



15 August 2023

Sub: Explanation on the Company's performance for the quarter ended 30 June 2023

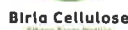
To: President
The Stock Exchange of Thailand

Thai Rayon Public Company Limited ("the Company") would like to explain its financial statements for the quarter ended 30 June 2023 comparison with for the quarter ended 30 June 2022. 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			
	2023	2022	Increase/(Decrease)	
Revenue from sales of goods	2,367	3,174	(807)	(25.4%)
Interest income	0.68	0.68	-	-
Gains on exchange rate	31	37	(6)	(16.6%)
Other income	3	1	2	195.9%
Cost of sales of goods	2,393	2,607	(214)	(8.2%)
Distribution expenses	104	428	(324)	(75.7%)
Administrative expenses	60	50	10	19.7%
Share of profit of investments in associates	636	937	(301)	(32.2%)
Finance cost	0.40	0.14	0.26	190.6%
Tax (expense) income	29	(28)	57	203.6%
Profit (loss) for the year	508	1,037	(528)	(51.0%)
Earnings (loss) per share (Baht)				
Basic earnings (loss) per share	2.52	5.14		
Gross profit margin	(1.1%)	17.6%		
Net profit margin	21.2%	32.3%		

1. Income statements (In which the equity method is applied) for the quarter ended 30 June 2023 compared with the quarter ended 30 June 2022

Net profit for the quarter ended 30 June 2023 was Baht 508 Million compared to Baht 1,037 Million in same period of last year, a decrease of Baht 528 Million or 51.0%. The significant changes are as follows:



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Sensitivity: General



- 1) Revenue from sales of goods decreased by 25.4% or Baht 807 Million mainly due to lower realization and lower sales volume of all products.
- 2) Gains on Exchange rate decreased by 16.6% or Baht 6 Million due to fluctuation of Thai Baht against US Dollar during the period.
- 3) Cost of sales of goods decreased by 8.2% or Baht 214 Million mainly due to lower input prices and better consumption ratios.
- 4) Distribution expenses decreased 75.7% or Baht 324 Million mainly due to lower sea freight rates.
- 5) Administrative expenses increased by 19.7% or Baht 10 Million mainly due to provision of Baht 17.9 Million for CSR activities as per settlement agreement entered into as per class action case decision.
- 6) Share of profit of associates accounted for using equity method decreased by 32.2% or Baht 301 Million due to lower performance from almost all associated companies.
- 7) Finance cost increased by 190.6% or Baht 0.26 Million due to short term working capital borrowings during the period.
- 8) Tax income (expense) increased by 203.6% or Baht 57 Million mainly due to taxable losses during the period as compared to taxable profit in the same period of last year.
- 9) Exchange differences on translating financial statements through other comprehensive income increased by 735.1% or Baht 239 Million due to fluctuation of Thai Baht against foreign currencies.
- 10) Gain on investment in equity instruments designated at fair value through other comprehensive income increased by 164.7% or Baht 1,293 Million mainly due to change in market price.
- 11) Share of other comprehensive income (loss) of associates accounted for using equity method increased by 183.2% or Baht 358 Million mainly due to exchange rate fluctuation.
- 12) Gross profit margin for the quarter ended 30 June 2023 was negative at (1.1%) compared to 17.6% of same period of last year mainly due to lower realization whereas net profit margin was 21.2% compared to 32.3% of same period of last year mainly due to lower realization and lower performance of associated companies.

As per reasons mentioned above, basic earnings per share for the quarter ended 30 June 2023 is Baht 2.52 as compared to Baht 5.14 of same period of last year.



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2. Statements of financial position as of 30 June 2023 in comparison with as of 31 March 2023

As of 30 June 2023, total assets increased by 4.8% or Baht 1,559 Million, total liabilities increased by 7.3% or Baht 210 Million and shareholders' equity increased by 4.5% or Baht 1,348 Million compared to 31 March 2023. The significant changes are as below:

A. ASSETS

- 1) Cash and cash equivalents increased by 9.9% or Baht 21 Million mainly due to more cash from working capital reduction.
- 2) Trade and other current receivables increased by 11.1% or Baht 170 Million mainly due to higher sales revenue at end of period.
- 3) Inventories decreased by 7.6% or Baht 170 Million mainly due to decrease in raw material price.

B. LIABILITIES AND SHAREHOLDERS' EQUITY

- 1) Trade and other current payables increased by 14.5% or Baht 294 Million mainly due to higher raw material purchases.
- 2) Short term loans from financial institutions decreased by 100% of Baht 150 Million due to repayment of loans.
- 3) Current portion of lease liabilities decreased by 18.1% or Baht 0.27 Million due to booking of the expenses for the period.
- 4) Deferred tax liabilities increased by 15.8% or Baht 73 Million due to change in the market price of equity instruments.

Please be informed accordingly.

Yours faithfully,

x 

Santosh Pati Tripathi

Vice President (Finance and Commercial)



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