

15 August 2017

Sub: Explanation on the Company's performance for the 3-month period ended 30 June 2017

To: President
The Stock Exchange of Thailand

Encl: 1 set of report and the audited financial statements for the 3-month period ended 30 June 2017

Thai Rayon Public Company Limited ("the Company") would like to explain its financial statements for the 3-month period ended 30 June 2017 in comparison with for the 3-month period ended 30 June 2016. The details of financial statements are set out in the attached note.

Income Statements (equity method) (Unit in Million Baht)	For the 3-month ended 30 June			
	2017	2016	Increase(Decrease)	
Sales	2,754	2,396	358	15%
Dividend income	0.68	5.72	(5.04)	(88%)
Gains (Loss) on exchange	49	31	18	59%
Other income	13	9	4	43%
Cost of sales	2,303	2,065	238	12%
Selling expenses	113	75	38	51%
Administrative expenses	55	40	15	36%
Share of profit (loss) from investments in associates	500	352	148	42%
Finance cost	1.5	2.9	(1.4)	(48%)
Profit (loss) for the year	791	556	235	42%
Basic earnings per share (Baht)				
Profit (loss) for the period	3.92	2.76		

1. Income statements (In which the equity method is applied) for the 3-month period ended 30 June 2017 in comparison with for the 3-month period ended 30 June 2016.

Net profit for the 3-month period ended 30 June 2017 was Baht 791 Million compared to net profit of Baht 556 Million of last year, an increase of Baht 235 Million or 42%. The significant changes are as follows:

- 1) Sales revenues increased by 15% or Baht 358 Million mainly due to higher sales volume by 5% and increase in realization by 11%.

- 2) Gains on exchange increased by 59% or Baht 18 Million due to currency fluctuation.
- 3) Dividend income decreased by 88% or Baht 5 Million due to lower dividend income from one of the investee company.
- 4) Other income increased by 43% or Baht 4 Million due to higher interest income.
- 5) Cost of sales increased by 12% or Baht 238 Million mainly due to higher input prices of major raw materials.
- 6) Selling expenses increased by 51% or Baht 38 Million mainly due to higher sea freight per ton of fiber by 57% and higher sales volume by 5%.
- 7) Administrative expenses increased by 36% or Baht 15 Million due to higher CSR and employee cost.
- 8) Share of profit from investments in associated companies increased by 42% or Baht 148 Million due to better performance of some of the associated companies.
- 9) Finance cost decreased by 48% or Baht 1.4 Million due to lower average borrowings.
- 10) Exchange differences on translation of financial statements in foreign currency increased by 166% or Baht 138 Million due to currency fluctuation.

As per reasons mentioned above, the profit per share for the 3-month period ended 30 June 2017 is Baht 3.92 as compared to Baht 2.76 of last year.

2. Statements of financial position as of 30 June 2017 in comparison with as of 31 March 2017

As of 30 June 2017, total assets increased by 5% or Baht 1,225 Million, total liabilities increased by 13% or Baht 280 Million and shareholders' equity is amounted to Baht 22,324 Million, increased by 4% or Baht 944 Million compared to as of 31 March 2017 mainly due to reasons explained below. The major changes are as below.

A. ASSETS

- 1) Cash and cash equivalents increased by 180% or Baht 397 Million due to higher profits.
- 2) Trade and other receivable increased by 28% or Baht 313 Million mainly due to higher sales.
- 3) Other current assets increased by 28% or Baht 28 Million mainly due to increase in advance against expense.

B. LIABILITIES

- 1) Other current liabilities decreased by 40% or Baht 29 Million mainly due to less advance from customers and payment of other liabilities in this quarter.
- 2) Other components of shareholders' equity increased by 60% or Baht 154 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. Prasan Sipani
President

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