30 May 2016

Sub:      Explanation of the Company’s performance for the year ended 31 March 2016

To:     President
        The Stock Exchange of Thailand

Encl:  1 set of report and audited financial statements for the year ended 31 March 2016

Thai Rayon Public Company Limited (“the Company”) would like to explain its financial statements for the year ended 31 March 2016 in comparison with 31 March 2015. The details of financial statements are set out in the attached note.

<table>
<thead>
<tr>
<th>Income Statements (equity method)</th>
<th>For the year ended 31 March</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Unit in Million Baht)</td>
<td>2016</td>
</tr>
<tr>
<td>Sales</td>
<td>9,223</td>
</tr>
<tr>
<td>Dividend income</td>
<td>4.9</td>
</tr>
<tr>
<td>Gains (losses) on exchange</td>
<td>(6)</td>
</tr>
<tr>
<td>Other income</td>
<td>64</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>8,178</td>
</tr>
<tr>
<td>Selling expenses</td>
<td>286</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>158</td>
</tr>
<tr>
<td>Impairment loss on investments</td>
<td>146</td>
</tr>
<tr>
<td>Share of profit (loss) from investments in joint venture</td>
<td>-</td>
</tr>
<tr>
<td>Share of profit (loss) from investments in associates</td>
<td>1,029</td>
</tr>
<tr>
<td>Finance cost</td>
<td>34</td>
</tr>
<tr>
<td>Income tax income (expenses)</td>
<td>(127)</td>
</tr>
<tr>
<td>Profit (loss) for the year</td>
<td>1,386</td>
</tr>
</tbody>
</table>

| Basic earnings per share (Baht)   |               |
| Profit (loss) for the period      | 6.87          | (6.42) |

1. **Income statements (In which the equity method is applied) for the year ended 31 March 2016 in comparison with 31 March 2015**

Net profit for the year ended 31 March 2016 was Baht 1,386 Million compared to net loss of Baht 1,295 Million of last year, an increase of Baht 2,681 Million or 207%. The significant changes are as follows:

1) Sales revenues increased by 19% or Baht 1,505 Million mainly due to higher sales volume by 8% and better realization by 11%. 

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2) Other income decreased by 38% or Baht 39 Million as a result of lower interest income from bank deposits due to repayment of short term loan.

3) Gains (losses) on exchange decreased by 115% or Baht 46 Million mainly due to weakening of Baht against US Dollar.

4) Cost of sales slightly increased by 3% or Baht 221 Million mainly due to increase in production.

5) Selling expenses decreased by 18% or Baht 64 Million mainly due to lower sea freights.

6) Impairment loss on investments decreased by 33% or Baht 71 Million due to lower impairment in associated company, Birla Lao Pulp and Plantations Co.,Ltd. and no impairment in Alexandria Fiber Co.S.A.E. as compared to previous year.

7) Share of loss from investment in joint venture decreased by 100% or Baht 149 Million due to non accounting of loss as total accumulated losses are more than the equity investment.

8) Share of profit from investments in associated companies increased by 343% or Baht 1,453 Million compared to last year mainly due to better performance of most of the associated companies.

9) Finance cost increased by 14% or Baht 4 Million due to increase in short term loans.

10) Income tax income (expenses) decreased by 200% or Baht 253 Million due to taxable income in this year as compared to loss in previous year.

11) Gains (losses) on change in value of available-for-sale investments decreased by 54% or Baht 112 Million mainly due to lower gain from currency fluctuation.

12) Exchange differences on translation of financial statements in foreign currency increased by 138% or Baht 956 Million due to weakening of Baht against currencies of investee companies.

13) Income tax effect decreased by 54% or Baht 22 Million due to reduction in gain on available for sale investments.

As per reasons mentioned above, the profit per share for the year ended 31 March 2016 is Baht 6.87 compared to loss per share of Baht 6.42 of last year.

2. Statements of financial position as of 31 March 2016 in comparison with as of 31 March 2015

As of 31 March 2016, total assets amounted to Baht 21,273 Million, slightly increased by 3% or Baht 646 Million, total liabilities amounted to Baht 2,218 Million, decreased by 33% or Baht 1,068 Million and shareholders’ equity amounted to Baht 19,055 Million, increased by 10% or Baht 1,714 Million compared to as of 31 March 2015 mainly due to reasons explained below. The major changes are as below:

1) Cash and cash equivalents decreased by 98% or Baht 284 Million due to repayment of short term loans.
2) Current investments-bills of exchange decreased by 87% or Baht 1,115 Million due to repayment of short term loans.

3) Trade and other receivables increased by 40% or Baht 361 Million due to higher sales revenue.

4) Short-term loan to related party increased by 100% or Baht 79 Million due to short term loan granted to one of the related party for one year period.

5) Current portion of long-term loan to related party increased by 100% or Baht 525 Million due to re-classification of loan given to one of the associated is due in current year.

6) Inventories increased by 23% or Baht 327 Million due to increase in inventory of finished goods and raw material.

7) Long-term loans to related parties decreased by 80% or Baht 491 Million due to portion of long term loan payable within one year is shown as current liabilities.

8) Intangible assets decreased by 88% or Baht 0.3 Million due to amortization.

9) Deferred tax assets decreased by 39% or Baht 118 Million due to income tax on profit during the year adjusted against positive tax on carry forward losses.

10) Other non-current assets increased by 26% or Baht 0.6 Million due to increase in deposits and VAT receivable.

11) Short term loans from financial institutions decreased by 59% or Baht 1,338 Million due to loan repayments.

12) Trade and other payables increased by 37% or Baht 231 Million mainly due to increase in payables against raw-materials.

13) Other current liabilities increased by 107% or Baht 17 Million mainly due to withholding tax.

14) Other components of shareholders’ equity increased by 142% or Baht 339 Million mainly due to effect of change in value of securities available for sale and effect of translation adjustment on financial statements of associated companies.

Please be informed accordingly.

Yours faithfully,
For THAI RAYON PUBLIC COMPANY LIMITED

Mr. Pramod K Khandelwal
VP (Finance & Commercial)

CC: Listed Company Department
The Securities and Exchange Commission