14 November 2017

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

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

<table>
<thead>
<tr>
<th>Income Statements (equity method)</th>
<th>For the 3-month ended 30 September</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Unit in Million Baht)</td>
<td>2017</td>
</tr>
<tr>
<td>Sales</td>
<td>2,392</td>
</tr>
<tr>
<td>Dividend income</td>
<td>1.13</td>
</tr>
<tr>
<td>Gains on exchange</td>
<td>50</td>
</tr>
<tr>
<td>Other income</td>
<td>17</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>2,109</td>
</tr>
<tr>
<td>Selling expenses</td>
<td>89</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>49</td>
</tr>
<tr>
<td>Share of profit (loss) from investments in associates</td>
<td>429</td>
</tr>
<tr>
<td>Finance cost</td>
<td>1.5</td>
</tr>
<tr>
<td>Income tax expenses</td>
<td>(29)</td>
</tr>
<tr>
<td>Profit (loss) for the quarter</td>
<td>612</td>
</tr>
</tbody>
</table>

Basic earnings per share (Baht)
Profit for the period 3.04 3.14

Gross profit margin 12% 17%
Net profit margin 25% 24%
1. **Income statements (In which the equity method is applied) for the 3-month period ended 30 September 2017 in comparison with for the 3-month period ended 30 September 2016**

Net profit for the 3-month period ended 30 September 2017 was Baht 612 Million compared to net profit of Baht 633 Million of last year, a slight decrease of Baht 21 Million or 3%. The significant changes are as follows:

1) Sales revenues decreased by 10% or Baht 258 Million mainly due to lower sales volume.
2) Gains on exchange increased by 190% or Baht 33 Million due to currency fluctuation.
3) Other income increased by 37% or Baht 5 Million due to increase in treasury investment.
4) Cost of sales decreased by 4% or Baht 87 Million mainly due to lower sales volume and higher input cost.
5) Share of profit from investments in associated companies increased by 33% or Baht 106 Million due to better performance of some of the associated companies.
6) Finance cost increased by 21% or Baht 0.3 Million due to higher interest rate.
7) Income tax expenses decreased by 44% or Baht 23 Million due to lower taxable profit.
8) Exchange differences on translation of financial statements in foreign currency increased by 141% or Baht 86 Million due to currency fluctuation.
9) Gains (Losses) on changes in value of available-for-sale investments decreased by 249% or Baht 225 Million due to lower market price and exchange rate fluctuation.
10) Gross profit margin was 12% compared to 17% of last year, this was due to higher input cost and lower sales volume, whereas net profit margin was 25% compared to 24% of last year mainly due to better performance of some of the associated companies.

As per reasons mentioned above, the profit per share for the 3-month period ended 30 September 2017 is Baht 3.04 as compared to Baht 3.14 of last year.

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

As of 30 September 2017, total assets increased by 6% or Baht 1,401 Million, total liabilities increased by 6% or Baht 138 Million and shareholders’ equity is amounted to Baht 22,642 Million, increased by 6% or Baht 1,263 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 94% or Baht 207 Million mainly due to profits and reduction in working capital.

2) Current investments - bills of exchange increased by 21% or Baht 389 Million mainly due to profits and reduction in working capital.

3) Trade and other receivable increased by 36% or Baht 403 Million mainly due to higher export sales during last month of the quarter.

4) Inventories decreased by 20% or Baht 378 Million mainly due to lower inventory of key raw materials.

B. LIABILITIES

1) Income tax payable decreased by 100% or Baht 79 Million due to taxable profit.

2) Other current liabilities decreased by 31% or Baht 23 Million mainly due to reduction in advance from customers and payment of other liabilities in this quarter.

3) Other components of shareholders’ equity increased by 27% or Baht 71 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 Khandelwal
Vice President (Finance & Commercial)

CC: Listed Company Department
The Securities and Exchange Commission