

(Translation)

21 September 2018

Subject: The disposition of investment in Birla Lao Pulp & Plantations Co.,Ltd.

To: President  
The Stock Exchange of Thailand

Pursuant to our letter dated 24 May 2018, Thai Rayon Public Company Limited (“the Company”) would like to inform that the Company has successfully completed total divestment in Birla Lao Pulp & Plantations Co.,Ltd. (BLPP) as per the terms of Share purchase Agreement (SPA) along with other existing shareholders of BLPP. With this, the Company’s shareholding of 30% of the total paid up capital of BLPP has been sold to Sunpaper Holding Lao Co.,Ltd. The details of the transactions are as under :-

- |                                    |  |
|------------------------------------|--|
| 1. Final transaction Date          | 18 September 2018  |
| 2. Parties Involved                |  |
| - Buyer                            | Sunpaper Holding Lao Co.,Ltd., Lao PDR   |
| - Sellers                          | 1. Grasim Industries Co.,Ltd., India (40% stake)<br>2. Thai Rayon Public Co.,Ltd., Thailand (30% stake)<br>3. PT Indo Bharat Rayon, Indonesia, (30% stake) |
| - Relationship between the parties | -None-   |

The Buyer is not classified as a connected person according to the Notification of the Capital Market Supervisory Board TorChor.21/2551 Re: Rules on Connected Transaction dated 31 August 2008 and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transaction, 2003 dated 19 November 2003 and its amendment.

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|---|---|
| 3. Objective  | To mitigate losses resulting from investment in BLPP  |
| 4. Characteristics of Transaction and size of Transaction |   |
| 4.1 Type of securities sold                               |   |
| Type of securities  | Ordinary shares   |
| Number of shares sold                                     | 14,640 shares   |
| Book value  | Baht 493.25 Million   |
| Selling amount  | USD 4.026 Million (or equivalent to Baht 130 Million)<br>including consideration towards share application<br>money |

4.2 Percentage of shareholding

Before the disposal	30.00%
After the disposal	0.00%

The transaction is classified as a disposal of assets. This transaction value is 1.64% (as per net tangible assets criteria) which is lower than 15% of the Company's financial statements (as per equity method) as of 30 June 2018.

$$\begin{aligned} \text{Net tangible assets criteria} &= \frac{\text{BLPP's NTA} * \text{Proportion of Disposition}}{\text{The Company's NTA}} \\ &= \frac{1,298 * 30\%}{23,805} \\ &= 1.64\% \end{aligned}$$

Therefore, this transaction is not required to report pursuant to the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004 dated 29 October 2004. However, the Company is obliged to disclose the information on the investment with other entity to the Stock Exchange of Thailand according to the Regulations of the Stock Exchange of Thailand No. Bor.Jor./Por. 11-00 Re: Rules, Conditions and Procedures Governing the Disclosure of Information and Other Acts of a Listed Company 2017 (B.E.2560) dated 2 October 2017.

- 5. Total value of transaction** USD 4.026 Million (the Company's share in proportion to 30% shareholding (including share application money against total sales consideration of USD 15.20 Million after repayment of existing loan and share application money)
- 6. Utilization of the Proceeds from Sales** To be used as working capital of the Company

Please be informed accordingly.

Yours faithfully,

Pramod Khandelwal  
VP (Finance & Commercial)