

February 29, 2012

Subject: Notification on the Board of Director's Meeting no. 88 regarding additional investment in Birla Jingwei Fibres Co.,Ltd., Republic of China

To: President
The Stock Exchange of Thailand

Thai Rayon Public Company Limited ("the Company") held its Board of Directors Meeting No. 88 on 29th February 2012 passed the resolution to approve additional investment by way of equity or preference shares or debt in Birla Jingwei Fibres Co.,Ltd. – our associated company in Republic of China of an amount not exceeding RMB 96.03 Million (Equivalent USD 15.46 Million or Baht 472 Million) for improving financing structure. After this transaction, the Company will continue to maintain its existing 49.50% shareholding in Birla Jingwei Fibres Co.,Ltd. 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

Prasan Kumar Sipani
Joint President (Works)

CC: Listed Company Department
The Securities and Exchange Commission

(Annexure 1)

Details of additional investment in Birla Jingwei Fibres Co.,Ltd., China

1. Date of Transaction: After approval by the meeting of Board of Directors dated 29th February 2012

2. Name and address of Investee: Birla Jingwei Fiber Co., Ltd.
Houju Building, 4 West Chunyuan Road
State Level Hi-tech Development Zone
Xiangfan City, Hubei Province, Republic of China

Objective of investment: For improving financing structure

Nature of business: Manufacturing of viscose staple fibre with present production capacity 70,000 TPA

3. Details of Shareholding:

Name of shareholders	Country	Existing % of shareholding	Additional investment amount
Grasim Industries Ltd.	India	31.00%	RMB 60.14 Million
PT Indo Bharat Rayon	Indonesia	19.50%	RMB 37.83 Million
Thai Rayon Public Co.,Ltd.	Thailand	49.50%	RMB 96.03 Million
Total		100.00%	RMB 194 Million

4. Total Investment Cost (Initial): RMB 96.03 Million (Equivalent to USD 15.46 Million or Baht 472 Million approx.)

5. Expected Benefits:

1. Increase in market share in viscose staple fiber.
2. Returns on investment in the form of dividend.

6. Sources of Fund: Internal source of un-appropriated retained earnings

7. Connected Transaction: -None-

8. 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 2.07% of total assets of the Company for the year ended 31st December 2011.

Net Tangible Assets (as of 31/12/11) = Baht 22,764 Million

Investment Value = Baht 472 Million

Size of Transaction = $\frac{472}{22,764}$
= 2.07%

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.