



14 November 2022

Sub: Explanation on the Company's performance for the quarter ended 30 September 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 September 2022 comparison with for the quarter ended 30 September 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 September			
	2022	2021	Increase/(Decrease)	
Revenue from sales of goods	2,292	2,348	(56)	(2.4%)
Interest income	0.278	0.308	(0.03)	(9.7%)
Gains on exchange rate	27	87	(60)	(69.0%)
Dividend Income	24	21	3	14.4%
Other income	4	2	2	142.0%
Cost of sales of goods	2,059	1,880	179	9.6%
Distribution expenses	211	317	(106)	(33.4%)
Administrative expenses	42	49	(7)	(15.9%)
Share of profit (loss) of investments in associates	1,142	1,053	89	8.5%
Finance cost	0.180	0.075	0.10	140.0%
Tax (expense) income	4	(28)	32	(116.0%)
Profit (loss) for the year	1,181	1,236	(54)	(4.4%)
Earnings (loss) per share (Baht)				
Basic earnings (loss) per share	5.86	6.13		
Gross profit margin	12.3%	23.5%		
Net profit margin	50.3%	50.3%		



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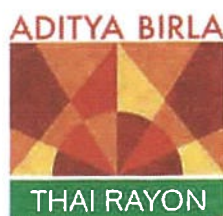
There has been weak demand of VSF in quarter 2 FY'2023 and the Company had to cut down production by approx. 35% in August 2022 and further 20% in September 2022. Production volume during Q2 FY'23 was down by approx. 26% as compared to same period of last year and sales volume reduced by approx. 17% as compared to same period of last year. Company is continuing with above mentioned production cut in Q3 FY'23 as informed to SET on 9 Sep 2022. The Company will continue to monitor the situation closely and adjust the production based on market conditions.

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

Net profit for the quarter ended 30 September 2022 was Baht 1,181 Million compared to Baht 1,236 Million in same period of last year, decrease of Baht 54 Million or 4.4%. The significant changes are as follows:

- 1) Revenue from sales of goods decreased by 2.4% or Baht 56 Million mainly due to lower sales volume.
- 2) Interest income decreased by 9.7% or Baht 0.03 Million mainly due to lower amount of deposits during the period as compared to same period of last year.
- 3) Gain on Exchange rate decreased by 69% or Baht 60 Million due to fluctuation of Thai Baht against US Dollar during the period.
- 4) Dividend income increased by 14.4% or Baht 3 Million due to higher dividend received during the period.
- 5) Cost of sales of goods increased by 9.6% or Baht 179 Million mainly due to higher input prices.
- 6) Distribution expenses decreased by 33.4% or Baht 106 Million mainly due to lower sales volume and decrease in sea freight rates
- 7) Share of profit of associates accounted for using equity method increased by 8.5% or Baht 89 Million due to better performance from some associated companies.
- 8) Finance cost increased by 140% or Baht 0.1 Million due to some short-term borrowings during the period.
- 9) Tax expense reduced by 116% or Baht 32 Million mainly due to lower taxable income during the period as compared to same period of last year.
- 10) Exchange differences on translating financial statements through other comprehensive income decreased by 62% or Baht 119 Million due to fluctuation of Thai Baht against foreign currencies.
- 11) Gain on investment in equity instruments designated at fair value through other comprehensive income increased by 73% or Baht 437 Million mainly due to change in market price.





- 12) Gross profit margin for the quarter ended 30 September 2022 was at 12.3% compared to 23.5% of same period of last year mainly due to lower sales volume and higher input material prices whereas net profit margin was 50.3% compared to 50.3% of same period of last year mainly due to better performance of associates offset by lower sales volume and higher input material prices.

As per reasons mentioned above, basic earnings per share for the quarter ended 30 September 2022 is Baht 5.86 as compared to Baht 6.13 of same period of last year.

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

As of 30 September 2022, total assets increased by 5% or Baht 1,687 Million, total liabilities decreased by 12.8% or Baht 432 Million and shareholders' equity increased by 7% or Baht 2,119 Million compared to 31 March 2022. The significant changes are as below:

A. ASSETS

- 1) Cash and cash equivalents decreased by 23% or Baht 68 Million mainly due to lower 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 decreased by 1% or Baht 23 Million mainly due to lower sales revenue.
- 4) Inventories increased by 7% or Baht 153 Million mainly due to lower consumption during lower production.
- 5) Other current assets decreased by 2% or Baht 6 Million mainly due to lower advance to suppliers.

B. LIABILITIES AND SHAREHOLDERS' EQUITY

- 1) Trade and other current payables decreased by 20% or Baht 511 Million mainly due to lower purchases and payments against earlier dues.
- 2) Current income tax payable increased by 161% or Baht 21 Million due to higher taxable income during the period as compared to second half of the previous year.
- 3) Other current liabilities increased by 30% or Baht 11 Million mainly due to revaluation of forward contracts.
- 4) Deferred tax liabilities increased by 7% or Baht 40 Million due to change in the market price of equity instruments.





Please be informed accordingly.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "S.P. Tripathi".



Mr. Santosh Pati Tripathi
Vice President (Finance and Commercial)



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