14 November 2016

Sub: Explanation on the Company’s performance for 3-month period ended 30 September 2016

To: President
The Stock Exchange of Thailand

Encl: 1 set of report and interim financial statements for 3-month period ended 30 September 2016

Thai Rayon Public Company Limited (“the Company”) would like to explain its financial statements for 3-month period ended 30 September 2016 in comparison with for 3-month period ended 30 September 2015. The details of financial statements are set out in the attached note.

### Income Statements (equity method)

<table>
<thead>
<tr>
<th>(Unit in Million Baht)</th>
<th>For the quarter ended 30 September</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
</tr>
<tr>
<td>Sales</td>
<td>2,650</td>
</tr>
<tr>
<td>Dividend income</td>
<td>1</td>
</tr>
<tr>
<td>Gains on exchange</td>
<td>17</td>
</tr>
<tr>
<td>Other income</td>
<td>12</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>2,196</td>
</tr>
<tr>
<td>Selling expenses</td>
<td>77</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>44</td>
</tr>
<tr>
<td>Share of profit (loss) from investments in associates</td>
<td>323</td>
</tr>
<tr>
<td>Finance cost</td>
<td>1</td>
</tr>
<tr>
<td>Income tax income (expenses)</td>
<td>(52)</td>
</tr>
<tr>
<td><strong>Profit (loss) for the quarter</strong></td>
<td><strong>634</strong></td>
</tr>
</tbody>
</table>

| Basic earnings per share (Baht)                             | 3.14  | 1.86  |

1. **Income statements (In which the equity method is applied) for 3-month period ended 30 September 2016 in comparison with for 3 month period ended 30 September 2015**

   Net profit for 3-month period ended 30 September 2016 was Baht 634 Million compared to net profit of Baht 374 Million of last year, an increase of Baht 260 Million or 70%. The significant changes are as follows:

   1) Sales revenues increased by 25% or Baht 526 Million mainly due to higher sales volume by 20% and realization by 8%.
2) Gains on exchange increased by 322% or Baht 25 Million due to currency fluctuation and better forex management.

3) Other income decreased by 33% or Baht 6 Million due to lower interest income.

4) Cost of sales increased by 22% or Baht 396 Million due to increase in sales volume.

5) Share of profit from investments in associated companies increased by 60% or Baht 121 Million due to better performance of some associated companies.

6) Finance cost decreased by 90% or Baht 9 Million due to lower borrowings.

7) Income tax expenses increased by 21% or Baht 9 Million due to higher taxable income in this quarter.

8) Gains (losses) on change in value of available-for-sale investments increased by 178% or Baht 58 Million mainly due to change in market value of the investment.

9) Exchange differences on translation of financial statements in foreign currency decreased by 151% or Baht 180 Million due to weakening of Baht.

10) Income tax effect increased by 178% or Baht 12 Million mainly due to higher value of available-for-sale investments.

As per reasons mentioned above, the profit per share for 3-month period ended 30 September 2016 is Baht 3.14 compared to Baht 1.86 of last year.

2. **Statements of financial position as of 30 September 2016 in comparison with as of 31 March 2016**

As of 30 September 2016, total assets increased by 4% or Baht 867 Million, total liabilities decreased by 10% or Baht 211 Million and shareholders’ equity is amounted to Baht 20,134 Million, increased by 6% or Baht 1,079 Million compared to as of 31 March 2016 mainly due to reasons explained below. The major changes are as below

**A. ASSETS**

1) Cash and cash equivalents increased by 5440% or Baht 296 Million due to higher profit.

2) Current investment increased by 379% or Baht 645 Million due to higher profit.

3) Trade and other receivable increased by 5% or Baht 69 Million mainly due to higher sales.

4) Inventories decreased by 27% or Baht 462 Million mainly due to lower finished goods stock.
5) Other current assets decreased by 49% or Baht 79 Million mainly due to receipt of pending VAT of earlier months from Revenue Department.

6) Advance payment for long-term investment increased by 100% or Baht 9 Million due to investment in one of the associate towards equity pending for share allotment.

7) Intangible assets decreased by 78% or Baht 0.029 Million due to amortization.

8) Deferred tax assets decreased by 49% or Baht 90 Million due to taxable profit during the period resulting reduction in carry forward losses.

B. LIABILITIES

1) Short term loans from financial institutions decreased by 50% or Baht 459 Million mainly due to lower working capital loans.

2) Trade and other payable increased by 20% or Baht 172 Million due to higher purchases.

3) Other current liabilities increased by 77% or Baht 25 Million mainly due to increase in advances and other payables.

4) Other components of shareholders’ equity increased by 30% or Baht 31 Million mainly due to effect of change in value of securities available for sale and effect of translation adjustment on financial statements of associate 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