

MINUTES OF THE SHAREHOLDERS ANNUAL
GENERAL MEETING FOR THE YEAR 2005
THAI AIRPORTS GROUND SERVICES CO., LTD.
HELD ON THURSDAY, JULY 28, 2005
AT TAGS CONFERENCE ROOM

S.285 PRESENT

1. Flight Lieutenant M.L. Yom	Ngonrath	Proxy from AOT as Chairman 2,850,000 shares
2. Mr. Kusa	Panyarachun	Proxy from WTS 1,499,980 shares
3. Mr. Kusa	Panyarachun	20 shares
4. Mr. Teerawudth	Lueng-Anant	Proxy from Frobisher Pte. Ltd. 4,799,997 shares
5. Mr. Sompotch	Songpipat	1 share
6. Mr. Cherdsak	Teeranuntawanich	1 share
7. Mr. Jimmy	Wu	1 share

S.286 OBSERVERS

1. Mr. Thongchai	Phitthaktrakul	WTS
2. Mr. Pornbanchob	Sombatpium	AOT

S.287 ABSENCE

1. British Airways	850,000 shares
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S.288 The meeting commence at 2.10 p.m. M.L. Yom Ngonrath, Chairman opened the meeting and requested counting the number of shares who attended this meeting. The total number of shares attended at this meeting was 9,150,000 shares or 91.5% which constituted a quorum according to the Article of Association. Mr. Anuphong Rojnuckarin member of the Board carried on the meeting as follows:

Item 1 - Chirman's announcement

S.289 The Chairman announced that the Shareholders Annual General Meeting 2005 was

delayed due to certain shareholders intended to sell shares to other shareholders which Managing Director will inform the details.

Mr. Anuphong Rojnuckarin informed that the shareholders intended to sell shares i.e. British Airways (BA), Lufthansa German Airlines (LH), KLM Royal Dutch Airlines (KLM), Siam Flight Service Co., Ltd. (SFS), Inter Mart Travel Services Co., Ltd. (IMT) informed to sell TAGS shares to existing Shareholders. The existing Shareholders i.e. AOT and WTS informed that they are not interested to buy the shares offered but only Frobisher Pte. Ltd. informed that they are interested to buy all the above-mentioned shares. At the moment, the both buyers and sellers had settled the buying and selling of shares and reported to a company for acknowledgement.

Reasons for selling of shares

1. Shareholders who are airlines considered that they are not able to use the cargo and ramp handling services of TAGS at Suvarnabhumi Airport because the company has no concession in cargo and ramp handling at Suvarnabhumi Airport.
2. Although, TAGS is still able to continue to offer passenger service at Suvarnabhumi Airport but the airlines Shareholders do not use this service.
3. The projects which TAGS is going to invest in the future are Cargo Logistics, Value Added Business, Logistics Transportation, IT related Services. TAGS also expands its ground handling business into foreign countries such as Myanmar, Laos, Nepal. All these projects will need huge amount of investment which the airlines shareholders will not be interested.

Item 2 – The consideration and approval of the minutes of the Shareholders Extra Ordinary Meeting No. 2/2004

S.290 Mr. Anuphong Rojnuckarin presented the details of the Shareholders Extra Ordinary Meeting No. 2/2004

Agenda No. 1 The consideration of amendment of Shareholder agreement regarding the selling and the purchasing of shares. The resolution was the shareholders would bring this matter to consult with their respective lawyers and would report the results at the next Board meeting.

Agenda No. 2 The meeting inform the result of due diligence conducted by Bangkok Airways.

Agenda No. 3 Making appointment with shareholders to explain the content of MOU signed between TAGS and TG and also invite the representatives from Bangkok Airways to inform the objectives and proposal in the purchase of TAGS shares.

Resolution: The meeting unanimously accepted the minutes of the Shareholders Extra Ordinary Meeting No. 2/2004.

Item 3 – The consideration and approval the financial statements and profit and loss account for the year ended at December 31, 2004

S.291 Mr. Anuphong Rojnuckarin presented the financial statements and profit and loss account for the year ended at December 31, 2004.

Balance Sheet

Assets

Baht

	2004	2003
Current assets	532,966,006	474,110,972
Fixed assets	465,356,269	613,599,803
Total assets	998,322,275	1,087,710,775

Liabilities and shareholders' equity

Baht

	2004	2003
Total liabilities	144,809,452	187,543,056

Baht

	2004	2003
Registered capital	1,000,000,000	1,000,000,000
Paid up capital	525,000,000	525,000,000
Legal reserved	87,500,000	65,500,000
Retained Earnings	241,012,823	309,667,719
Shareholders' equity	853,512,823	900,167,719

Profit and loss statement

Baht

	2004	2003
Total revenue	1,849,871,264	1,612,674,703
Expenses	1,561,994,153	1,312,922,654
Net profit	203,345,104	209,627,118
Profit per share	38.73	39.93

Statement showing changes of shareholders' equity

Baht

	2004 As at December 31, 2004	2003 As at December 31, 2003
Balance	853,512,823	900,167,719

Cash balance

Baht

	2004	2003
Net cash balance	321,042,513	392,806,163

Remark: Dividend paid in 2004 = 250,000,000 baht, which was paid in May and August 2004

Dividend paid in 2003 = 138,000,000 baht

This is to show that the dividend paid in 2004 was more than 2003.

Resolution: The meeting unanimously approved the Financial Statements for the year ended 2004.

The financial liability may occur in future

TAGS signed Consultant Agreement with Detek Co., Ltd. to provide consultancy in Finance and Business Development amounting to USD 10,000,000 dated December 21, 2004. TAGS settled payment according to the agreement for the first installment on December 30, 2004 amounting to USD2,500,000 which TAGS has to settle the

remaining in according to the agreement in the year 2005 amounting to USD7,500,000.

The budget of revenues and expenses for the year 2005-2006 as follows:

	2005 (Thousand Baht)	2006 (Thousand Baht)
Revenue (included Phuket and PC-Air)	2,002,352	2,105,697
Total Operating Expenses	1,779,840	1,523,383
Operating Profit	222,512	582,314
Concession fees and other expenses	71,141	74,564
Profit Before Taxation	151,371	507,750
Income Tax	45,411	152,325
Retained Earnings	241,013	346,973
Profit & Loss during the period	105,960	355,425
Total Retained Earnings	346,973	702,398

According to the budget of revenue and expenses for the year 2005-2006. TAGS will have net profit in the year 2005 amounting to 105,960,000 baht which is less than the year 2004 but the company is able to increase the share value to shareholders totaling amounting to 330,000,000 baht.

- Value of share as per due diligence conducted by Bangkok Airways = 87 baht per share
- Value of share of existing shareholders sold to new shareholders at 120 baht per share
 ∴ The value increased per share 120-87 = 33 baht per share
- The total value increased = 33 x 10,000,000 = 330,000,000 baht

According to the budget of revenues and expenses for the year 2005-2006 (page 5/17), TAGS will realize their normal profit i.e. the estimated net profit for the year 2006 will be amounting to 355,425,000 baht or 35.54 baht per share, the Total Retained Earnings at the end of the year 2006 will reach 700,000,000 baht.

The Chairman requested Mr. Anuphong Rojnuckarin to explain reasons and the worthiness for the Board of Directors approved to engaged the consultant for finance and business development amounting to USD10,000,000 and also report the progress of the assignment.

Mr. Anuphong Rojnuckarin explained that TAGS was found according to the policy of Ministry of Transportation and Communications and supported by National Economic and Social Development Board and finally the Cabinet approved for Airports of Thailand Public Co., Ltd. to invest and formed Thai Airports Ground Services Co., Ltd. with the initial capital of 25,000,000 baht. The business commenced from July 1, 1990, the performance until December 31, 2004 were as follows:

Total revenue	12,217,000	thousand bath
Profit	2,460,000	thousand bath
Assets	1,980,744	thousand bath
Dividend paid to shareholders	1,313,000	thousand bath

TAGS has 43 airline customers including big four express cargo operators, 3,500 staff as well as intellectual property acquired as IT technology, cargo and ramp handling of aircraft etc.

The achievement of TAGS as mentioned above is hard to find any company in Thailand to compare with. When TAGS could not receive concession to operate cargo and ramp handling at Suvarnabhumi Airport, the big losses will come to TAGS as follows:

1. The loss of job for the 3,500 staff, their intellectual property acquired in the operation could not be used for other business which will be the big loss in human resources and created burden for the society.
2. TAGS has the assets of 2,000,000,000 baht but this assets are specific equipment. These equipment have only the book value of 332,000,000 baht at the end of the year 2004 but it is very difficult to find the buyer. Even though, TAGS could sell some of the equipment but the amount of money received from selling the equipment will have to be deducted as the termination compensation to the employees amounting to not less than 300,000,000 baht.

3. The shareholder airlines and other business customers who use to our IT related services as well as specific service level agreement which is differed airline to airline will be in the mass and will complaint that TAGS lack of responsibility to leave the customers and let the customers get into big confusion. Airports of Thailand Public Co., Ltd. and Thai Airports Ground Services Co., Ltd. will lose their good reputation.
4. TAGS could not obtain concession to operate cargo and ramp handling at Suvarnabhumi Airport. The shareholders airlines and shareholders who did not want to continue investment began to offer selling of their shares, which indicated that TAGS will have to stop ground handling business. TAGS was found in according to the policy of the government and with great success in the past, will have to terminate the services with great sadness.

The reason that TAGS has to engage consultant in finance and development in order to enable TAGS to continue doing ground handling business and expand business according to the long term business plan which drawn up by the management in according to the request of member of the Board of Airports of Thailand Public Co., Ltd. This long term business plan has been approved by the Board of TAGS.

The main business that the Board of Directors would like the consultant to carry out according to the consultant agreement as follows:

- To study the business of TAGS regarding the financial and management capability the relationship with airline customers, introduce business investors who have experience to assist TAGS in expansion of their present and new business such as Logistics Center at the Free Trade Zone in Thailand and foreign countries.
- To study and analyze the possibility of TAGS to utilize the warehouse and ramp area as well as passenger terminal at Donmuang Airport after commercial airlines move the operation to Suvarnabhumi Airport.
- To advise and give guidance as well as providing technical know-how in the technical of IT to develop customs clearance technology, which TAGS has some experienced with Thai Customs, Unisys, and ABB. To also advise the development of present IT systems i.e. TCS (TAGS Cargo System), ICS (Import Cargo System),

RMS (Resource Management System), AS/RS (Automatic Storage and Retrieval System), TPM (Total Productive Maintenance) in order to implement these services in the Free Trade Zone, at the airports both Thailand and other countries.

TAGS acquired ground handling experiences at Bangkok International Airport more than 15 years. The advisor for finance and business development has been assigned to coordinate and negotiate until the finalization of obtaining the concession or joint venture with foreign partners in doing ground handling business abroad.

- The advisor for finance and development has been assigned to seek for finance and experience parties to raise fund both within the country and abroad for the company to finance the projects. In conclusion, all assignments given to the consultant is to enable TAGS survives from the crisis and able to carry out the long term business as approved by the Board.

Hence, the Board of Directors saw the justification and decided to employ consultant for finance and business development.

The Worthiness or justification in employment of the consultant

1. The consultant introduced investor: Frobisher Pte., Ltd. to buy and sell TAGS' shares, shareholders who wished to sell their shares, able to sell all of the shares at 120 baht per share which expected to sell only at 100 baht per share before paying out of dividend at 20 baht per share. Later, there was buyer offered to buy TAGS shares at 87 baht per share according to due diligence carry out by Bangkok Airways. These 2 shares value showed that the total value of the company increased from 870,000,000 baht to 1,200,000,000 baht which equivalent the total share value increased amounting to 330,000,000 baht.

The employment of consultant for finance and business development, TAGS paid out only 280,000,000 baht net (the company paid 400,000,000 baht from gross profit which has to deduct corporate tax 30% equivalent to 120,000,000 baht. In case, TAGS sold business in 2004, there would be no revenues and expenses at all).

2. TAGS obtained the installation contract for ACCS (Air Cargo Community System) under the consortium ATHI (AMR Asia, TAGS, Hexaware, IRCP). TAGS is the leader with total contract amounting to 695,000,000 baht. This system will be installed and applied to control all incoming and out going of cargo from Customs Free Zone at Suvarnabhumi Airport. All operation units involved in import and export cargo regardless TG, WFS, TAFA, FZ Logistics Center or FZ Operator have to use the system. The consultant was the very important party to assist TAGS in the success of the bidding of this project.

3. Due to good relationship and coordination of the consultant, TAGS signed MOU with Laos Airways and Siengthong to set up joint venture company for ground handling at all International Airport in People Republic of Laos commencing from Laung Pra Bang Airport. The joint venture structure is as follows:

➤ Laos Airways	40%
➤ Siengthong	30%
➤ TAGS	30%
➤ Capital	USD2,000,000

At present, the joint venture parties are going to present the MOU to government of People Republic of Laos for consideration. After approval of this project the Board of Directors will present to the shareholders for final approval.

4. Due to the coordination conducted by the consultant, TAGS is under negotiation with Myanmar Airways International (MA) in order to obtain either concession for ground handling under joint venture or outsource for a period of 15-20 years. TAGS has presented the business plan and feasibility study jointly drawn up with the consultant presented to MA for their consideration and expect to receive final confirmation within the month of August 2005. After receiving the approval from MA the Board of Directors will present the joint investment or outsource project to shareholders for final approval.

5. From the recommendation of the consultant, TAGS received the invitation letter from Civil Aviation of Nepal to set up joint venture for ground handling with total 5 investment parties.

- Department of Civil Aviation of Nepal
- Second International Airline of Nepal
- Thai Airways International (Nepal)
- Indian Airlines (Nepal)
- Thai Airports Ground Services Co., Ltd.

At present, it is under negotiation to sign MOU among all parties concerned. The Board of Directors will present the investment project for final approval.

6. The consultant assist to draw up business plan for Free Zone joint venture with Bangkok Free Trade Zone at Bangplee Muangmai near Suvarnabhumi Airport with total land area 1,000 rais which divided into 2 zones as follows:

- Zone 1

Free Trade Zone with area 300 rais providing services for import and export cargo from Air, Sea and Land under the name of ILP (International Logistics Park). The initial investment is 400,000,000 baht. TAGS will take 40%. The Board of Directors will present the investment project to shareholders for final approval.

- Zone 2

Area 700 rais, this will be factory zone. There are buildings for factories, show rooms for duty free items. The consultant is under investigation whether TAGS should take any part in this free trade zone. The consultant also advised that TAGS should set up Free Trade Zone in Vietnam, Bahrain, in the Middle East which the management will have to study and present to the Board for consideration.

From the guidance and coordination of the consultant, TAGS is able to offer ACCS system to other free zone operator, seaport, industrial park both in Thailand and other countries.

ACCS will have RFID (Radio Frequency Identification System) included. Hence, TAGS is able to use this technique to control the transportation of goods

on land, air, and sea. The technique of using of RFID could assist customs to inspect cargo with efficiency and correct. TAGS will bring RFID Technology to service operators who are involved in logistics and expect to earn a substantial income to TAGS.

Hexaware which is one of the consortium in ACCS project. This company is one of the top ten IT company in India. Hexaware has offices around the world. The total revenue in 2004 was USD 110,000,000 and expect to increase to USD180,000,000 in this year. Hexaware intends to expand their IT business in Thailand, Vietnam, Laos and Myanmar Airways International together with TAGS. TAGS requested our cooperation to include India as well, because TAGS wishes to present cargo and management system of TAGS to Air India and Indian Airlines with the support of Hexaware in India.

7. The consultant is considering of TAGS to join Talad Thai to form Perishable Center which will be the first one in Thailand. This center receives financial support from the Ministry of Commerce. Now the consultant and TAGS are conducting the feasibility study. In case, the investment is feasible, the management will present to the Board for consideration and approval.
8. The consultant assist TAGS to drawn up business plan to operate cargo warehouse, ramp site and passenger terminal at Donmuang Airport after International Airlines move to operate at Suvarnabhumi Airport.
9. When the staff know that TAGS are firmed and able to carry on business according to long term business plan which are the main reason to encourage all staff to work hard and have spirit to improve the knowledge and capability in order to have an opportunity to be promoted to higher position in the new business.
10. All airline customers of TAGS also have the same feeling upon knowing that TAGS is firmed and will continue to operate ground handling at Suvarnabhumi Airport. They are not going to terminate our services now. The consultant recommended that TAGS has to keep close relationship and improve services with Airlines customers. Hence, TAGS carries on Customers Relationship Management (CRM) programme in order to keep

close relationship with customers by using IT technique, service level agreement in order to maintain continuously in servicing the customers between the two airports, Donmuang and Suvarnabhumi Airport.

Resolution: The meeting unanimously agreed the reason given for the past Board of Directors to employ Detek Co., Ltd. and has opinion that it is justified in this engagement.

Item 4 - The consideration of paying dividend for the year 2004 to Shareholders at 20 baht per share

S.292 The Chairman informed that the Shareholders Extra Ordinary Meeting No. 1/2004 on July 27, 2004, the shareholders considered that TAGS has enough cash to run the business and decided to pay out the dividend from the Retained Earnings for the year 2003 to shareholders amounting to 200,000,000 baht or 20 baht per share, would like to present to this meeting for acknowledgement.

Resolution: The meeting unanimously acknowledged this payment.

Item 5 – The consideration of Bonus for Board of Directors for the year 2004

S.293 The Chairman informed that the Board of Directors normally approve the payment of Bonus to staff at the same time the Bonus pay to Board of Directors in according to percentage of profit. The Board of Directors approved to pay 588,000 baht per Director, would like to present for consideration and approval.

Resolution: The meeting unanimously approved the Bonus paid to the Board of Directors for the year 2004 amounting to 588,000 baht per person.

Item 6 – The consideration of appointment of auditor and auditing fee for the year 2005

S.294 The Chairman informed that the management asked for quotations from 6 auditing firms for auditing fee for the year 2005. There were 3 auditing firms proposed the auditing fee as follows:

Auditing Fee for the year 2005		
		Baht
Company	Auditing Fee	Remark
Dharmniti Auditing Co., Ltd.	200,000.00	
Ernst & Young Co., Ltd.	340,000.00	
Deloitte Touche Tohmatsu Jaiyos Co., Ltd.	550,000.00	
D.I.A. Auditing	-	Not propose
KPMG Phomchai Co., Ltd.	-	Not propose
Price Water House Cooper ABAS	-	Not propose

Dharmniti Auditing Co., Ltd. has been the company auditor for 6 years (1999-2004) and proposed auditing fee 200,000 baht which is the lowest. Would like to present for the consideration.

Resolution: The meeting unanimously approved to appoint Mr. Pichai Dachanapirom Certified Public Accountant Registration No. 2421, Dharmniti Auditing Co., Ltd., as auditor with the auditing fee is amounting to 200,000 baht.

Item 7 – The consideration of appointment of Board of Directors who completed their term and Directors who resigned

S.295 The Chairman announced the meeting that the Board of Directors who completed their terms and have letters to resign totaling 5 Directors as follows:

- | | |
|--------------------------|---------------------------------------|
| 1. Mrs. Supatra Meesawan | Airports of Thailand Public Co., Ltd. |
| 2. Mr. Gary Doy | KLM Royal Dutch Airlines (KLM) |
| 3. Mr. Zeka Jemal | British Airways (BA) |
| 4. Mr. Horst Bohling | Lufthansa German Airlines (LH) |
| 5. Mr. Jaap Roest | Siam Flight Service Co., Ltd. (SFS) |

Would like the shareholders to propose Directors to replace Directors who completed their term and Directors who resigned.

Mr. Chairman proposed on behalf of AOT, Mr. Somchai Sawasdeepon as member of the Board.

Mr. Teerawudth Lueng-Anant proposed on behalf of Frobisher Pte. Ltd. proposed the following as members of the Board of Directors:

1. Mr. Cherdsak Teeranuntawanich
2. Mr. Sompotch Songpipat
3. Mr. Jimmy Wu
4. Miss Suchanart Rungsritananon

Hence, the Board of Directors has 11 members

The Chairman: from one of the Board of Directors, AOT

Airports of Thailand Public Co., Ltd. consist of

1. Flight Lieutenant M.L. Yom Ngonrath, Chairman
2. Mr. Somchai Sawasdeepon
3. Flight Lieutenant Pinit Saraithong
4. Wing Commander Jidkhumron Pansang

World Travel Service Ltd. (WTS) consist of

1. Mr. Kusa Panyarachun

Frobisher Pte. Ltd. consist of

1. Mr. Teerawudth Lueng-Anant
2. Mr. Cherdsak Teeranuntawanich
3. Mr. Sompotch Songpipat
4. Mr. Jimmy Wu
5. Miss Suchanart Rungsritananon

Managing Director

1. Mr. Anuphong Rojnuckarin, Secretary

Resolution: The meeting unanimously approved the incoming 5 members of Board of Directors as proposed.

Item 8 – Consideration of Agreement among shareholders

S. 296 Shareholder Agreement dated August 1, 1990

The Chairman announced that due to the past Shareholders had sold their shares, would like the present shareholders to consider whether the Shareholder Agreement dated August 1, 1990 should be amended or cancelled.

Mr. Teerawudth pointed out that as the agreement mainly involved the agreement of shareholders in the past, which the present shareholders cannot be applied. Hence, the mentioned Shareholder Agreement dated August 1, 1990 should be cancelled.

Resolution: The meeting unanimously agreed to cancel the Shareholder Agreement dated August 1, 1990.

The company regulation

Mr. Anuphong informed that at present, TAGS has the company regulation registered with the Ministry of Commerce and another company regulation which based on the agreement among shareholders, would like to present for consideration.

Mr. Teerawudth proposed that as this meeting agreed to cancel the Shareholders Agreement dated August 1, 1990 in order not to confuse the operation, would like to cancel the regulation agreed among shareholders and would like the company to use the company regulation, which registered with the Ministry of Commerce to be the company regulation. The Board of Directors can later consider to amend the company regulation if found necessary.

Resolution: The meeting unanimously agreed to cancel the regulation among shareholders and use the regulation that registered with the Ministry of Commerce only.

Authorize signature of Board of Directors

The Chairman announced that authorized signature of Board of Directors in according to affidavit has divided the authorized signature of Board of Directors into one of Directors from AOT, one Director from private sector out of 3 and including Managing Director as one of the 3 in the private sector. There was no Director from airlines shareholders. What will be the new authorized signature, would like to present to the shareholders for consideration.

Mr. Teerawudth proposed that in order to let the authorized person to have direct responsibility and be able to make the operation on time with efficiency, would like to propose a small change of the structure i.e. to divide the authorized Directors into 2 groups i.e. the first group consists of 3 Directors 2 Directors from AOT plus 1 Managing Director and second group consists of private 3 Directors. In case, the meeting agrees with the proposal, would like the shareholders to propose the name of the Board of Directors who are authorized to sign and with the company seal.

Chairman proposed group 1

1. Flight Lieutenant M.L. Yom Ngonrath
2. Flight Lieutenant Pinit Saraithong
3. Managing Director, Mr. Anuphong Rojnuckarin

Mr. Teerawudth proposed group 2

1. Mr. Kusa Panyarachun
2. Mr. Teerawudth Lueng-Anant
3. Mr. Cherdsak Teeranuntawanich

One of Directors from first group signs with another one Director from second group total two Directors and with company seal.

Resolution: The meeting unanimously agreed as proposed.

Item 9 - Any other business

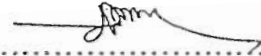
S.297 No other business was brought up for discussion. The meeting adjourned at 3.45 p.m.

Flight Lieutenant



(M.L. Yom Ngonrath)

Chairman

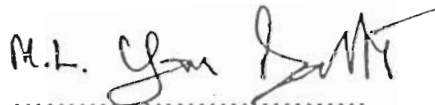


(Mr. Anuphong Rojnuckarin)

Director/Board Secretary

Certified

Flight Lieutenant



(M.L. Yom Ngonrath)

Chairman of the Board



(Mr. Anuphong Rojnuckarin)

Director