Thai Rayon Public Company Limited ("the Company") would like to explain its financial statements for 3-month period ended 30 September 2018 in comparison with for 3-month period ended 30 September 2017. The details of financial statements are set out in the attached note.

<table>
<thead>
<tr>
<th>Income Statements (equity method) (Unit in Million Baht)</th>
<th>For 3-month period ended 30 September</th>
<th>2018</th>
<th>2017</th>
<th>Increase/(Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td></td>
<td>2,433</td>
<td>2,392</td>
<td>41 (2%)</td>
</tr>
<tr>
<td>Dividend income</td>
<td></td>
<td>6.5</td>
<td>1.1</td>
<td>5.4 (471%)</td>
</tr>
<tr>
<td>Gains on exchange</td>
<td></td>
<td>20</td>
<td>50</td>
<td>(30) (60%)</td>
</tr>
<tr>
<td>Gains on disposal of asset held for sale</td>
<td></td>
<td>21</td>
<td>0</td>
<td>21 (100%)</td>
</tr>
<tr>
<td>Other income</td>
<td></td>
<td>16</td>
<td>17</td>
<td>(1) (4%)</td>
</tr>
<tr>
<td>Cost of sales</td>
<td></td>
<td>2,154</td>
<td>2,109</td>
<td>45 (2%)</td>
</tr>
<tr>
<td>Selling expenses</td>
<td></td>
<td>103</td>
<td>89</td>
<td>14 (15%)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td></td>
<td>50</td>
<td>49</td>
<td>1 (3%)</td>
</tr>
<tr>
<td>Share of profit from investments in associates</td>
<td></td>
<td>234</td>
<td>429</td>
<td>(195) (45%)</td>
</tr>
<tr>
<td>Finance cost</td>
<td></td>
<td>0</td>
<td>(1.5)</td>
<td>(1.5) (100%)</td>
</tr>
<tr>
<td>Income tax expenses</td>
<td></td>
<td>2.8</td>
<td>(29.1)</td>
<td>(31.9) (110%)</td>
</tr>
<tr>
<td><strong>Profit (loss) for the period</strong></td>
<td></td>
<td>426</td>
<td>612</td>
<td>(186) (30%)</td>
</tr>
</tbody>
</table>

Basic earnings per share (Baht)  
Profit for the period  
Gross profit margin  
Net profit margin
1. **Income statements (in which the equity method is applied) for the 3-month period ended 30 September 2018 in comparison with for the 3-month period ended 30 September 2017**

Net profit for the 3-month period ended 30 September 2018 was Baht 426 Million compared to net profit of Baht 612 Million during the same period of last year, a decrease of Baht 186 Million or 30%. The significant changes are as follows:

1) Sales revenues slightly increased by 2% or Baht 41 Million due to higher sales volume partially set off sales price.

2) Gains on exchange decreased by 60% or Baht 30 Million mainly due to impact of Thai Baht appreciation on exports.

3) Gains on disposal of asset held for sale increased by 100% or Baht 21 Million due to higher realization and favorable exchange rate.

4) Dividend income increased by 471% or Baht 5.4 Million due to increase in dividend income from an investee company.

5) Cost of sales slightly increased by 2% or Baht 45 Million mainly due to higher sales.

6) Selling expenses increased by 15% or Baht 14 Million mainly due to higher export sales and higher sea freight.

7) Share of profit from investments in associated companies decreased by 45% or Baht 195 Million due to lower profitability from most of the associated companies.

8) Finance cost decreased by 100% or Baht 1.5 Million due to absence borrowings.

9) Income tax expenses decreased by 110% or Baht 31.9 Million due to lower taxable profits.

10) Exchange differences on translation of financial statements in foreign currency decreased by 416% or Baht 103 Million mainly due to weakening of Thai Baht against other currencies.

11) Losses on change in value of available-for-sale investments decreased by 40% or Baht 54 Million mainly due to decrease in market value of the investment available for sale.

12) Income tax effect decreased by 40% or Baht 11 Million mainly due to change in market value of the investment available for sale.

13) Gross profit margin was at 11% compared to 12% mainly due to lower realization whereas net profit margin was at 18% compared to 26% of last year mainly due to lower realization and lower profitability from most of the associated companies.
As per reasons mentioned above, the profit per share for 3-month period ended 30 September 2018 is Baht 2.12 as compared to Baht 3.04 of last year.

2. Statements of financial position as of 30 September 2018 in comparison with as of 31 March 2018

As of 30 September 2018, total assets increased by 3% or Baht 657 Million, total liabilities decreased by 1% or Baht 11 Million and shareholders’ equity increased by 3% or Baht 667 Million compared to as of 31 March 2018. The significant changes are as below.

A. ASSETS

1) Cash and cash equivalents decreased by 68% or Baht 570 Million mainly due to classification of some investments under current investments - bills of exchange.

2) Current investments - bills of exchange increased by 40% or Baht 847 Million mainly due to classification of some investments from cash and cash equivalents and cash flow from operations.

3) Short term loan to related party decreased by 100% or Baht 70 Million due to repayment of entire loan amount during this quarter.

4) Asset held for sale decreased by 100% or Baht 110 Million due to fully and final settlement of sale of our shareholding in Birla Lao Pulp & Plantations Co., Ltd. in this quarter.

5) Deferred tax assets decreased by 42% or Baht 46 Million mainly due to removal of deferred tax on assets held for sale which is fully settled in this quarter.

6) Other non-current assets increased by 22% or Baht 0.5 Million due to increase in deposits.

B. LIABILITIES AND SHAREHOLDERS’ EQUITY

1) Income tax payable decreased by 100% or Baht 93 Million due to payment of the tax in this quarter.

2) Other current liabilities decreased by 22% or Baht 8 Million mainly due to reduction in advance from customers.

3) Other components of shareholders’ equity decreased by 141% or Baht 218 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.
With reference to qualified conclusion of auditor with respect to some associated companies, the management considers that it will not have any effect on the value of investments in such associates under the equity method, on its retained earnings, share of profit from such investments under equity method and share of comprehensive income.

Please be informed accordingly.

Yours faithfully,

For THAI RAYON PUBLIC COMPANY LIMITED

Mr. Pramod K Khandelwal
Vice President (Finance & Commercial)