



## THORESEN THAI AGENCIES PUBLIC COMPANY LIMITED

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### *-Translation-*

#### **Minutes of the Annual General Meeting of Shareholders No. 1/2011 (rescheduled) of Thoresen Thai Agencies Public Company Limited (the “Company” or “TTA”)**

#### **Time and Place:**

Held on Wednesday, 2 March 2011, at 2.00 P.M., at the Arnoma Grand, Arnoma Hotel, No. 99 Rajdamri Road, Lumpini, Pathumwan, Bangkok 10330, Thailand

#### **Directors Present:**

- |                                |  |
|--------------------------------|--|
| 1. Mr. Aswin Kongsiri          | Chairman   |
| 2. M.L. Chandchutha Chandratat | President & Chief Executive Officer  |
| 3. Mrs. Pratana Mongkolkul     | Independent Director/Audit Committee Chairperson                           |
| 4. Dr. Pichit Nithivasin       | Independent Director/ Chairman of Nomination and Remuneration Committee    |
| 5. Mr. Stephen Fordham         | Director/Nomination and Remuneration Committee                             |
| 6. Dr. Siri Ganjarerndee       | Independent Director/Audit Committee/Nomination and Remuneration Committee |
| 7. Mr. Sak Euarchukiati        | Independent Director/Audit Committee/Nomination and Remuneration Committee |
| 8. Mrs. Joey Horn              | Director   |
| 9. Mr. Peter Stokes            | Independent Director   |

#### **Auditor Present:**

- |                                 |                                  |
|---------------------------------|----------------------------------|
| 1. Mr. Kajornkiet Aroonpirodkul | PricewaterhouseCoopers ABAS Ltd. |
|---------------------------------|----------------------------------|

#### **Executives Present:**

- |                               |  |
|-------------------------------|--|
| 1. Mrs. Thitima Rungkwansiroj | Executive Vice President, Group Finance and Accounting           |
| 2. Mr. Sataporn Amornvorapak  | Chief Financial Officer, Mermaid Maritime Public Company Limited |
| 3. Mrs. Charmaine Utharntharm | Stakeholder Relations Manager                                    |
| 4. Mr. Piya Tannapipat        | Stakeholder Relations, Unique Mining Services Plc.               |

#### **Other attendees:**

- |                                 |   |
|---------------------------------|---|
| 1. Mr. Thanathip Pichedvanichok | Legal advisor, Thanathip & Partners Legal Counsellors Limited |
| 2. Ms. Mantanee Surakarnkul     | Company Secretary   |

## **Preliminary Proceedings:**

Mr. Aswin Komgsiri was the Chairman of the Meeting. Before the Meeting started, the Company Secretary reported that nine (9) directors were present at the Meeting, and there were 770 shareholders present in person and by proxy with an aggregate of 156,669,100 shares, which was equal to 22.13% of the Company's total issued shares (the Company has a total of 708,004,413 issued shares). Since this is the 1/2011 Annual General Meeting of Shareholders ("1/2011 AGM") (rescheduled), the quorum is not required to be achieved pursuant to Section 103 Paragraph 2 of the Public Limited Companies Act B.E. 2535 and Article No. 35 of the Company's Articles of Association.

After the Company Secretary reported the number and the percentage of shareholders who attended the Meeting, the Chairman declared the Meeting opened and assigned Mr. Thanathip Pichedvanichok, a legal advisor from Thanathip & Partners Legal Counsellors Limited, to advise any legal issues which might be raised in the Meeting and read the agenda and details of each agenda to the shareholders for him.

Mr. Thanathip Pichedvanichok, the Company's legal advisor, introduced the directors and executives of the Company present at the Meeting and informed the Meeting that the auditors from Pricewaterhouse Coopers ABAS Ltd. participated at the Meeting to review the voting results.

Before the Meeting started, the Company's legal advisor explained the Meeting procedures and voting process in respect of each agenda item as follows:

1. The shareholders who are personally attending the Meeting and proxy holders who have been given a proxy to vote at this Meeting will have each been given a ballot paper when they registered for the Meeting. If you have not been given a ballot paper, please raise your hand and the staff will distribute it to you.
2. The Meeting will consider each agenda item in the order set out in the invitation letter to this Meeting. The information relating to each agenda item will be presented to the Meeting and the shareholders will be given an opportunity to ask questions before voting on each agenda item. If a shareholder or a proxy holder wishes to ask a question or questions, please raise your hand and state your full name and, in the case of a proxy holder, the full name of the shareholder that has given you the proxy.
3. After you have been given the information related to each agenda item, please indicate your voting choices on the ballot paper given before the Meeting. We will only collect the ballot papers from the shareholders who disagree and abstain from voting on an agenda item. As for agenda 5 about appointment of directors, we will collect all ballot papers from all shareholders attending the meeting. In order to save time, while the votes are being counted, the Meeting will consider the next agenda item.
4. Each shareholder has one vote per share owned.
5. The shareholders who are personally attending the Meeting and proxy holders who have been given a proxy to vote at this Meeting (except foreign investors who have appointed a custodian in Thailand to keep and safeguard the shares) may not divide their vote for

each agenda item. In other words, you must vote with all your voting rights whether you approve, disapprove or abstain.

6. Custodians appointed by foreign investors may vote with all their voting rights or divide them up for each agenda item. In other words, they may divide their votes into the votes of approval, disapproval and abstention.
7. In counting the votes, the Company will deduct the votes of disapproval and abstention from the total votes of the Meeting. The rest of the votes will be deemed votes of approval. Where no-one has stated an opposing or differing opinion, the Meeting will be deemed to have unanimously agreed or given a unanimous approval.
8. For shareholders who attended the Meeting in a small meeting room, the shareholders can raise questions and votes by sending questions and ballots to the Company's officers.

After explaining the voting procedures, the Company's legal advisor opened a question and answer session for shareholders about the voting process.

*A shareholder (Pol.Col. Sermkiet Bumrungpreuk) asked for clarification as to the formal nomenclature of the meeting as a rescheduled meeting i.e the Annual General Meeting of Shareholders 1/2011 (rescheduled) as clause 103 of the Public Limited Companies Act B.E. 2535 does not refer to a rescheduled meeting but was specific in reference to a new meeting or a subsequent meeting.*

The Company's legal advisor noted that as the call of the 1/2011 Annual General Meeting of Shareholders did not achieve quorum, the Company arranged for a new meeting under as the Annual General Meeting of Shareholders 1/2011 (rescheduled) so as not to cause confusion.

After the Company's legal advisor explained to the shareholder about the rescheduled meeting, the Chairman proceeded with the following agenda.

**1. To certify the minutes of the previous 1/2010 Annual General Meeting of the Shareholders held on 29 January 2010.**

The Chairman presented the Minutes of the 1/2010 Annual General Meeting of the Shareholders of the Company (the "1/2010 AGM") held on 29 January 2010 to the Meeting for shareholders' approval.

Upon a motion duly made and carried, it was resolved by majority votes of the shareholders who attended the Meeting and cast their votes, that the Minutes of the 1/2010 AGM held on 29 January 2010, which was previously circulated the shareholders, be hereby certified.

The number of votes by shareholders was as follows:

<u>Approved</u>	<u>Against</u>	<u>Abstain</u>	<u>Total</u>
156,084,590	2,500	6,452,120	162,539,210
96.03%	0.00%	3.97%	100.00%

Note: During this agenda, an additional fifty-five (55) shareholders attended the Meeting, both in person and by proxy, who represented 5,870,110 shares. The total number of shareholders who attended the Meeting, both in person and by proxy, then increased to 825 shareholders, totalling 162,539,210 shares, representing 22.96% of the total issued shares of the Company.

**2. To acknowledge the Company's performance for the financial year that ended on 30 September 2010 and to certify the 2010 Annual Report.**

The Chairman asked M.L. Chandchutha Chandratat, President & Chief Executive Officer of the Company, to brief the shareholders with the financial results.

President & Chief Executive Officer reported that in the 2010 financial year that ended on 30 September 2010 (the "FY 2010"), total revenues decreased by 10.35% vis-a-vis the previous year, due mainly to the drop in revenues from the dry bulk shipping business as a result of vessels sales. EBITDA decreased 14.02% YoY attributed to Mermaid Maritime Public Company Limited ("Mermaid")'s negative performance, thereby reducing total revenues of the Group. Interest expenses increased 64.66% primarily as a result of additional drawdown of loans for investment and vessel acquisitions. Net profit fell 56.41% YoY. Nonetheless, the balance sheet remained strong. In FY 2010, total shareholders' equity increased 1.42% to Baht 31,532.14 million.

In the financial performance by lines of businesses, the Transport Group with Dry Bulk Shipping as our flagship business saw a drop in vessel days. The termination of the liner service, which was not profitable, allowed our vessels to trade in other geographical regions such as the Atlantic and the Pacific instead of trading only in Southeast Asia and the Middle East. The Transport Group provided a relative stable performance with a profit of Baht 1,021.32 million, primarily attributable to the gains from the sale of 11 vessels amounting to Baht 495.17 million and Baht 51.86 million profit from Petrolift Inc. Our average time charter equivalent ("TC") rate for the fleet was USD 12,619 per day in FY 2010 versus USD 11,127 per day in the financial year that ended on 30 September 2009 (the "FY 2009").

Mermaid had a consolidated net loss of Baht 339.49 million, reflected as a net loss of Baht 193.98 million in the Company's consolidated figures. The average utilisation of assets in the subsea engineering segment was 39.54% in FY 2010 compared to 52.64% in FY 2009. The average utilisation of assets in the drilling segment decreased to 56.71% in FY 2010 compared to 94.93% in FY 2009. Given the permanent fixed cost, Mermaid reported a net loss.

Within the Infrastructure Group, Baconco Co., Ltd. ("Baconco") contributed a net profit of Baht 211.71 million and Unique Mining Services Plc. ("UMS") contributed Baht 79.14 million to the Company. Baconco sold 151,973 metric tonnes of fertilisers in FY 2010 and UMS sold 1.17 million metric tonnes of coal in Thailand in FY 2010.

The Company has a very strong balance sheet. As of 30 September 2010, cash and cash equivalents amounted to Baht 8,458 million and available credit facilities amounted to USD 677.97 million.

In diversifying the business risks, the Company is focusing on establishing a balance across the business groups. In FY 2010, the operating revenues of the Transport Group were 54% of the total operating performance compared to 70% in FY 2009. The revenues of the Infrastructure Group increased to 26% in FY 2010 compared to 3% in FY 2009.

In the first quarter of the 2011 Financial Year, the move towards greater balance progressed, despite Mermaid's negative performance. We expect to see a recovery of Mermaid's financial performance in the coming quarters. As for UMS, the profit is expected to be improved this financial year.

On a strategic level, the Company will be more focused on commodities and infrastructure in the next few years because i) Dry Bulk Shipping will not achieve the returns on capital from 2005-2008 over the next 3-5 years. In 2010, the number of world dry bulk fleet increased by 18% whereas the demand increased by 6%, resulting in imbalance and putting pressure on the TC rate, and will take at least 2-3 years to bring it back to normal, and ii) Mermaid has unsatisfactory performance. We are in the process of changing management and taking aggressive steps to turnaround Mermaid. We expect that after April 2011, Mermaid's business should be revived as evidenced by the increase in number of contracts award in line with higher fuel price.

The Company has acquired businesses in different stages of their life-cycle, including start-up companies such as the Merton Group, turnaround companies (Baconco and UMS), and mature companies (Petrolift and Baria Serece). The mix and potential of recent acquisitions is expected to increase long term shareholder value.

President and Chief Executive Officer presented the Baltic Dry Bulk Index ("BDI") and TTA share price. We can see that TTA share price movements are closely correlated with changes in the BDI. Therefore, if the correlation continues, and the BDI continuing to drop, TTA's share price outlook does not look rosy. Hence, the Company has made concerted efforts to diversify its businesses to reduce the proportionate contribution from Dry Bulk Shipping and to look for greater returns from other line of business so as to increase returns to investors, result in an increase in TTA's share price.

The trends reflect increased fuel prices, with an expected resulting increase in demand for subsea vessel services. Demand for coal has increased in Asia and should drive up coal prices.

The Chairman opened a question and answer session for shareholders.

*A shareholder (Pol. Col. Sermkiet Bumrungpreuk)* reproved the co-ordination with shareholders of relatively large shareholdings that resulted in the 1/2011 AGM not proceeding as a quorum had not been reached, wasting attendees' travel and attendance time.

Mermaid's performance has had an impact on TTA, and request that TTA rectify the situation as soon as possible, even if it means we have to divest as Mermaid is not our core business. He questioned the change in Mermaid management would result in an improvement in Mermaid's performance or not and asked for a summary of steps to be taken in turning around Mermaid.

*A shareholder (Ms. Prakaidao Khemachantree)* opined that it could be seen from the annual report that Mermaid's business is a high risk one, especially when one notes there are a limited number of potential clients in this niche market, particularly for the drilling business. Given that the directors are aware of the risks and in the face of Mermaid's performance at a loss, why have we taken on four new assets. Furthermore, as the utilisation rate is at a low we still have spare capacity and therefore, should not be taking on new vessels.

*A proxy holder (Mr. Thong-in Sanggnam), for Ms. Suliporn Aranyik and Ms. Suwari Nontaphantha (Shareholders)* asked for confirmation of a quorum for this meeting. Taking the highlights on page 4 in annual report, we can see that earnings per share has decreased successively over the last 3 years, what will 2011 be like as Mermaid continues to perform at a loss. He requested that the Company cease activities that create business risk to the business as it impacts on shareholders. The dividend payment is half what was paid last year, and would requested that the proposed amount of dividends be reconsidered. He also noted that TTA's share price has not improved even though the SET Index has gone up.

The Chairman requested the Company's legal advisor to advise on the quorum.

The Company's legal advisor advised that the Company has made all efforts to ensure attendance, but the Company was not able to force shareholders to attend or give proxies for others to attend. Clause 103 of the Public Limited Companies Act does not require a quorum for a rescheduled meeting, and today's meeting can proceed.

President & Chief Executive Officer addressed the share price point as follows. TTA's share price is linked to the BDI, and TTA's share price went up in 2008 as a result of the BDI reaching its peak, and event followed by substantial orders of new builds with delivery commencing 2009 onwards. As such, even though the SET index has gone up, the BDI has not, leaving TTA share prices at a low level.

Mermaid is a capital intensive business and needs a period of time to see positive returns. However, Mermaid has never been in the red in the past and has only shown a loss in 2010. Mermaid's acquisition of four new subsea vessels was a result of its IPO on the Singapore Exchange Securities Trading Limited ("SGX") in October 2007 giving it access funds for business expansion. As there was great demand for off-shore vessels, the proceeds of the IPO were used in commissioning the new builds which would take between 2-3 years to deliver. However, this demand has slowed down in 2010, but looks to be improving in this year. We know well that Mermaid's assets require high capital expenditure with a dynamic position dive support vessel ("DSV") costing at least USD 60 million, which meant that Mermaid needs go to the market for the funding. Mermaid's strategy involves the forming of a joint venture to access the Stock Exchange Market in Norway. We will be focusing on Mermaid's marketing strategy increasing its market presence overseas outside of Asia. This can only be achieved by forming partnerships within various regions, which is the reason for Mermaid's acquisition of small companies to access additional partnership, i.e. the Middle-East, with the expectation of being able to improve the utilisation rate.

With regards to Mermaid not being a core business of the Group, though Dry Bulk Shipping is an original business of the Group, it doesn't mean that we are restricted to only one core business. The diversification of our business risk will ensure that we are not dependent on a single business.

A shareholder (Mr. Wasant Pongputthamon) stated that he did not see a clear operational direction on the management of the lines of businesses for a return of X%, nor does he see how the lines of businesses are controlling expenses to ensure that financial results will not be dismal as in the past year. He expressed concern about additional expenses that may need to be incurred in Mermaid's expansion into other markets. His view was that TTA share prices should not be this low and wondered if the Board would be able to increase the dividends to be paid. Finally, he wanted know what the target dividend payment for this financial year would be.

President & Chief Executive Officer responded that the Company is still actively containing expenses, but that the expenses associated with our dry bulk shipping business are fairly static while the income is fairly low, resulting in a visibly lower result. The share price over the last 2 – 3 years is below book value, and is not unexpected if we compare the share prices to those of large shipping companies in Europe. The share price being below book is in line with the lowered income of the Company.

The targeted return of each line of business is not fixed at the same level across the board as the capital investment required for each business line is not the same. For example, Infrastructure requires less capital than dry bulk shipping and the off-shore services segments, with a resulting 62% or more of our investment residing in the dry bulk and off-shore services businesses. We have been vigilant in our efforts to control expenses within dry bulk shipping, but the lower income level has produced poor results. To achieve higher utilisation rates, Mermaid will pursue markets outside of Thailand as oil prices have gone up.

A shareholder (Mr. Wasant Pongputthamon) stated that there were many companies on the Stock Exchange whose revenues have not dropped, but have reported increases in profits resulting of better cost containment. However, this company's income has come down a lot yet expenses are still high, potentially becoming an impediment to the Company's continued operations.

The Chairman noted that the Company was trying to contain expenses, but that it will take time.

It was resolved, by majority votes of the shareholders who attended the Meeting and cast their votes, that the Company's performance for the 2010 Financial Year be acknowledged and the 2010 Annual Report be certified.

The number of votes by shareholders was as follows:

<u>Approved</u>	<u>Against</u>	<u>Abstain</u>	<u>Total</u>
175,391,177	1,167,110	6,500,870	183,059,157
95.81%	0.64%	3.55%	100.00%

Note: During this agenda, an additional sixty-five (65) shareholders attended the Meeting, both in person and by proxy, who represented 20,519,947 shares. The total number of shareholders who attended the Meeting, both in person and by proxy, then increased to 890 shareholders, totalling 183,059,157 shares, representing 25.86% of the total issued shares of the Company.

**3. To consider and approve the audited balance sheet and the profit and loss statement for the financial year that ended on 30 September 2010 together with the Auditor's report thereon.**

The Chairman asked the shareholders to consider and approve the audited financial statements for the financial year that ended on 30 September 2010, which had been circulated to all shareholders in the annual report.

The Chairman opened a question and answer session for shareholders.

*A shareholder (Ms. Prakaidao Khemachantree)* queried the increase of Baht 5 billion of long term lending to companies within the Group in FY 2010, wanting to know the source and ratio of equity involved in the lending, the applicable interest rate, the currency involved, and whether hedging had been taken into consideration. The notes to the financial statements indicate that the lending is unsecured at a fixed interest rate for 3 years.

*Mrs. Thitima Rungkwansiroj (Executive Vice President, Group Finance and Accounting)* addressed the points as follows. Funding for vessel purchases are sourced within and outside Thailand, proportioned at 40:60. Furthermore, both TTA and Mermaid receive income in USD, thus the borrowings are in USD to provide us with a natural hedge. Most of our income and expenses are in USD.

*A shareholder (Ms. Prakaidao Khemachantree)* further queried whether it was correct to state that TTA has provided loans to its Group companies and, taking into account that it had accessed external funding in the SGX for offshore vessel purchases, whether Mermaid was short of funds necessitating borrowing from TTA. Does this put companies within the Group at a disadvantage, as TTA has been able to source funding at a very low rate in Thailand, but is providing funding to its Group companies at a fixed rate.

Executive Vice President, Group Finance and Accounting advised that the long-term line of credit that has been extended to TTA, for the purchase of dry bulk vessels, is at a very low rate and therefore has no risk. Where we provide intercompany loans within the Group, we are not exposing any party to any disadvantage as we on-lend at the same rate as we borrow.

*A shareholder (Ms. Prakaidao Khemachantree)* further noted that the unrealised gain/loss from exchange should not even exist if our income and expenses are all in USD.

Executive Vice President, Group Finance and Accounting noted that as TTA is a Thai company it must convert the USD actual into Baht for reporting purposes in its financial reports. The Baht 5 billion lent in the last financial year was not lent to Mermaid but to our Dry Bulk Shipping subsidiaries in which we hold 100% of its shares.

*A shareholder (Pol. Col. Sermkiet Bumrungpreuk)* observed that the cashflow as presented on page 114 of the Thai edition of the annual report showed income from short term investments, and noted that it was a positive item, however he particularly noted that the report does not reflect any dividend income from our subsidiaries or joint ventures. Additionally, expenses remain high and understand that it includes director fees. Given that the Company's income level has come down, director's compensation should be reviewed.

He further requested the figures for the various investments, and noted that the Company should pay heed to managing risk as well.

President & Chief Executive Officer advised that, in the past financial year, the Company had invested approximately Baht 3.9 billion in UMS, approximately Baht 1 billion for the delivery of a new build vessel from Japan, approximately Baht 900 million in Petrolift Inc, and that Mermaid had invested approximately Baht 4.8 billion for delivery of new build vessels. TTA's revenue has decreased as the utilisation rate at Mermaid has dropped, potentially requiring us to have Mermaid go into global waters in its businesses to increase the utilisation rate. Investments in Petrolift Inc. and others are still showing a profit. Mermaid is an exception as it has taken delivery of vessels increasing its depreciation and borrowing obligations.

Having considered the matter, the Meeting resolved to approve the Company's audited financial statements together with the Auditor's report therein for the financial year that ended on 30 September 2010 by majority votes of the shareholders who attended the Meeting and cast their votes as follows:

<u>Approved</u>	<u>Against</u>	<u>Abstain</u>	<u>Total</u>
171,973,477	1,209,210	9,876,470	183,059,157
93.94%	0.66%	5.40%	100.00%

**4. To consider and approve the payment of cash dividends for the fiscal year that ended on 30 September 2010 and the appropriation of a legal reserve.**

The Chairman informed the Meeting that pursuant to Section 116 of the Public Limited Companies Act B.E. 2535 and Article No. 43 of the Company's Articles of Association, the Company shall allocate some of its annual net profit to a reserve fund until this fund attains an amount not less than ten per cent of the registered capital. This year, the Company had a net profit of Baht 795,573,570 as the Company had set aside a reserve fund up to the ten per cent of the registered capital; therefore, no additional reserve fund is required.

Regarding the dividend payment, the Chairman requested for shareholders' approval of dividend payment at Baht 0.26 per share. The above dividend payment will be paid to shareholders whose names appear on TTA's share register book on 9 March 2011. This date is considered the "Record Date" to receive dividend payments. The share register book closing date for collecting shareholders names under Section 225 of the Securities and Exchange Act is scheduled to be 10 March 2011. The final dividend payment shall be made on 23 March 2011.

The Chairman opened a question and answer session for shareholders

*A proxy holder (Mr. Apinan Tantiwattana) for the Kimhaschang R.O.P.* noted that the Company's financial results are such that a higher dividend payment would be reasonable, given Baht 8,458 million in hand as per the financial report. He proposed a dividend payment of Baht 1 per share.

*A shareholder (Pol. Col. Sermkiet Bumrungpreuk)* seconded the proposal for a Baht 1 dividend payment, referring to Clause 115 of the Public Limited Companies Act which states

that payment of dividends shall be approved by the shareholders. The proposed payment of Baht 0.26 per share was too low as the Company has already made sufficient provisions for reserves as required by regulations. As such, he proposed three options for dividend payment at Baht 0.26, Baht 0.50, and Baht 1 per share respectively. He put the proposed option to the shareholders present as an alternative to the Baht 0.26 as proposed by the Board of Directors.

President & Chief Executive Officer clarified that the Baht 0.26 was proposed by the Board as the Company has Baht 2,154 million due for payment within 12 months and as noted in notes 35.1 and 35.2 of the Company's financial statements, the Company is committed to pay approximately Baht 5 billion for new build and charter in vessels. Therefore, the Company must have the cash reserves for vessels which we have committed to previously. Given Mermaid's reduced income, we would also like to have cash at the ready should its performance not be as expected. Once we no longer have these potential commitments, the Company will have the opportunity to pay a higher dividend.

The Company's legal advisor advised on a point of law that the Notice Calling for the 1/2011 AGM stated clearly that the dividend payments shall be approved by the shareholders. Therefore, the shareholders would consider whether the Company should pay dividends at Baht 0.26 per share.

*A shareholder (Pol. Col. Sermkiet Bumrungpreuk)* asked the Company to consider the three options as his proposal and allowed the shareholders to vote each option.

*A shareholder (Mr. Prasit Pirancharoen)* noted that he understood what the President & Chief Executive Officer had clarified, but would still ask for the consideration of an increase in the dividend payment, an increase that is not a big increase at all. If one were to take a market competitor such as Precious Shipping Public Company Limited, which pays a dividend every quarter, the share price is stable as a result of the frequent payments. If TTA were to do the same thing, the share price would be more stable, for the benefit of the investors.

*A shareholder (Mr. Thanawat Pinrod)* opined that this year's dividend payment should not really be linked to the commitments in the next year which is to be covered by operating cash flow generation by management, and therefore merits an increase in actual amount to be paid.

*A shareholder (Mr. Wasant Pongputtamon)* noted that the Company can issue bonds, currently to be had at fairly low interest rates, to cover current commitments. Furthermore, the Company still has access to a large portion of unallocated retained earnings, and as such, an increase in dividend payment should not have much of an impact on the Company. The voting for this agenda item places the smaller shareholders at a disadvantage as they are minute in numbers, and as such would request that the Board of Directors reconsider the payment.

*A proxy holder (Mr. Panuwat Bunyakitti) for Mr. Preecha Tungsampan (Shareholder)* proposed an additional dividend payment at a rate higher than 25% of net profits for an amount of Baht 0.50 or Baht 1 per share, and requested that it be put forward as an "other item" agenda item being agenda items 15.1 and 15.2 where agenda item 15.1 would propose payment at Baht 0.50 per share or Baht 1 per share and agenda item 15.2 would propose

payment at the amount agreed in the previous agenda compared with the payment of Baht 0.26 per share, and agenda item 15.3 being the proposal to consider the agenda item together with agenda item 4; taking a vote of not less than two-thirds of the number of shareholders present at the Meeting.

*A proxy holder (Mr. Apinan Tantiwattana) for the Kimhaschang R.O.P.* requested that the agenda item simply be changed to a proposal of a payment of Baht 1 per share.

The Company's legal advisor recommended that the proposed dividend of Baht 0.26 per share be voted upon first and should the vote not pass, then go on to consider the dividend payments of Baht 0.50 and Baht 1 per share, respectively and subsequently.

*A shareholder (Mr. Thanawat Pinrod)* commented that if the Board of Directors asked the shareholders to vote the dividend payment of Baht 0.26 per share, the shareholders should vote against the agenda. He asked for the minutes to reflect that the shareholders in the room were not in agreement with that.

*A proxy holder (Mr. Settha Paweenapichat) for MFC Asset Management Public Company Limited* noted that institutional investors have already precast their votes on the dividend and as such would not be able to recast their votes.

*A shareholder (Pol. Col. Sermkiet Bumrungpreuk)* read out Clause 105 of the Public Limited Companies Act on the reprioritisation of the agenda items whereby on an approving vote of not less than two-thirds of the number of shareholders present at the meeting is required for such a proposal to be effective. The addition of agenda items requires a one-third of the total number of issued shares of a company to approve the addition of agenda items. Therefore, if a shareholder requests the Company to proceed the addition of agenda item, the Company should consider.

*A proxy holder (Mr. Panuwat Bunyakitti) for Mr. Preecha Tungsampan (Shareholder)* asked to change the sequence of the agenda item 4 to be considered as "other agenda" and proposed that it is agenda No. 15.1

*A shareholder (Mr. Wasant Pongputtamon)* recommended that the Board of Directors convene an on the spot meeting to propose the dividend payment for a vote, referring to an on the spot adjustment of proposed dividend payment by one listed company at their AGM meeting. He further disagreed with the voting on the payment of Baht 0.26 per share as per agenda and then going on to vote on the additional items as "other item" agenda items.

*A shareholder (unidentified name)* recommended that this be an "other item" agenda for payment of extraordinary dividend so that the meeting can proceed.

*A shareholder (Mr. Wasant Pongputtamon)* noted that the Company had invested in so many businesses in the past and has sufficient reserves to pay additional dividend, therefore requested the Board of Directors fully consider this agenda prior to voting. Then shareholders will vote the agenda after the Board of Directors considered.

*A shareholder (Mrs. Araya Pengniti, also being a representative of a shareholder, Mr. Chan Thanasriwanichai)* noted that under normal circumstances, shareholders give proxy on the

basis that all would proceed well, thus the proxy votes would be an issue too as the Board of Directors could use them as bargaining chips, which would be totally unfair to the shareholders. Thus, should the Board of Directors consider a dividend payment in favor of the shareholders, it would prove to be beneficial to the Company's reputation.

The Company's legal advisor advised that the Company had institutional investors both here and abroad, and since they had already voted for the dividend proposed by the Board of Directors, the Company was not in a position to change the dividend payment proposed. Were the Company to change the dividend payment to some other amount, i.e. Baht 0.50, the votes in hand would become "against" other proposed options.

President & Chief Executive Officer advised that the shareholders approved dividend payments policy of no less than 25% of net profits, and the Company has abided by that policy throughout. The Board of Directors understood the shareholders and asked that a vote be made on a payment of Baht 0.26 per share now. After that, the Company will need to contact the institutional investors for an additional dividend payment.

*A shareholder (Mrs. Araya Pengniti)* agreed with the compromising solution but asked for a timeline.

*A shareholder (Mr. Wasant Pongputtamon)* wanted confirmation that there is a commitment to consider the additional dividend payment.

President & Chief Executive Officer stated that the Company will contact with the institutional investors who had sent through proxies on the matter, but that the Company is not able to predetermine a number or timeline, given that the Company is listed and to do so would be to provide inside information.

*A shareholder (Mrs. Araya Pengniti)* asked that the minutes reflect that the shareholders approve the payment subject to the management accepting to consider an additional dividend payment.

The Company's legal advisor advised that conditional voting will also give rise to complications later on, and asked the shareholders to put their faith in the Board of Directors.

*Mr. Peerawatana Sethpanich, representative of the Thai Investors Association* requested that all ballots be collected as evidence.

It was resolved, by majority votes of the shareholders who attended the Meeting and casting their votes, that the annual dividend payment in cash dividends be paid in an amount of Baht 0.26 per share. The dividend payment would be paid to shareholders whose names appear on the Company's share register as at Wednesday, 9 March 2011 (Record Date). The share register closing date would be 10 March 2011 in accordance with Section 225 of the Securities and Exchange Act. The final dividend payment shall be made on Tuesday, 23 March 2011.

The number of votes by shareholders was as follows:

<u>Approved</u>	<u>Against</u>	<u>Abstain</u>	<u>Total</u>
104,116,863	69,861,994	9,096,900	183,075,757
56.87%	38.16%	4.97%	100.00%

Note: During this agenda, an additional six (6) shareholders attended the Meeting, both in person and by proxy, who represented 16,600 shares. The total number of shareholders who attended the Meeting, both in person and by proxy, then increased to 826 shareholders, totalling 183,075,757 shares, representing 25.86% of the total issued shares of the Company.

**5. To consider and approve the appointment of directors to replace those who are retiring by rotation.**

The Chairman reported that pursuant to Section 71 of the Public Limited Companies Act B.E. 2535 and Article 14 of the Articles of Association of the Company, one-thirds, or the nearest number, of the Board of Directors, shall retire from office each year. The retired directors may be re-elected.

The following directors will retire by rotation with effect from the date of the 1/2011 AGM:

- (1) M.R. Chandram S. Chandratat (who passed away in November 2010)
- (2) M.L. Chandchutha Chandratat
- (3) Dr. Pichit Nithivasin
- (4) Mr. Sak Euarchukiati

The Nomination Committee considered and proposed the following three persons, namely M.L. Chandchutha Chandratat, Dr. Pichit Nithivasin and Mr. Sak Euarchukiati for re-election as directors and proposed Mr. Oral Wilson Dawe for election as director to succeed M.R. Chandram S. Chandratat with the term effect from the date of the 1/2011 AGM (rescheduled).

Brief resumes of the four candidates are provided in the Notice calling for the 1/2011 AGM (rescheduled) which was sent to the shareholders for consideration.

It was resolved, by majority votes of the shareholders who attended the Meeting and cast their votes, that M.L. Chanchutha Chandratat, Dr. Pichit Nithivasin, and Mr. Sak Euarchukiati shall resume their position as directors with the term effect from the date of the 1/2011 AGM (rescheduled).

The number of votes by the shareholders was as follows:

**- M.L. Chanchutha Chandratat**

<u>Approved</u>	<u>Against</u>	<u>Abstain</u>	<u>Total</u>
162,674,656	10,211,291	9,459,000	182,344,947
89.21%	5.60%	5.19%	100.00%

**- Dr. Pichit Nithivasin**

<u>Approved</u>	<u>Against</u>	<u>Abstain</u>	<u>Total</u>
162,345,005	10,348,842	9,651,100	182,344,947
89.03%	5.68%	5.29%	100.00%

**- Mr. Sak Euarchukiati**

<u>Approved</u>	<u>Against</u>	<u>Abstain</u>	<u>Total</u>
162,536,106	10,135,641	9,673,200	182,344,947
89.14%	5.56%	5.30%	100.00%

It was also resolved, by majority votes of the shareholders who attended the Meeting and cast their votes, that Mr. Oral Wilson Dawe be appointed as director to succeed M.R. Chandram S. Chandratat with the term effect from the date of the 1/2011 AGM (rescheduled).

**- Oral Wilson Dawe**

<u>Approved</u>	<u>Against</u>	<u>Abstain</u>	<u>Total</u>
162,481,006	10,192,241	9,671,700	182,344,947
89.11%	5.59%	5.30%	100.00%

Note: During this agenda, the total number of shareholders who attended the Meeting, both in person and by proxy, decreased to 893 shareholders, totalling 182,344,947 shares, representing 25.75% of the total issued shares of the Company.

**6. To consider and approve the directors' fees and to approve an amendment to the policy of directors' remuneration.**

The Chairman reported that in order to align with the Company's practices with the Director Compensation Best Practices of the Thai Institute of Directors Association ("IOD"), which also correspond to the roles and responsibilities of directors, the Board of Directors proposes to shareholders to consider and approve a remuneration policy for the Board of Directors, board committee, and approve the Board of Directors' and board committee's remuneration. The proposed remuneration policy and remuneration for the Board of Directors and board committee will become effective for the 2011 calendar year onwards until shareholders approve further changes as follows:

<b>Present Compensation Package (which was approved at the 1/2009 AGM on 30 January 2009)</b>		<b>Proposed Compensation Policy</b>	
i)	<u>Board of Directors (Non-Executive Directors)</u>  a) Total standard monthly fees for all nine non-executive directors equal Baht 560,000. The non-executive directors shall receive an attendance fee of Baht 45,000 per meeting. The Chairperson of the Board of Directors shall receive an	i)	<u>Board of Directors (Non-Executive Directors)</u>  a) Total standard monthly fees for all nine non-executive directors shall be Baht 430,000. If an additional non-executive director is appointed to the Board, he/she will receive a standard monthly fee of Baht 35,000. The non-executive directors

<b>Present Compensation Package (which was approved at the 1/2009 AGM on 30 January 2009)</b>		<b>Proposed Compensation Policy</b>	
	attendance fee of Baht 54,000 per meeting (equal to 1.20 times the attendance fee of other non-executive directors).		shall receive an attendance fee of Baht 45,000 per meeting. The Chairperson of the Board of Directors shall receive an attendance fee of Baht 54,000 per meeting (equal to 1.20 times the attendance fee of other non-executive directors).
	b) No travelling allowance for directors who reside outside Thailand to attend Board of Directors meetings or committee meetings.		b) Travelling allowance shall be paid to directors who reside outside Thailand to attend Board of Directors meetings or committee meetings as follows: <ul style="list-style-type: none"> <li>- From Asia to Thailand: USD 500 per day</li> <li>- From Europe/USA and others to Thailand: USD 1,000 per day</li> </ul>
ii)	<u>Audit Committee</u>  The Chairperson of the Audit Committee shall receive an attendance fee of Baht 48,000 per meeting (equal to 1.20 times the attendance fees of other Audit Committee members), while other Audit Committee members shall each receive an attendance fee of Baht 40,000 per meeting.	ii)	<u>Audit Committee</u>  No change
iii)	<u>Nomination and Remuneration Committees</u>  The Chairpersons of the Nomination Committee and the Remuneration Committee shall each receive an attendance fee of Baht 18,000 per meeting (equal to 1.20 times the attendance fee of other Nomination Committee and Remuneration Committee members), while Nomination Committee and Remuneration Committee members shall each receive an attendance fee of Baht 15,000 per meeting.	iii)	<u>Nomination and Remuneration, Investment, and Risk Management Committees</u>  As the Nomination Committee and Remuneration Committee were combined into the Nomination and Remuneration Committee, effective from 26 November 2010, the fees of both former committees are proposed to be combined as follows:  The Chairperson of the Nomination and Remuneration Committee shall receive an attendance fee of Baht 36,000 per meeting, which is equal to 1.20 times of the attendance fee of other members of the Nomination and Remuneration Committee members. Other Nomination and Remuneration Committee members shall each receive an attendance fee of Baht 30,000 per meeting.

<b>Present Compensation Package (which was approved at the 1/2009 AGM on 30 January 2009)</b>		<b>Proposed Compensation Policy</b>	
	There were no Investment and Risk Management Committees in the previous financial years. Thus, no fee was proposed.		The Chairpersons of the Investment Committee and the Risk Management Committee shall each receive an attendance fee of Baht 18,000 per meeting, which is equal to 1.20 times the attendance fees of other members of the Investment Committee and the Risk Management Committee. Other members shall each receive an attendance fee of Baht 15,000 per meeting.
iv)	<u>Board of Directors</u> (Executive Directors)  The executive director(s) shall receive no monthly fees or other forms of remuneration.	iv)	<u>Board of Directors</u> (Executive Directors)  No change
v)	To align the interests of the Board of Directors and shareholders, a bonus for all non-executive directors is proposed to be paid only after a 15% return on parent shareholders funds* is achieved. Once this threshold is reached, a bonus equal to 0.50% of annual consolidated net profit above a 15% return on parent shareholders funds will be shared equally among all non-executive directors.	v)	No change

Note: \* Return on parent shareholders funds

= TTA consolidated net profit – unrealised exchange gains or losses  
paid up share capital + share premium + legal reserve + retained earnings

The Board of Directors, by recommendation of the Nomination and Remuneration Committee, is of an opinion that the shareholders are recommended to consider and approve the remuneration policy and fix the Board of Directors' and board committee's remuneration as follows:

- 6.1 To consider and approve the monthly fees for directors
- 6.2 To consider and approve the travelling allowance for directors who reside outside Thailand
- 6.3 To consider and approve the attendance fees of the Nomination and Remuneration Committee, the Investment Committee and the Risk Management Committee members

As for the attendance fees of the Board of Directors, Audit Committee members and bonus scheme for directors remain the same rate as approved by the shareholders at the 1/2009 AGM.

In case the shareholders consider that the proposed remuneration policy for the Board of Directors and board committees should not be amended, then the present remuneration policy which was approved by the shareholders at the 1/2009 Annual General Meeting of Shareholders on 30 January 2009 will be applied. The details of present and proposed remuneration policy for the Board of Directors and committees were sent to the shareholders to consider and approve.

The shareholders considered and approved the proposed directors' remuneration policy and the Board of Directors' and board committee's remuneration by more than two-third votes of the total number of votes of the shareholders present at the Meeting, which would become effective for the 2011 calendar year onwards until shareholders approve further changes as follows:

6.1 Approval of monthly fees for non-executive directors

The number of votes by the shareholders was as follows:

<u>Approved</u>	<u>Against</u>	<u>Abstain</u>	<u>Total</u>
171,751,836	10,400,641	192,470	182,344,947
94.19%	5.70%	0.11%	100.00%

6.2 Approval of the travelling allowance for directors who reside outside Thailand

The number of votes by the shareholders was as follows:

<u>Approved</u>	<u>Against</u>	<u>Abstain</u>	<u>Total</u>
171,880,496	10,269,081	195,370	182,344,947
94.26%	5.63%	0.11%	100.00%

6.3 Approval of the attendance fees of the Nomination and Remuneration Committee, the Investment Committee and the Risk Management Committee members

The number of votes by the shareholders was as follows:

<u>Approved</u>	<u>Against</u>	<u>Abstain</u>	<u>Total</u>
171,964,906	10,139,771	240,270	182,344,947
94.31%	5.56%	0.13%	100.00%

The attendance fees of Board of Directors, the Audit Committee members and bonus scheme for directors remain the same as approved by the shareholders at the 1/2009 AGM.

**7. To consider and approve the appointment of auditors for the financial year that will end on 30 September 2010 and fix the auditors' fees.**

The Chairman reported that in accordance with the Public Limited Companies Act B.E. 2535, the shareholders are required to appoint the Company's auditors and approve the auditors' fees. By recommendation of the Audit Committee, the Board of Directors is of an opinion that the shareholders approve the appointment of auditors from PricewaterhouseCoopers ABAS Limited as auditors of the Company for the 2011 financial year as follows:

- |                                 |              |
|---------------------------------|--------------|
| 1. Mr. Kajornkiet Aroonpirodkul | CPA No. 3445 |
| 2. Mr. Chanchai Chaiprasit      | CPA No. 3760 |
| 3. Mrs. Nattaporn Phan-Udom     | CPA No. 3430 |

Any one of them will be authorised to conduct the audit and render an opinion on the financial statements of the Company, both on a consolidated and non-consolidated basis. The shareholders should consider approving the auditors' fees to the shareholders to approve in an amount not exceeding Baht 3,160,000 (Baht Three Million One Hundred and Sixty Thousand) for audits of the Company's consolidated financial statement and non-consolidated financial statement for the financial year 2011, which is the same audit fee as for the last financial year.

The proposed auditors have no relationship or have benefits with the Company, subsidiary companies, management, and major shareholders, or other related persons.

It was resolved, by majority votes of the shareholders who attended the Meeting and cast their votes, that Mr. Kajornkiet Aroonpirodkul, a Certified Public Accountant (Thailand) No. 3445, Mr. Chanchai Chaiprasit, a Certified Public Accountant (Thailand) No. 3760, and Mrs. Nattaporn Phan-Udom, a Certified Public Accountant (Thailand) No. 3430 of PricewaterhouseCoopers ABAS Limited, be appointed as the Company's auditors, any one of them being authorised to conduct the audit and to render an opinion on the financial statements of the Company, both on a consolidated and non-consolidated basis, for the financial year that will end on 30 September 2011. It was further resolved that the auditors' fee be Baht 3,160,000 being the auditors' fees for the audits of consolidated financial statements and non-consolidated financial statements.

The number of votes by shareholders was as follows:

<u>Approved</u>	<u>Against</u>	<u>Abstain</u>	<u>Total</u>
181,203,197	710,550	431,200	182,344,947
99.37%	0.39%	0.24%	100.00%

**8. To consider and approve Naxco as ITA's new partner by selling 51% stake in ITA to Naxco Asia Pte. Ltd. and Naxco Shipping and Logistics (Thailand) Ltd.**

The Chairman asked M.L. Chandchutha, President & Chief Executive Officer, to explain about the agenda.

President & Chief Executive Officer reported that given the potentially limited growth of the ship agency business in Thailand, and following extensive studies and discussions with the Company's advisers, the Board of Directors has decided to broaden the business opportunity of ISS Thoresen Thai Agencies Ltd. ("ITA"), our wholly-owned subsidiary engaging in ship agency business, by accepting an offer from the Naxco Group to become our strategic partner

in ITA. The transaction will result in Naxco Asia Pte. Ltd. and Naxco Shipping and Logistics (Thailand) Limited acquiring an aggregate number of 255,000 shares, representing 51% of the total issued share capital of ITA from the Company at the price of Baht 120 per share, totalling Baht 30,600,000 (Baht Thirty Million and Six Hundred Thousand). After selling the 51% stake to Naxco Asia Pte. Ltd. and Naxco Shipping and Logistics (Thailand) Limited, the Company will continue to hold 49% of the total issued share capital of ITA.

With more than 22 subsidiaries all over the world and its growth-oriented strategy, we believe Naxco will be in a position to provide us with an excellent network that would complement ITA's existing client base which will likely assist ITA in expanding its role as a comprehensive services and logistics provider not only in Thailand but also in South East Asia. In addition, the entry of Naxco will allow TTA to more extensively focus on its core businesses for the optimum benefit of the Company's shareholders. The background of Naxco and other relevant information and details concerning the transaction were sent to the shareholders for consideration.

Having considered the matter, the Meeting resolved, by majority of the shareholders who attended the Meeting and cast their votes, to approve the sale of 51% in ITA stake to Naxco Asia Pte. Ltd. and Naxco Shipping and Logistics (Thailand) Limited at the price of Baht 120 per share, totalling Baht 30,600,000 (Baht Thirty Million and Six Hundred Thousand) as proposed by the Chairman.

The number of votes by the shareholders was as follows:

<u>Approved</u>	<u>Against</u>	<u>Abstain</u>	<u>Total</u>
172,079,917	738,260	9,526,770	182,344,947
94.37%	0.41%	5.22%	100.00%

## **9. To consider and approve the issue and offering of the convertible bonds.**

The Chairman asked M.L. Chandchutha, President & Chief Executive Officer, to explain about the agenda.

President & Chief Executive Officer noted that the Company had a 5-year convertible bonds issue in 2007 of which USD 40 million was redeemed in 2010, with a second redemption due in 2011, and a final redemption in 2012; each redemption being approximately USD 40 million. The request is for shareholders' approval for a new issuance of convertible bonds totaling no more than USD 140 million to refinance the outstanding convertible bonds, extending the repayment period by a number of years. Given today's market rate, we expect to be able to achieve a low interest rate issue. Additionally, it will allow the Company to keep its reserves instead of using it to redeem the bonds due in September this year. If approved, the Company will use USD 80 million to redeem the current outstanding bonds, with USD 60 million to be kept in reserve. Therefore, the additional inflow will only be USD 60 million as we do not want to be leveraged excessively.

Following the extensive discussions and evaluation with the financial advisors, the Company has planned to proceed with a capital fund raising plan, which will not only enhance its ability to expand its existing business and to refinance some of its existing debts, especially those stemming from the US dollar denominated convertible bonds issued in 2007, but will

also strengthen its financial base. In this connection, it was proposed that the Company proceed with the issue and offering of (i) US dollar (or other currency) denominated convertible bonds (the “CBs”) to either or both Thai and non Thai investors within or outside Thailand with terms described below and (ii) new ordinary shares by way of private placement. Details of the placement of new ordinary shares would be further proposed for consideration and approval of the shareholders in a subsequent agenda item.

Type	:	Name-registered and unsecured CBs with or without bondholders’ representatives / trustees
Offering	:	CBs to be offered to either or both Thai and non Thai investors within or outside Thailand
Amount	:	Not exceeding USD 140 million or an equivalent amount in any other currency
Tenor	:	Not exceeding 5 years from the issue date
Maturity Date	:	The date falling on the fifth anniversary of the issue date
Conversion Period	:	On any business day after the date falling 40 days from the issue date throughout the term of the CBs
Initial Conversion Price	:	To be calculated from the prevailing market price of the Company’s shares traded on the Stock Exchange of Thailand during the period before the pricing date plus conversion premium, provided that the Initial Conversion Price shall not be less than 90 per cent of the weighted average closing price during the period between 7 and 15 consecutive business days before the offering date.
Early Redemption	:	The CBs may be redeemed prior to their maturity.
Subscription Price	:	The Subscription Price may be paid in cash and/or in kind by exchanging the existing convertible bonds of the Company issued in 2007.
Cash/Stock Settlement Option	:	On redemption, at the Company’s option, it may elect to redeem the CBs either in cash or by settling in the form of new ordinary shares (in lieu of a cash payment) to the bondholders or a combination of the cash payment and the share settlement.
Events to issue additional reserved shares for conversion	:	Events specified in Clause 17 of the Notification of the Capital Market Supervisory Board No. Tor.Jor. 16/2552 entitled Rules, Conditions and Procedures for Application for Approval and Granting of Approval for an Offer for Sale of Newly-Issued Bonds to Offshore Investors.

- Effects to Shareholders Resulting from Conversion : If the bondholders exercise their right to convert the CBs in their entirety, the Company expects that:
- impact on the market price of the shares will not occur or will be minimal, because the Initial Conversion Price is expected to be at premium to the prevailing market price at the time the CBs are issued;
  - impact on existing shareholders' voting rights and profit sharing (control dilution) will be diluted not more than 21 per cent at the Initial Conversion Price.
- Secondary market : The CBs are expected to be listed on the Singapore Exchange Securities Trading Limited (SGX-ST).
- Use of proceeds : To refinance the existing convertible bonds and to finance medium-term business expansion plans.

As the final terms and conditions of the CBs depend largely on a number of factors including the price of the Company's shares, unexpected volatility of our economy and stock index and other equity and convertible bond market conditions, it is possible that certain terms and conditions of the CBs may need to be changed or different from those outlined above. Accordingly, it was proposed that the President & Chief Executive Officer or any person authorised by the Board of Directors is authorised to (i) amend the above terms and conditions as well as determine other conditions and matters pertaining to or necessary for the issue and offering of the CBs taking into account the best interests of the Company and applicable laws and (ii) discuss, negotiate and execute any relevant documents or agreements in respect thereof on behalf of the Company.

President & Chief Executive Officer added that the Company had considered alternatives above and beyond the convertible bond issuance including 1) the issuance of Baht bonds as we already have Baht convertible bonds in the Thai market. Accessing additional funding in the Thai market may necessitate a series of transactions to achieve the total sum desired, and we might not be able to buy back all of the current convertible bonds. 2) the redemption of existing convertible bonds will not see new cash being raised and may have a dilution effect on existing holders. 3) Undertaking a rights issue requires the issuance of ordinary shares at a deep discount creating a perception of a company in distress, which is not the reality at all. It also has a similar diluting effect as option 2).

If the shareholders approve the issuance of the convertible bonds, the Company will take into account the market interest rate and TTA share price at a rate that is not too low, as the Company would not want the shareholders to be affected. In line with the SEC regulations, the shareholder's approval for the issuance of the convertible bonds is valid only for a period of one year from approval. If the Company is not able to issue the convertible bonds once the issuance has been approved, the Company needs to bring this matter to shareholders for approval again after one year approval have passed (since the last approval).

The Chairman opened the floor to the shareholders

A shareholder (Mr. Bandit Leungrujinan) asked why the Company needed to have such a high cash reserve, given that the Company has Baht 8,458 million cash in hand, if the funds from the issuance of the convertible bonds were used to refinance the current convertible bonds there would still be USD 60 million in hand.

President & Chief Executive Officer advised that as at 30 September 2010, the Company indeed had Baht 8,458 million cash in hand, but as at 31 December 2010, cash and cash equivalent came down to Baht 5,900 million as that Company had bought two second hand vessels. The reason that the Company keeps such a high reserve is that the Company and its subsidiaries require a high amount of capital for investments. For example, Mermaid's new joint venture company has commissioned two new drilling rigs, each valued at USD 180 million. Mermaid has put down 20% of that value leaving the remaining 80% still to be covered. Banks will not typically finance up to 80% of the total value, therefore Mermaid must have an equity portion. No matter the project that we would invest in, the Company needs to take a long-term view to ensure that we have sufficient funding. Furthermore, some borrowings are subject to covenants whereby the Company must have a minimum cash in hand of 5% of total assets. Taking our current asset value of Baht 48,873 million, the Company needs to reserve Baht 2,443 million. With due consideration, the amount on reserve is sufficient for meeting the cash reserve needs.

A shareholder (Mr. Bandit Leungrujinan) enquired why TTA would need to have reserves if Mermaid is to be self-sufficient.

President & Chief Executive Officer clarified that the Company and Mermaid needed large capital sums for investments, and if the Company has sufficient reserves, it will afford the Company with the ability to invest when the opportunity arises. As such the Company should have sufficient capital reserves.

A shareholder (Mr. Bandit Leungrujinan) asked when the investment in Mermaid would breakeven given that it is still performing at a loss.

President & Chief Executive Officer advised that TTA may necessarily increase its investments in any one of its investment, such as would be the case if dry bulk shipping needed to invest in new vessels. It is not the case that Mermaid would have a monopoly on TTA's increased investment. Take for example, if the Company were to purchase 5 new vessels at USD 30 million, totaling USD 150 million. We can only borrow 60% of the value, so that it is equivalent to USD 90 million. The remaining 40% or USD 60 million must come from equity. In considering the breakeven point, we must remember that these are long term asset investments, which would typically breakeven over 5 -7 years.

Having considered the matter, the Meeting resolved to disapprove the issue and offering of the convertible bonds, as having the affirmative votes of less than three-quarters cast by all shareholders present and eligible to vote.

The number of votes by the shareholders was as follows:

<u>Approved</u>	<u>Against</u>	<u>Abstain</u>	<u>Total</u>
128,979,905	44,183,262	9,181,780	182,344,947
70.73%	24.23%	5.04%	100.00%

**10. To consider and approve the reduction of the registered share capital and the amendment to Clause 4 of the Memorandum of Association.**

The Chairman reported that the current registered share capital of the Company is Baht 933,004,413 (Baht Nine Hundred Thirty Three Million Four Thousand Four Hundred Thirteen), divided into 933,004,413 (Nine Hundred Thirty Three Million Four Thousand Four Hundred Thirteen) ordinary shares with Baht 1 par value per share and the current paid-up share capital of the Company is Baht 708,004,413 (Baht Seven Hundred Eight Million Four Thousand Four Hundred Thirteen), divided into 708,004,413 (Seven Hundred Eight Million Four Thousand Four Hundred Thirteen) ordinary shares. The 225,000,000 (Two Hundred Twenty Five Million) authorised but unissued shares are reserved for conversion of the existing convertible bonds issued in 2007 and the private placement offering in accordance with the resolution of the Extraordinary General Meeting of Shareholders of the Company No. 1/2007, held on 6 August 2007.

Accordingly, the Board of Directors is of the opinion that the shareholders should consider and approve the reduction of its registered share capital by cancelling an aggregate number of (i) 100,000,000 (One Hundred Million) authorised but unissued shares which have been reserved for the conversion of some portion of the existing convertible bonds issued in 2007 that have been repurchased and cancelled as well as redeemed by the Company; and (ii) 50,000,000 (Fifty Million) authorised but unissued shares which are reserved for the private placement prior to proceeding with the additional capital increase as contemplated in the proposed capital fund raising plan. In addition, the Board of Directors is of the opinion that the shareholders should consider and approve the amendment to Clause 4. of the Memorandum of Association to reflect the above registered share capital reduction, to read as follows:

Clause 4. The registered share capital	Baht 783,004,413	(Baht Seven Hundred Eighty Three Million Four Thousand Four Hundred and Thirteen)
Divided into	783,004,413 shares	(Seven Hundred Eighty Three Million Four Thousand Four Hundred and Thirteen shares)
At the par value of	Baht 1	(Baht one) each
Being		
Ordinary shares	783,004,413 shares	(Seven Hundred Eighty Three Million Four Thousand Four Hundred and Thirteen shares)
Preferred shares	- shares	(-)

Having considered the matter, the Meeting resolved by more than three-quarters cast by all shareholders present and eligible to vote, to approve the reduction of the registered share capital by cancelling 150,000,000 (One Hundred and Fifty Million) authorised but un-issued shares at the par value of Baht 1 each and to approve the amendment to Clause 4. of the Memorandum of Association so as to reflect the reduction of the registered share capital in accordance with the above details.

The number of votes by shareholders was as follows:

<u>Approved</u>	<u>Against</u>	<u>Abstain</u>	<u>Total</u>
180,821,177	761,950	761,820	182,344,947
99.16%	0.42%	0.42%	100.00%

**11. To consider and approve the increase of the registered share capital and the amendment to Clause 4 of the Memorandum of Association.**

The Chairman reported that the Board of Directors proposed to shareholders to consider and approve the increase of its registered capital of Baht 235,000,000 (Baht Two Hundred and Thirty Three Million) divided into 235,000,000 (Two Hundred and Thirty Three Million) ordinary shares with Baht 1 par value per share follows:

11.1 An increase of the registered share capital of Baht 185,000,000 (Baht One Hundred and Eighty Five Million) by an issue of 185,000,000 (One Hundred and Eighty five Million) new ordinary shares at the par value of Baht 1 each to be reserved for conversion of the proposed convertible bonds from the existing registered share capital of Baht 783,004,413 (Baht Seven Hundred Eighty Three Million Four Thousand Four Hundred and Thirteen) to be the new registered share capital of Baht 968,004,413 (Baht Nine Hundred Sixty Eight Million Four Thousand Four Hundred and Thirteen) divided into 968,004,413 (Nine Hundred Sixty Eight Million Four Thousand Four Hundred and Thirteen) ordinary shares at the par value of Baht 1 each, and to approve an amendment to Clause 4. of the Memorandum of Association so as to reflect the increase of the registered share capital, to be read as follows:

Clause 4. The registered share capital	Baht 968,004,413	(Baht Nine Hundred Sixty Eight Million Four Thousand Four Hundred and Thirteen)
Divided into	968,004,413 shares	(Nine Hundred Sixty Eight Million Four Thousand Four Hundred and Thirteen shares)
At the par value of	Baht 1	(Baht one) each
Being		
Ordinary shares	968,004,413 shares	(Nine Hundred Sixty Eight Million Four Thousand Four Hundred and Thirteen shares)
Preferred shares	- shares	(-)

The Meeting resolved to disapprove the increase of its registered share capital of Baht 185,000,000 (Baht One Hundred and Eighty Five Million) by issuing 185,000,000 (One Hundred and Eighty Five Million) new ordinary shares with Baht 1 par value per share to be reserved for conversion of the proposed convertible bonds and an amendment to Clause 4. of the Memorandum of Association so as to reflect the increase of the registered share capital, as having the affirmative votes of less than three-quarters cast by all shareholders present and eligible to vote.

The number of votes by shareholders was as follows:

<u>Approved</u>	<u>Against</u>	<u>Abstain</u>	<u>Total</u>
136,010,775	44,420,342	1,913,830	182,344,947
74.59%	24.36%	1.05%	100.00%

11.2 An increase of the registered share capital of another Baht 50,000,000 (Baht Fifty Million) by an issue of 50,000,000 (Fifty Million) new ordinary shares at the par value of Baht 1 each by way of private placement. However, since the Meeting resolved to disapprove the increase of its registered share capital of Baht 185,000,000 (Baht One Hundred and Eighty Five Million) for conversion of the convertible bonds, the registered share capital of Baht 783,004,413 (Baht Seven Hundred Eighty Three Million Four Thousand Four Hundred and Thirteen) will increase to the new registered share capital of Baht 833,004,413 (Baht Eight Hundred Thirty Three Million Four Thousand Four Hundred and Thirteen) divided into 833,004,413 (Eight Hundred Thirty Three Million Four Thousand Four Hundred and Thirteen) ordinary shares at the par value of Baht 1 each, and to approve an amendment to Clause 4. of the Memorandum of Association so as to reflect the increase of the registered share capital, to be read as follows:

Clause 4. The registered share capital	Baht 833,004,413	(Baht Eight Hundred Thirty Three Million Four Thousand Four Hundred and Thirteen)
Divided into	833,004,413 shares	(Eight Hundred Thirty Three Million Four Thousand Four Hundred and Thirteen shares)
At the par value of Being	Baht 1	(Baht one) each
Ordinary shares	833,004,413 shares	(Eight Hundred Thirty Three Million Four Thousand Four Hundred and Thirteen shares)
Preferred shares	- shares	(-)

Having considered the matter, the Meeting resolved, by the votes not less than three-quarters cast by all shareholders present and eligible to vote, to approve the increase of registered share capital of Baht 50,000,000 (Baht Fifty Million) divided into 50,000,000 (Fifty Million) new ordinary shares with Baht 1 par value per share to be reserved for private placement and an amendment to Clause 4 of the Memorandum of Association in accordance with the details above.

The number of votes by shareholders was as follows:

<u>Approved</u>	<u>Against</u>	<u>Abstain</u>	<u>Total</u>
159,009,986	19,238,141	4,096,820	182,344,947
87.20%	10.55%	2.25%	100.00%

## 12. To consider and approve the allocation of new ordinary shares.

The Chairman reported that the Board of Directors proposed to shareholders to consider and approve the allocation of the 235,000,000 (Two Hundred and Thirty Five Million) new ordinary shares with Baht 1 par value per share for conversion of the convertible bonds and by way of private placement as follows:

12.1 Allocation of 185,000,000 (One Hundred and Eighty Five Million) new ordinary shares with Baht 1 par value per share for conversion of the convertible bonds.

The Meeting resolved to disapprove an allocation of 185,000,000 (One Hundred and Eighty Five Million) new ordinary shares with Baht 1 par value per share for conversion of the convertible bonds, as having the affirmative votes of less than three-quarters cast by all shareholders present and eligible to vote.

The number of votes by shareholders was as follows:

<u>Approved</u>	<u>Against</u>	<u>Abstain</u>	<u>Total</u>
133,772,874	47,828,823	743,250	182,344,947
73.36%	26.23%	0.41%	100.00%

12.2 Allocation of 50,000,000 (Fifty Million) new ordinary shares with Baht 1 par value per share by way of private placement, whether in single or multiple offerings.

The Chairman asked the shareholders to consider and approve the allocation of 50,000,000 (Fifty Million) new ordinary shares by way of private placement, whether in single or multiple offerings. The President & Chief Executive Officer or any person authorised by the Board of Directors is authorised to determine other details of the allocation, offer price, subscription period, market price, other conditions and matters pertaining to or necessary for the offering for sale of the new ordinary shares by way of private placement in accordance with applicable laws as well as to discuss, negotiate and execute any relevant documents or agreements in respect thereof.

The offering of the new or excess shares as mentioned above by way of private placement shall not constitute an offering for sale of shares at low price according to the Notification of the Capital Market Supervisory Board No. Tor.Jor. 28/2551 entitled Application for and Approval of the Offering for Sale of Newly Issued Shares (as may be amended), nor shall it be an offering for sale of shares to the connected persons pursuant to the SET Notification entitled Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions dated 19 November 2003 (as may be amended) or the Notification of the Capital Market Supervisory Board No. Tor.Jor. 21/2551 entitled Rules on Connected Transactions (as may be amended) or any relevant regulations.

Having considered the matter, the Meeting resolved by the votes of not less than three-quarters cast by all shareholders present and eligible to vote, to approve the allocation of 50,000,000 (Fifty Million) new ordinary shares by way of private placement, whether in single or multiple offerings as contemplated above.

The number of votes by shareholders was as follows:

<u>Approved</u>	<u>Against</u>	<u>Abstain</u>	<u>Total</u>
158,511,136	23,090,561	743,250	182,344,947
86.93%	12.66%	0.41%	100.00%

**13. To consider and approve the issue of up to 4,000,000 warrants to the employees and directors of Mermaid Maritime Plc and its subsidiaries under an ESOP Scheme.**

The Chairman asked the shareholders to consider about the issue of up to 4,000,000 warrants by the Company's subsidiary, Mermaid Maritime Public Company Limited (“Mermaid”), to directors and key employees of Mermaid and its subsidiaries under the employee stock option plan (“the “ESOP Scheme”). The ESOP Scheme has the objective of increasing the personal stake of such directors and employees in the continued success and growth of Mermaid and encouraging them to remain in the service of Mermaid. A summary of the indicative terms of warrants was attached to the Notice of this Meeting circulated to all shareholders.

List of employees who are also director(s) of Mermaid and its subsidiaries who will be allotted the warrants and the number of warrants to be allotted are as follows:

<b>Names of directors</b>	<b>Job title</b>	<b>Number of allotted Warrants (units)*</b>	<b>% of total number of Warrants</b>
M.L. Chandchutha Chandratat	Executive Chairman of Mermaid Maritime Public Company Limited	Up to 200,000	5
Mr. Lim How Teck	Independent Non-Executive Director of Mermaid Maritime Public Company Limited	Up to 200,000	5
Mr. Ng Chee Keong	Independent Non-Executive Director of Mermaid Maritime Public Company Limited	Up to 200,000	5
Mr. Pichet Sithi-Amnuai	Independent Non-Executive Director of Mermaid Maritime Public Company Limited	Up to 200,000	5
Mr. Leslie George Merszei	Independent Non-Executive Director of Mermaid Maritime Public Company Limited	Up to 200,000	5
Mr. Rob Bier	Independent Non-Executive Director of Mermaid Maritime Public Company Limited	Up to 200,000	5
Ms. Joey Horn	Non-Independent Non-Executive Director of Mermaid Maritime Public Company Limited	Up to 200,000	5
Mr. Surasak Khaoroptham	Non-Independent Non-Executive Director of Mermaid Maritime Public Company Limited	Up to 200,000	5
Mr. Andrew Tom Springall	Non-Independent Non-Executive Director of Mermaid Maritime Public Company Limited	Up to 200,000	5
Mr. Sataporn Amornvorapak	Chief Financial Officer of Mermaid Maritime Public Company Limited and	Up to 200,000	5

<b>Names of directors</b>	<b>Job title</b>	<b>Number of allotted Warrants (units)*</b>	<b>% of total number of Warrants</b>
	Director of Mermaid Offshore Services Ltd.		
Mr. Simon Matthew Turner	General Manager of Mermaid Offshore Services Ltd. and Director of Seascope Surveys (Thailand) Ltd.	Up to 200,000	5
Ms. Oraporn Lerthuwanon	Financial Controller and Director of Mermaid Offshore Services Ltd.	Up to 200,000	5
Mr. Stephen Gregor Lenz	Executive Director and Director of Mermaid Drilling Ltd.	Up to 200,000	5
Mr. James McGhee Nicoll	General Manager of Mermaid Drilling Ltd. and Director of Mermaid Drilling (Malaysia) Sdn. Bhd.	Up to 200,000	5
Mr. Shaun William China	Managing Director of Seascope Surveys Pte. Ltd. and Director of Seascope Surveys (Thailand) Ltd.	Up to 200,000	5
Mr. Peter Reichlmeier	Managing Director of PT Seascope Surveys Indonesia	Up to 200,000	5
Ms. Margaretta Retno Sundari	President Director of PT Seascope Surveys Indonesia	Up to 200,000	5
Mr. Paul Burger Whiley	Director of Subtech Ltd. and Managing Director of Subtech Qatar Diving & Marine Services LLC	Up to 200,000	5
Mr. Adrian Hill	Director of Mermaid Offshore Services Pty. Ltd. and Business Development Manager of Mermaid Offshore Services Ltd.	Up to 200,000	5
Mr. Claus Bent Jorgensen	Director of Nemo Subea AS and Business Development Manager of Mermaid Offshore Services Ltd.	Up to 200,000	5

\* This is the maximum number of Warrants to which each director and employee who is a director is entitled.

Having considered the matter, the Meeting resolved, by the votes of not less than three-quarters cast by all shareholders present and eligible to vote and no objection from more than 10% of the total votes of all shareholders present at the meeting, to approve the issue of up to 4,000,000 warrants under the ESOP Scheme of Mermaid as detailed above.

The number of votes was as follows:

<u>Approved</u>	<u>Against</u>	<u>Abstain</u>	<u>Total</u>
164,229,276	8,934,251	9,181,420	182,344,947
90.07%	4.90%	5.03%	100.00%

#### **14. To transact any other business (if any)**

There were no other businesses to transact. The Chairman opened the floor to shareholders.

*A shareholder (Mr. Warint Paisalsilapachai)* referred to the minutes of the last AGM where a shareholder has asked whether or not the purchase of UMS shares at Baht 23 was too high to which the Board of Directors gave a reply. Were the question to be posited again today, would the purchase of the UMS shares at Baht 23 per share be considered reasonable.

President & Chief Executive Officer advised that the purchase of UMS shares is a long term investment for which the Company had undertaken a 10 years cash flow analysis using an assumption of increased coal importation. Whether the purchase at Baht 23 is reasonable or not remains to be seen in holding the shares for 3 -4 years and beyond. All going to projection, the purchase price is reasonable.

*A shareholder (Mr. Bandit Leungrujinan)* queried the news that many shipyards were known to be in financial difficulties, and wanted to know if this would affect the Company. Further, would continued investment in or divesting from Mermaid be better? Since TC rates will continue to decrease for the foreseeable 2 years, would the Company, and Mermaid, buy or charter-in more vessels; and if so, when. Finally, when would the interim dividend be paid.

President & Chief Executive Officer advised that there are different types of shipyards. Most of those in Japan and Korea do not have that problem. What may have been heard would most likely refer to the smaller yards, some of which have closed shop. Overall though, yard capacity has not dropped resulting in a larger number of vessels on the market. Whether the Company chooses to retain or sell-down its investment in Mermaid is dependent upon how attractive the offer might be. Nevertheless, the Company will continue to be Mermaid's largest shareholder, due to bank loan covenants of Mermaid.

The price of secondhand vessels is still not as attractive as it could be, taken in context of the TC rate. This makes it unreasonable to invest to expand our fleet at this point in time. We currently have six charter-in vessels to supplement our own fleet of 25 vessels. The Company does not intend to charter in too many as to do so would affect ROCE which will swing with the market too much should we have too many chartered in vessels in our fleet. We will put the interim dividend payment to the institutional investors overseas, and consider it at our next Board of Directors meeting.

*A proxy holder (Mr. Apinan Tantiwattana) for the Kimhaschang R.O.P.* requested that an agenda 15 be considered regarding an additional dividend to be made for a total payment of Baht 1 per share and put to a vote for the record to evidence the addition of an "other item" agenda item.

The Company's legal advisor advised that in accordance with the Public Limited Companies Act, Clause 105 Paragraph 2, the adding of agenda items must be put to a vote whereby no less than one-third of all issued shares is required to approve the motion.

*A proxy holder (Mr. Apinan Tantiwattana) for the Kimhaschang R.O.P.* requested that the meeting vote on the addition of the agenda item.

A proxy holder (Ms. Patranith Ithisiryuenyong) for Ms. Chariya Ithisiryuenyong (A shareholder) added a request to note this in the minute in line with regulations.

It was moved to hold a ballot for the addition of agenda item 15 by collecting all ballots, in which the motion to add the agenda item was not considered because the number of shareholders in favor of the motion was below that prescribed by Clause 105 of the Public Limited Companies Act B.E. 2535, the results being as follows:

The number of votes was as follows:

<u>Approved</u>	<u>Against</u>	<u>Abstain</u>	<u>Total</u>
9,222,831	696,390	172,425,726	182,344,947
1.30%	0.10%	24.35%	25.75%

As there were no further questions from the floor, the Chairman said thank you to all shareholders attended the meeting and the Meeting adjourned at 6.45 P.M.

Signed \_\_\_\_\_ Signature  
Chairman of the Meeting  
(Mr. Aswin Kongsiri)

Signed

Signature  
\_\_\_\_\_  
(M.L. Chandchutha Chandratat)  
President & Chief Executive Officer

Minutes taken by

Signature  
Signed \_\_\_\_\_  
(Ms. Mantanee Surakarnkul)  
Company Secretary