

May 29, 2013

Sub: Explanation of the Company's performance for the year ended 31st March 2013

To: President
The Stock Exchange of Thailand

Encl: 1 set of report and consolidated financial statements for the year ended 31st March 2013

For the year ended 31st March 2013 is the first twelve months accounting period after change in accounting period from 1st October – 30th September to 1st April – 31st March of each year. The consolidated financial statements have incorporated the financials of a subsidiary company which has started its commercial activities from the third quarter ended 31st December 2012.

Thai Rayon Public Company Limited ("the Company") would like to explain its consolidated financial statements for the year ended 31st March 2013 in comparison with the year ended 31st March 2012. The details of consolidated financial statements are set out in the attached note.

The consolidated financial statements as mentioned below have been presented for the 12 months periods for comparative purposes and found that the consolidated financial statements have been properly prepared for the following details. *(Please see notes to financial statements no.28)*

Consolidated Income Statements <i>(Unit in Million Baht)</i>	For the year ended 31st March			
	2013	2012	Increase/(Decrease)	
Sales	11,744	11,047	698	6%
Gains on exchange	208	133	75	57%
Dividend income	6	6	0.12	2%
Other income	124	127	(2)	(2%)
Cost of sales	11,164	9,678	1,487	15%
Selling expenses	646	355	291	82%
Administrative expenses	369	211	158	75%
Share of profit (loss) from investments in associates	(114)	440	(554)	(126%)
Finance cost	31	9	22	250%
Income tax expenses	116	180	(64)	(35%)
Profit (loss) for the year	(358)	1,319	(1,677)	(127%)
Profit (loss) attribution to:	(20)	1,319	(1,339)	(102%)
Equity holders of the Company	(338)	-		
Non-controlling interests of the subsidiary	(358)	1,319		
Basic earnings per share	(0.10)	6.54		

1. Consolidated income statements for the year ended 31st March 2013 in comparison with the year ended 31st March 2012

The Company has recorded a net loss for the year ended 31st March 2013 of Baht 20 Million compared to net profit of Baht 1,319 Million in previous year, a decrease of Baht 1,339 Million or 102% on account of the following reasons. The significant changes are as follows:

- 1) Sales revenues increased by 6% or Baht 698 Million due to sales revenue of subsidiary company on consolidation during the year which was not there in previous year. The Company's sales has decreased by Baht 1,277 Million due to decrease in selling price by 14% although sales volume increased by 2%.
- 2) The Company recorded gains on exchange of Baht 208 Million compared to Baht 133 Million in previous year, an increase of Baht 75 Million or 57% due to gain on foreign currency from appreciation of Baht against US Dollar.
- 3) Cost of sales increased by 15% or Baht 1,487 Million mainly due to cost of sales of subsidiary company on consolidation during the year which was not there in previous year. The Company's cost of sales decreased due to decrease in cost of production per ton by 12%.
- 4) Selling expenses increased by 82% or Baht 291 Million mainly due to selling expenses of subsidiary company on consolidation during the year which was not there in the previous year.
- 5) Administrative expenses increased by 75% or Baht 158 Million mainly due to expenses of subsidiary company on consolidation during the year which was not there in the previous year.
- 6) Share of loss from investments in associated companies decreased by 126% or Baht 554 Million compared to last year due to poor performance of the associated companies during the year as compared to previous year.
- 7) Finance cost increased by 250% or Baht 22 Million mainly due to interest on loans taken by subsidiary company which is included on consolidation of subsidiary's financial statements during the year.
- 8) Income tax expenses decreased by 35% or Baht 64 Million due to decrease in profits during the period and reduction of income tax rate.

As per reasons mentioned above, loss per share for the year ended 31st March 2013 is Baht 0.10 compared to gain of Baht 6.54 in last year.

2. Statements of financial position as of 31st March 2013 in comparison with as of 31st March 2012

The major changes are as below:

- 1) Cash and cash equivalents decreased by 65% or Baht 733 Million due to increase in long term investments.
- 2) Trade and other receivables increased by 65% or Baht 851 Million due to increase in receivables of subsidiary company on consolidation of subsidiary's financial statements which was not there in March 2012.
- 3) Inventories increased by 57% or Baht 1,005 Million due to increase in inventory of subsidiary company on consolidation of subsidiary's financial statements which was not there in March 2012.
- 4) Other current assets increased by 128% or Baht 137 Million due to increase in assets of subsidiary company on consolidation of subsidiary's financial statements which was not there in March 2012 and increased unrealized gain on foreign currency forward contracts.
- 5) Property, plant and equipment increased by 27% or Baht 819 Million due to additions of some equipment and assets of subsidiary company on consolidation of subsidiary's financial statements during the year which was not there at end of March 2012.
- 6) Intangible assets increased by 83% or Baht 3 Million due to increase in assets of subsidiary company on consolidation of subsidiary's financial statements which was not there in March 2012.
- 7) Other non-current assets increased by 2678% or Baht 69 Million due to increase in non-current assets of subsidiary company on consolidation of subsidiary's financial statements which was not there in March 2012.
- 8) Short-term loans from financial institutions increased by 273% or Baht 1,571 Million due to increase in loans of subsidiary company on consolidation of subsidiary's financial statements during the period which was not there at end of March 2012.
- 9) Short-term loans from related party increased by 100% or Baht 144 Million due to loan taken by subsidiary company from a related party which is included on consolidation of subsidiary's financial statements during the year which was not there at end of March 2012.
- 10) Trade and other payables increased by 96% or Baht 546 Million due to increase in liability for higher materials in transit at end of March 2013 compared to March 2012 and payables of subsidiary company on consolidation of subsidiary's financial statement during the year which was not there at end of March 2012.
- 11) Other current liabilities increased by 46% or Baht 20 Million due to liabilities of subsidiary company on consolidation of subsidiary's financial statement during the period which was not there at end of March 2012.

- 12) Long-term loan increased by 100% of Baht 216 Million due to loan taken by subsidiary company which is included consolidation of subsidiary's financial statements during the period which was not there at end of March 2012.
- 13) Other long-term provision increased by 100% or Baht 43 Million due to liability of subsidiary company on consolidation of subsidiary's financial statements during the year which was not there at end of March 2012.
- 14) Other components of shareholders' equity decreased by 83% or Baht 190 Million due to increase in translation loss on translation of foreign associates and subsidiary companies' financial statements.

Shareholders' equity as of 31st March 2013 amounted to Baht 20,208 Million, slightly decrease by 0.4% or Baht 84 Million compared to as of 31st March 2012.

Please be informed accordingly.

Yours faithfully,
For THAI RAYON PUBLIC COMPANY LIMITED

Mr. Pramod Khandelwal
GM (Finance & Commercial)

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