

July 5, 2012

Subject: Notification on the Board of Director's Meeting no. 90 regarding new investment in Canada

To: President
The Stock Exchange of Thailand

Thai Rayon Public Company Limited held its Board of Directors' Meeting No. 90 on 5th July 2012 at Head Office passed the resolution to approved the proposal for new investment of CAD 66 Million between the July 2012 till March 2016, aggregating to Baht 2,068 Million approx. in the Paper Grade Pulp Plant in Canada, for the purpose of acquisition of assets and renovation, modernization and for converting the paper grade to a dissolving grade pulp plant conditional upon regulatory and other approval in Canada. The details are shown as per Annexure 1.

The Company will provide further information of additional investment to the SET, SEC and investors.

Please be informed accordingly.

Yours faithfully,
For THAI RAYON PUBLIC COMPANY LIMITED

H.K. Agarwal
Group Executive President

**CC: Listed Company Department
The Securities and Exchange Commission**

(Annexure 1)

**Details of Investment of Canadian Dollar 66 Million (Baht 2,068 Million approx.)
for Pulp Plant in Canada**

1. Date of Transaction: After approval by the Board of Directors' Meeting dated 5th July 2012
2. Parties Involved: - 60% by Thai Rayon Public Company Limited, Thailand and,
- 40% by Grasim industries Limited, India
3. Details of Asset Purchased
- Name of Investee: AV Terrace Bay Inc.
 - Location: Situated in the north shore of Lake Superior, Ontario, Canada
 - Nature of Business: Manufacturing of Pulp

4. Details of Shareholding:

Name of shareholders	Country	Post transaction – % of shareholding	Total investment value by Equity (CAD Million)
Thai Rayon Public Co.,Ltd.	Thailand	60%	66.00
Grasim Industries Ltd.	India	40%	44.00
Total		100%	110.00

5. Total Project Cost: Canadian Dollar 260 Million Approx. (up to March 2016)
- i) By way of Equity: Canadian Dollar 110 Million
 - ii) By Loan from others: Canadian Dollar 160 Million
6. Total Investment value: Canadian Dollar 66 Million (By Equity)
By Thai Rayon Plc. (Equivalent to Baht 2,068 Million approx.)

7. Expected Benefits:
1. Long-term source of key raw material of high quality
 2. Business synergy with existing pulp operations in the areas of environment friendly process knowhow, research and development.
 3. Returns on investment in the form of dividend
8. Sources of Fund: Internal source of un-appropriated retained earnings
9. Connected Transaction: -None-
10. Measurement of the size of transaction in relation to disclosure of information concerning the acquisition and disposition of assets.

The size of transaction in accordance with assets value is 9.56% of total assets of the Company as of 31st March 2012.

Total Assets (as of 31/03/12)	=	Baht 21,634 Million
Investment Value	=	Baht 2,068 Million
Size of Transaction	=	<u>2,068</u>
		21,634
	=	9.56%

This transaction is not the connected transaction and the size of the transaction is exempted from being disclosed under the rule, procedures and disclosure on information concerning the acquisition and disposition of assets of listed companies but is in accordance to the disclosure of an investment.