



# THORESEN THAI AGENCIES

PUBLIC COMPANY LIMITED

REG. NO. BOR MOR JOR 520



## Minutes of the 1/2006 Extraordinary General Meeting (“EGM”) of the Shareholders of Thoresen Thai Agencies Plc (the “Company”)

**Time and Place** : Held on Thursday, 19 October 2006, at 3.00 P.M., at the Arnoma Grand, Arnoma Hotel, No. 99 Rajdamri Road, Pathumwan, Bangkok 10330, Thailand

**Directors Present** :

1. M.R. Chandram S. Chandratat	Chairman
2. M.L. Chandchutha Chandratat	Managing Director
3. Mr. Andrew John Airey	Director
4. Mr. Anders Soedergren	Director
5. Mr. Pichai Chirungsupasuk	Director
6. Mr. Lance Karl Depew	Director
7. Mr. Bjorn Ostrom	Chairman of the Audit Committee
8. Vice Admiral Kittichai Senanarong	Audit Committee Member
9. Mr. Sathien Tejapaibul	Independent Director
10. Dr. Pichit Nithivasin	Independent Director

**Director Absent** : Mr. Sompong Thanasophon      Audit Committee  
(sick leave)

### Preliminary Proceedings:

M.R. Chandram S. Chandratat, Chairman of the Board of Directors, presided over the EGM. He noted that 589 shareholders attended the meeting, both in person and by proxy, and represented 188,070,404 shares out of the total 643,684,422 issued shares of the Company. The EGM proceeded with 29.22% of the total issued shares being represented.

He further explained that in the 1/2006 EGM, which had been held on 18 September 2006, the Meeting could not be convened, because of the lack of a quorum. By Article No. 35 of the Articles of Association of the Company, if a quorum was not achieved during the first attempt, a quorum would not be required for the second attempt. Accordingly, with 29.22% of the total issued shares being represented, the Chairman declared the Meeting to be duly convened.

Before the Meeting started, the Chairman explained the voting procedures to the shareholders as follows:

1. Each share has one vote, so a shareholder can vote in the number of shares he or she owns.
2. If no objection or other opinions are raised on each of the Chairman's or the Board of Directors' proposals, it will be deemed that the Meeting approved it unanimously.

3. Should any shareholder wish to object or abstain from voting, the shareholder shall mark the voting slip and raise his or her hand to the Company's officers. All objection and abstention votes will be subtracted from the agreed votes. The amount of shares after subtraction will be deemed to be the agreed votes.
4. If any shareholder or proxy holder wants to give his or her opinion or ask questions, the shareholder shall raise his or her hand and before addressing the Meeting, the shareholder shall state his or her name and then proceed with remarks.

After explaining the voting procedures, the Chairman read the Notice calling the Meeting.

**1. To approve the Minutes of the 1/2006 Annual General Meeting of the Shareholders of the Company ("AGM") held on 30 January 2006**

The Chairman presented the Minutes of the 1/2006 Annual General Meeting of the Shareholders of the Company held on 30 January 2006 to the Meeting for shareholders' approval.

Mr. Chatchai Khunngam, a shareholder, proposed to amend the starting time of the AGM to 2.28 P.M., instead of 2.00 P.M. The Chairman explained that the AGM started at 2.28 P.M., because a quorum had not been achieved until that time. The reported time of the AGM would be amended as per the shareholder's suggestion.

Upon a motion duly made and carried, it was resolved by majority votes as follows:

"It was resolved that the Minutes of the 1/2006 Annual General Meeting of the Shareholders of the Company held on 30 January 2006, which was previously circulated to the shareholders, be hereby accepted and approved after amending the starting time of AGM to 2.28 P.M."

The number of votes by shareholders was as follows:

<u>Approved</u>	<u>Against</u>	<u>Abstain</u>	<u>Total</u>
182,003,904	26,500	6,040,000	188,070,404
96.78%	0.01%	3.21%	100%

**2. To consider and approve the issue of the debentures**

The Chairman reported that at the Board of Directors' meeting No. 8/2006 held on 11 August 2006, the Board of Directors of the Company resolved to issue the debentures as per the following details:

2.1 The Company may issue and offer all or any types of debentures in one and/or more issues in Thai Baht or foreign currencies with a total issue size not exceeding Baht 10.0 billion (Baht Ten Billion) or its equivalent in US Dollars or other foreign currencies. The proceeds from the issue shall be used to refinance existing secured bank debts and to make further investments.

The debentures may be secured or unsecured, and with or without a debenture holders' representative. The debentures may be offered through a public offering and/or private placement, pursuant to the notifications of the Office of Securities and Exchange Commission and/or the Securities and Exchange Commission. The debentures may be offered in one and/or more issues and may be placed either onshore or offshore. In the event that the debentures are redeemed or repurchased for any reason, resulting in the outstanding principal under the debentures being reduced, the Company may issue additional debentures subject to the maximum total issue size approved by the shareholders' meeting.

2.2 The Board, authorised directors, and/or any persons designated by the Board are empowered to set out the details of the debentures, type, collateral, amount, maturity, par value, offering price, interest rate, redemption rights, offering and allocation method, issuance and offering period, as well as other relevant details, including appointing financial advisor(s), underwriter(s), a debenture registrar and/or a debenture holders' representative, entering into, executing, amending, negotiating agreements and/or other documents as well as contacting, providing information, submitting documents and evidence to the Office of Securities and Exchange Commission, the Stock Exchange of Thailand, a credit rating agency and/or other authorities concerning the issuance and the offer of the debentures, and performing any and all related matters as they deem appropriate.

The Chairman asked M.L. Chandchutha Chandratat, managing director, to present more information to shareholders.

M.L. Chandchutha Chandratat noted that dry bulk shipping market conditions remained strong throughout 2006, resulting in higher spot freight rates. It is the Company's policy to expand the dry bulk fleet by acquiring younger and larger vessels. Due to the strong dry bulk demand, vessel prices in both the new building and second-hand markets remain very high. However, the Company maintains a careful balance between its sources and uses of cash and will take a conservative view towards investments. The Company remains focused on paying down debt, and the debt to equity ratio at the end of FY 2006 should be lower than the ratio at the end of FY 2005.

Operating expenses continue to rise significantly, including bunker fuel, repairs and maintenance, and insurance. The Company aims to control operating expenses and to reduce the Company's borrowing costs, where possible.

The issue of debentures will help reduce the Company's borrowing costs. Presently, the Company's borrowing costs are US\$ LIBOR + 2.25%. In current market conditions, the Company plans to issue Thai Baht debentures and swap the proceeds into US Dollars. The Company's financial advisors believe that the borrowing costs would be significantly lower than the current US\$ LIBOR + 2.25%.

Based on the Company's strong financial position, the Company received an A- credit rating from Fitch Ratings (Thailand) Ltd.

The shareholders raised questions regarding the issue of debentures as follows:

A shareholder : The Board of Directors requested the shareholders to approve the issue of debentures in an amount not exceeding Baht 10.0 billion. Does the Company have total debt of Baht 10.0 billion? Will the Company issue debentures in the maximum amount of Baht 10.0 billion?

Managing Director : The total liabilities of the Company and its subsidiaries as of 30 June 2006 were approximately Baht 10.0 billion. However, the Company plans to refinance only the existing secured bank debts of the dry bulk shipping group, which amounted to approximately US\$ 165 million (Baht 6,700 – 6,800 million). If we issue more than Baht 6,700 – 6,800 million of debentures, the remaining balance would be used for business expansion, but it will not exceed Baht 10.0 billion.

A shareholder : How does the Company manage foreign exchange risk by swapping Thai Baht proceeds to US Dollars? Will the Company use the proceeds for any investment in Thoresen Shipping Singapore Pte. Ltd.?

Managing Director : Most of the Company's revenues and expenses are in US Dollars. Therefore, the Company runs very little foreign exchange risk by maintaining US Dollar liabilities. However, in our financial statements, foreign currency liabilities will be converted into Thai Baht every quarter. Changes in the US\$/THB exchange rate will result in unrealised gains and losses, but the Company's cash flow is not affected.

The Company will not use the proceeds from the issue of debentures for the investment in Thoresen Shipping Singapore Pte. Ltd. The investment in this company will come from the Company's existing cash reserves.

A shareholder : The issue of debentures will help to reduce borrowing costs of the Company. How did you calculate the cost savings?

Managing Director : The cost savings are calculated from the outstanding loan amount. We hope to achieve a minimum 1.00% reduction in our interest margins, so on a loan portfolio of US\$ 165 million, this equals more than US\$ 1.65 million of savings.

The Chairman then asked the shareholders to consider the approval of the issue of debentures.

The shareholders resolved to approve the issue of debentures as follows:

2.1 The Company can issue and offer all or any types of debentures in one and/or more issues in Thai Baht or foreign currencies with a total issue size not exceeding Baht 10.0 billion (Baht Ten Billion) or its equivalent in US Dollars or other foreign currencies. The proceeds from the issue shall be used to refinance existing secured bank debts and to make further investments.

The debentures may be secured or unsecured, and with or without a debenture holders' representative. The debentures may be offered through a public offering and/or private placement, pursuant to the notifications of the Office of Securities and Exchange Commission and/or the Securities and Exchange Commission. The debentures may be offered in one and/or more issues and may be placed either onshore or offshore. In the event that the debentures are redeemed or repurchased for any reason, resulting in the outstanding principal under the debentures being reduced, the Company may issue additional debentures subject to the maximum total issue size approved by the shareholders' meeting.

2.2 The Board, authorised directors, and/or any persons designated by the Board are empowered to set out the details of the debentures, type, collateral, amount, maturity, par value, offering price, interest rate, redemption rights, offering and allocation method, issuance and offering period, as well as other relevant details, including appointing financial advisor(s), underwriter(s), a debenture registrar and/or a debenture holders' representative, entering into, executing, amending, negotiating agreements and/or other documents as well as contacting, providing information, submitting documents and evidence to the Office of Securities and Exchange Commission, the Stock Exchange of Thailand, a credit rating agency and/or other authorities concerning the issuance and the offer of the debentures, and performing any and all related matters as they deem appropriate.

The resolutions were passed with more than three-fourths of the total number of votes of the shareholders present at the meeting and having voting rights.

The number of votes by shareholders was as follows:

<u>Approved</u>	<u>Against</u>	<u>Abstain</u>	<u>Total</u>
166,275,994	15,794,410	6,000,000	188,070,404
88.41%	8.40%	3.19%	100%

### 3. To consider other business

The Chairman opened a question and answer session for shareholders. The following is a summary of questions raised by the shareholders.

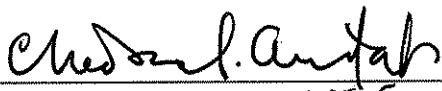
A shareholder : Regarding the investment in Thoresen Shipping Singapore Pte. Ltd. ("TSS"), please explain the advantages of this new company.

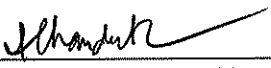
Managing Director : Singapore has double taxation avoidance agreements with more countries than Thailand. Besides, Singapore has implemented an AISE (the "Approved International Shipping Enterprise") scheme which grants a number of tax privileges to the maritime industry. The Company has an increasing number of voyages throughout the world. Therefore, by booking certain business through TSS, it will lower our tax liabilities.

The shareholders raised no more questions, so the Chairman thanked the shareholders for attending the EGM and declared the meeting adjourned.

The meeting adjourned at 4.00 P.M.



  
M.R. Chandram S. Chandratat  
Chairman of the Board of Directors  
Chairman of the Meeting

  
M.L. Chandchutha Chandratat  
Managing Director