results and to approve the Directors' Report**

The Chairman proposed the Meeting to acknowledge the report on the Company's operating results and to approve the Director's Report. A summary of the operating results for last year is set forth in the Annual Report 2005-2006.

**Resolved** The Meeting unanimously resolved that the Company's operating results and the Directors' Report as proposed by the Chairman be acknowledged and approved.

**3. To consider and approve the Company's audited balance sheet and profit and loss statements for the year ended 31 March 2006**

The Chairman propose the Meeting to consider and approve the Company's audited balance sheet and profit and loss statements for the year ended 31 March 2006, the details of which were described in the audited balance sheet and profit and loss statements sent to the shareholders together with the Notice.

**Resolved** The Meeting unanimously resolved that the audited balance sheet and profit and loss statements for the year ended 31 March 2006 be approved.

**4. To consider and approve the distribution of dividends and appropriation of the profit as the legal reserve**

The Chairman informed the Meeting that pursuant to the Public Companies Act B.E. 2535, the Company is required to appropriate five (5) per cent or more of the annual net profit less retained loss (if any) as a legal reserve, until the legal reserve reaches a minimum of ten (10) per cent of the total registered capital. For the accounting period ended on 31 March 2006, the Company's net profit was Baht 560.97 Million Baht. Considering from the cash flow, investments and expansion plans for the year 2006, the Board of Directors, therefore, propose the Meeting to consider and approve the appropriation of the profits as a legal reserve and dividend distribution as follows:

- (i) the appropriation of Baht 28.05 Million from the net profit as a legal reserve; and
- (ii) the dividend payment of Baht 0.28 per share to the Company's shareholders whose names appear in the shareholder register as at 12.00 noon on 10 July 2006 and the dividend payment schedule by 10 August 2006.

**Shareholders Vote:** Approved with 608,705,895 votes, Disapproved with 5,500 votes, Abstain with NIL votes

**Resolved** The Meeting resolved that the distribution of dividends and appropriation of the profit as the legal reserve be approved.

**5. To consider and approve the appointment of directors in place of those retiring by rotation and to determine the directors' remuneration**

The Chairman informed the Meeting that according to the Public Companies Act B.E. 2535, at every annual general meeting of shareholders, one-third (1/3) of the directors, or if it is not a multiple of three, then the number nearest to one-third (1/3) must retire from office. There must be a drawing by lots to determine the directors retiring on the first and second years following the registration of the Company. In each subsequent year, the directors who occupy the position for the longest period must retire.

Following the conversion into public company limited, the 2006 Annual General Meeting of Shareholders is the second Annual General Meeting of Shareholders of the Company. Therefore, the retiring directors by drawing (after excluding the directors who retired and were re-elected in the first year) were:

1. Dr. Virabongsa Ramangkura
2. Mr. Sanjiv Saraf
3. Mr. Ranjit Singh

The Board of Directors, therefore, propose the Meeting to consider and approve the re-appointment of directors retiring by rotation for another term. In addition, the board propose the Meeting to consider and approve the remuneration of the directors who are the members

of the Audit committee for the year 2006 of Baht 10,000 per person for every meeting attended. The directors who are not the members of the Audit Committee voluntarily waived their rights to receive the remuneration as the Company's directors.

**Resolved** The Meeting unanimously resolved that the re-appointment of the above persons as the directors of the Company and the directors' remuneration be approved.

**6. To consider and approve the appointment of auditors and their remuneration**

The Chairman proposed the meeting to appoint Mr. Vichien Thammatrakul, Certified Public Accountant No. 3183 and/or Mr. Santi Pongjareanpit, Certified Public Accountant No. 4623 or Mr. Pisit Chiwaruangroch, Certified Public Accountant No.2803 of KPMG Phoomchai Audit Ltd. as the Company's auditors for the accounting period ending 31 March 2007 with the remuneration upto a maximum of Baht 3,040,000.00

**Shareholders Vote:** Approved with 608,705,895 votes, Disapproved with 5,500 votes, Abstain with NIL votes

**Resolved** The Meeting resolved that the appointment of Mr. Vichien Thammatrakul, Certified Public Accountant No. 3183 and/or Mr. Santi Pongjareanpit, Certified Public Accountant No. 4623 or Mr. Pisit Chiwaruangroch, Certified Public Accountant No.2803 of KPMG Phoomchai Audit Ltd. as the Company's auditors for the accounting period ending 31 March 2007 with the remuneration upto a maximum of Baht 3,040,000.00, be approved.

**7. To ratify the minor revisions in the end-use of funds raised from IPO in December-2004**

The Chairman propose the Meeting to ratify the minor revision in the end-use of funds raised from IPO in December 2004 as detailed in the copy of the Letter sent to SET dated 9 August 2005.

**Shareholders Vote:** Approved with 607,789,795 votes, Disapproved with 921,600 votes, Abstain with NIL votes

**Resolved** The Meeting resolved that the minor changes in the end-use of funds raised from IPO in December-2004 as detailed in the copy of the Letter sent to SET dated 9 August 2005 be ratified.

**8. To acknowledge the proposal to set up an Extrusion Coating/Lamination project in Thailand)**

The Chairman propose the Meeting to acknowledge the proposal to set up an extrusion coating/lamination project in Thailand.

**Resolved** The Meeting unanimously resolved that the proposal to set up a Extrusion Coating / Lamination project in Thailand be acknowledged.

9. **To consider any other business (if any)**

The Chairman informed the Meeting that all agenda had been considered by the Meeting and asked if any shareholders had any query or suggestion.

The shareholders asked various questions about the business, performance of the company and company's subsidiaries which are as follows:

1. **The Board mentioned that the industry is in a trough in the PET cycle. Has it reached its lowest point?**

The Chairman responded that it is difficult to predict how the industry will develop, but one cycle usually lasts about 2 to 3 years. In his view, it is at a low point and business should improve by the second half of the next financial year.

2. **Can company name the competitors in Slide 7 of the presentation?**

The Chairman responded that it is good manners not to reveal the names of third parties.

3. **How is the business situation in the US? What is the rationale for such a big investment there?**

The Chairman responded that the investment was only about US\$ 1,000,000 (US\$ one million) and is not therefore a significant amount considering the size of PTL. US demand makes up about 20% of PTL's sales and is the world's largest market, hence significant too. PTL intends to grow its US market share. The small investment in this distribution company will hopefully be profitable given its small size.

4. **Will Return on Equity (ROE) of PTL decrease any further (from 58% in 2003/2004 34.67% in 2004/2005 to 16.77% in 2005/2006)?**

The Chairman responded that the reduction in ROE is due to decline in profitability and also the increase in net worth. It is better to look at PTL as a whole to see whether PTL is capable of making a profit. Also, it is useful to compare it with competitors in the same industry.

5. **Can company briefly tell shareholders the sales or profit forecast for the financial year 2006-2007?**

The Chairman responded that the sales and turnover should increase by 30% to 40%. Profitability however should be significantly restricted in the first half of the financial year 2006-2007. It should stabilize and improve in the third quarter. However, that also depends on raw material prices, oversupply situation in market and the exchange rate fluctuation.

**6. Why is there such a large volume of unused material and stock?**

The Chairman responded that there was an increase in stock because PTL was accumulating stock of chips for Turkey operations. After Turkey operation started, stock levels have been decreased significantly.

**7. Why is there a large increase in spending on personnel?**

The Chairman responded that the spending increased because PTL expanded its operations and engaged in new projects such as metallizer in Thailand. Also, subsidiary projects in Turkey and US has contributed to increase in personnel expenses.

**8. Why wage costs increased even though the number of workers decreased?**

The Chairman responded that wages costs increased by about 30%. There are three main reasons:

- (a) Two additional projects in Turkey and US have begun and these two subsidiaries must employ more senior technical experts, who will help to set up operations successfully.
- (b) There was a normal 5% to 10% increase in employees' salaries.
- (c) Working week was reduced from 6 days to 5 days at the Rayong factory. The Company shifted to 5 days a week from 6 days as most of the factories in Rayong are following 5-day working week and PTL had to conform to the same policy to avoid labour turnover.

**9. Why Mr. Ranjit Singh never attended the meeting of the Board last year?**

The Chairman informed that Mr. Ranjit Singh is based in India and was unable to attend the meeting of the Board in Thailand. However, he has been informed of the progress and matters resolved in the Board's meeting on timely basis.

**10. Why the losses from investment in the financial statements (Baht 125,926,000) are so high?**

The Chairman responded that this was due to the cost of operations in the Turkey project which, even though they started only from December 2005, had already incurred significant preoperative costs. The Turkey project has generated any revenue only in one quarter, and therefore its audited financial statements show losses. PTL, as the parent company, must reflect these losses in its consolidated financial statements, which results in company's audited consolidated financial statements showing lower profits.

11. **When the Turkey project will start reporting profits? Why did investment in Turkey last year coincide with a plunge in the share value on the stock market? Is there any insider trading?**

The Chairman responded that the accounts for the Turkey operations are reported at the same time as PTL's accounts. There is to time lag between PTL's reporting date and its subsidiary's. As the Turkey project is currently being operated at over 90% capacity, considering the market situation, we expect that it should start reporting profit within the financial year 2006-2007.

No one could have predicted that the share price would fall after the decision to invest in Turkey. The Chairman's view is that there has not been any insider trading.

12. **Why did marketing costs for 2006 decreased as compared to 2005?**

The Chairman responded that the company reduced its marketing costs because the Turkey project has begun. Now, the company can serve its Europe market through its subsidiary in Turkey. This has resulted saving in shipping costs.

13. **Why is the dividend paid only Baht 0.28 per share? Can PTL pay a dividend of Baht 0.35 per share (same as last year)?**

The Chairman responded that it is company's policy to pay a dividend of about 40% of profits. The Board of Directors considered the company's cash flow and took the view that a dividend of Baht 0.28 per share is appropriate and will not adversely affect the company's cash flow. An increase in the dividend payment may affect the Company's investment plan.

14. **Why has the audit fee increased by over Baht 1 million? Did the Company compare the audit fee with other audit firms? Is there no cheaper option? For good governance, shouldn't the auditor be changed at least every 5 years?**

The Auditor explained that the audit fee has increased because during the year, two new projects in the US and Turkey has been added, as mentioned earlier. There is more auditing work to do and the auditor must spend more time coordinating with the auditors of the subsidiaries in US and Turkey. So the audit fee has to be increased accordingly.

For good governance, we have to change the auditor every 5 years but not necessarily the accounting firm. Mr. Santi, another auditor from KPMG, will be replacing the current auditor next year.

15. **Does PTL's accounting period end on 31 March in order to be in line with its parent company in India?**

The Chairman responded affirmative.

16. **Is the auditor randomly checking stock at the plant when auditing the accounts?**

The auditor responded affirmative.

17. **When will the Extrusion Coating /Lamination project be operational? How will it be financed?**

The Chairman responded that it will be done in phases. There will be 2 lines of production costing US\$ 5 million each. The first line should begin work with-in a year. It will be funded by long term loans as also partly by internal accruals.

As no shareholders raised any other questions or suggestion, the Chairman thanked all shareholders for giving their time to attend the Meeting. The Chairman, then, closed the 2006 Annual General Meeting of Shareholders.

The Meeting was adjourned at 12.30 p.m.



Signed Manu Leopairote Chairman of the Meeting  
(Mr. Manu Leopairote)

