



15 August 2022

Sub: Explanation on the Company's performance for the quarter ended 30 June 2022

To: President
The Stock Exchange of Thailand

Thai Rayon Public Company Limited ("the Company") would like to explain its financial statements for the quarter ended 30 June 2022 comparison with for the quarter ended 30 June 2021. The details of financial statements are set out in the attached note.

| Income Statements (equity method) <i>(Unit in Million Baht)</i> | For the quarter ended 30 June | | | |
|--|-------------------------------|--------------|---------------------|--------------|
| | 2022 | 2021 | Increase/(Decrease) | |
| Revenue from sales of goods | 3,174 | 2,444 | 730 | 30% |
| Interest income | 0.68 | 0.45 | 0.23 | 50% |
| Gains on exchange rate | 37 | 11 | 26 | 244% |
| Cost of sales of goods | 2,607 | 1,597 | 1,010 | 63% |
| Distribution expenses | 428 | 282 | 146 | 52% |
| Administrative expenses | 50 | 39 | 11 | 28% |
| Share of profit (loss) of investments in associates | 937 | 796 | 141 | 18% |
| Finance cost | 0.14 | 0.96 | (0.82) | (86%) |
| Tax (expense) income | (28) | (95) | 67 | 71% |
| Profit (loss) for the year | 1,037 | 1,239 | (202) | (16%) |
| Earnings (loss) per share (Baht) | | | | |
| Basic earnings (loss) per share | 5.14 | 6.14 | | |
| Gross profit margin | 19% | 35% | | |
| Net profit margin | 32% | 50% | | |

1. Income statements (In which the equity method is applied) for the quarter ended 30 June 2022 compared with the quarter ended 30 June 2021

Net profit for the quarter ended 30 June 2022 was Baht 1,037 Million compared to Baht 1,239 Millions in same period of last year, decrease of Baht 202 Million or 16%. The significant changes are as follows:



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- 1) Revenue from sales of goods increased by 30% or Baht 730 Million mainly due to higher realization and higher sales volume.
- 2) Interest income decreased by 50% or Baht 0.23 Million mainly due to lower amount of deposits during the period as compared to same period of last year.
- 3) Gain on Exchange rate increased by 244% or Baht 26 Million due to depreciation of Thai Baht against US Dollar at period end.
- 4) Cost of sales of goods increased by 63% or Baht 1,010 Million mainly due to higher input prices and higher production volume.
- 5) Distribution expenses increased by 52% or Baht 146 Million mainly due to higher sales volume and increase in sea freight rates due to container and shipping market imbalances.
- 6) Share of profit of associates accounted for using equity method increased by 18% or Baht 141 Million due to better performance from almost all associated companies.
- 7) Finance cost decreased by 86% or Baht 0.8 Million due to lower short term working capital borrowings during the period.
- 8) Tax expense decreased by 71% or Baht 67 Million mainly due to lower taxable income during the period as compared to same period of last year.
- 9) Exchange differences on translating financial statements through other comprehensive income increased by 22,353% or Baht 33 Million due to depreciation of Thai Baht against foreign currencies.
- 10) Gain (loss) on investment in equity instruments designated at fair value through other comprehensive income decreased by 605% or Baht 941 Million mainly due to change in market price.
- 11) Share of other comprehensive income/(loss) of associates accounted for using equity method decreased by 1,519% or Baht 209 Million mainly due to exchange rate fluctuation.
- 12) Gross profit margin for the quarter ended 30 June 2022 was at 19% compared to 35% of same period of last year mainly due to higher input material prices whereas net profit margin was 32% compared to 50% of same period of last year mainly due to higher input material prices and higher selling expenses.

As per reasons mentioned above, basic earnings per share for the quarter ended 30 June 2022 is Baht 5.14 as compared to Baht 6.14 of same period of last year.





2. Statements of financial position as of 30 June 2022 in comparison with as of 31 March 2022

As of 30 June 2022, total assets increased by 1% or Baht 195 Million, total liabilities decreased by 1% or Baht 51 Million and shareholders' equity increased by 0.8% or Baht 246 Million compared to 31 March 2022. The significant changes are as below:

A. ASSETS

- 1) Cash and cash equivalents increased by 39% or Baht 115 Million mainly due to cash profit.
- 2) Current financial assets decreased by 77% or Baht 248 Million mainly due to maturity of deposits.
- 3) Trade and other current receivables increased by 17% or Baht 325 Million mainly due to higher sales revenue.
- 4) Inventories increased by 2% or Baht 42 Million mainly due to increase in raw material price.
- 5) Other current assets increased by 20% or Baht 57 Million mainly due to increase in advance to suppliers.

B. LIABILITIES AND SHAREHOLDERS' EQUITY

- 1) Trade and other current payables increased by 3% or Baht 72 Million mainly due to higher raw material prices.
- 2) Current income tax payable increased by 208% or Baht 27 Million due to taxable income during the period as compared to taxable loss in quarter 4 in previous year.
- 3) Deferred tax liabilities decreased by 27% or Baht 157 Million due to change in the market price of equity instruments.

Please be informed accordingly.

Yours faithfully,

Mr. Santosh Pati Tripathi

Vice President (Finance and Commercial)



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