Thai Rayon Public Company Limited ("the Company") would like to explain its financial statements for the year ended 31 March 2018 in comparison with for the year ended 31 March 2017. 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 year ended 31 March</th>
<th>Increase/(Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>10,032</td>
<td>9,080</td>
</tr>
<tr>
<td><strong>Dividend income</strong></td>
<td>7.2</td>
<td>10.5</td>
</tr>
<tr>
<td><strong>Gains on exchange</strong></td>
<td>170</td>
<td>88</td>
</tr>
<tr>
<td><strong>Other income</strong></td>
<td>63</td>
<td>50</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>8,807</td>
<td>7,588</td>
</tr>
<tr>
<td><strong>Selling expenses</strong></td>
<td>386</td>
<td>281</td>
</tr>
<tr>
<td><strong>Administrative expenses</strong></td>
<td>241</td>
<td>182</td>
</tr>
<tr>
<td><strong>Losses from return of investment in associate which reduced capital</strong></td>
<td>-</td>
<td>103</td>
</tr>
<tr>
<td><strong>Share of profit from investments in associates</strong></td>
<td>1,383</td>
<td>1,435</td>
</tr>
<tr>
<td><strong>Finance cost</strong></td>
<td>3.5</td>
<td>6.6</td>
</tr>
<tr>
<td><strong>Income tax expenses</strong></td>
<td>89</td>
<td>178</td>
</tr>
<tr>
<td><strong>Profit (loss) for the year</strong></td>
<td><strong>2,128</strong></td>
<td><strong>2,325</strong></td>
</tr>
</tbody>
</table>

**Basic earnings per share (Baht)**

| Profit for the period | 10.55 | 11.53 |

**Gross profit margin**

| 12% | 16% |

**Net profit margin**

| 21% | 26% |

1. **Income statements (In which the equity method is applied) for the year ended 31 March 2018 in comparison with for the year ended 31 March 2017.**

Net profit for the year ended 31 March 2018 was Baht 2,128 Million compared to net profit of Baht 2,325 Million of last year, a decrease of Baht 197 Million or 9%. The significant changes are as follows:
1) Sales revenues increased by 10% or Baht 952 Million mainly due to higher sales volume.

2) Gains on exchange increased by 93% or Baht 82 Million. The Company follows consistent policy of internal hedging.

3) Dividend income decreased by 32% or Baht 3.3 Million due to decrease in dividend income from investee companies.

4) Other income increased by 26% or Baht 13 Million mainly due to higher interest income on bank deposit due to higher cash profit.

5) Cost of sales increased by 16% or Baht 1,219 Million mainly due to higher sales volume and higher input rates of some key raw materials.

6) Selling expenses increased by 38% or Baht 105 Million due to higher sales volume and higher export freights.

7) Administrative expenses increased by 32% or Baht 59 Million mainly due to expenses relating to environment, CSR and legal.

8) Loss from return of investment in associate which reduced its capital decreased by 100% or Baht 103 Million due to loss from an associate in last year.

9) Finance cost decreased by 47% or Baht 3.1 Million due to lower borrowings.

10) Income tax expenses decreased by 50% or Baht 88 Million due to lower taxable profits.

11) Exchange differences on translation of financial statements in foreign currency decreased by 70% or Baht 182 Million mainly due to appreciation of Thai Baht.

12) Gains (losses) on change in value of available-for-sale investments decreased by 95% or Baht 376 Million mainly due to change in market value of the investment available for sale and appreciation of Thai Baht against US Dollar.

13) Cumulative amount of the exchange differences on translation of financial statements in foreign currency of the associate held for sale increased by 100% or Baht 41 Million due to appreciation of Thai Baht against US Dollar.

14) Income tax effect decreased by 95% or Baht 75 Million mainly due to reduction in gain because of change in market value of the investment available for sale and appreciation of Thai Baht against US Dollar.

15) Gross profit margin was at 12% compared to 16% of last year mainly due to lower realization and higher cost of production, whereas net profit margin was at 21% compared to 26% of last year mainly due to same reasons and lower profitability of some of the associated companies

As per reasons mentioned above, the profit per share for the year ended 31 March 2018 is Baht 10.55 as compared to Baht 11.53 of last year.
2. **Statements of financial position as of 31 March 2018 in comparison with as of 31 March 2017**

As of 31 March 2018, total assets increased by 7% or Baht 1,543 Million, total liabilities decreased by 12% or Baht 268 Million and shareholders’ equity increased by 8% or Baht 1,810 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 279% or Baht 615 Million due to cash flow from operations.

2) Current investment increased by 13% or Baht 241 Million due to cash flow from operations.

3) Trade and other receivables increased by 20% or Baht 226 Million due to higher export sales volume during last quarter of the financial year.

4) Current portion of long-term loan to related party decreased by 100% or Baht 115 Million due to repayment of loan received during the year.

5) Inventories decreased by 25% or Baht 483 Million due to reduction in finished goods and some raw material.

6) Asset held for sale increased by 100% of baht 110 million due to investment in one of the associated company is regrouped from investments in associates.

7) Other current assets increased by 52% or Baht 51 Million mainly due to increase in VAT receivable.

8) Advance payment for long-term investment decreased by 100% or Baht 12 Million due to investment in one of the associated company regrouped to asset held for sale.

9) Deferred tax assets increased by 264% or Baht 79 Million due to utilization of impairment loss on investment in one of the associated company in deferred tax.

B. **LIABILITIES**

1) Short term loans from financial institutions decreased by 100% or Baht 443 Million due to reduction in working capital loans.

2) Income tax payable is increased by 100% or Baht 93 million due to taxable profit during the period.

3) Other current liabilities decreased by 47% or Baht 34 Million mainly due to decrease in other payables.
4) Other components of shareholders’ equity decreased by 41% or Baht 105 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)