



16 August 2021

Sub: Explanation on the Company's performance for 3-month period ended 30 June 2021

To: President  
The Stock Exchange of Thailand

Thai Rayon Public Company Limited ("the Company") would like to explain its financial statements for 3-month period ended 30 June 2021 in comparison with for 3-month period ended 30 June 2020. The details of financial statements are set out in the attached note.

Income Statements (equity method) <i>(Unit in Million Baht)</i>	For 3-month period ended 30 June			
	2021	2020	Increase/(Decrease)	
Revenue from sale of goods	2,444	1,252	1,192	95%
Interest income	0.5	8.5	(8)	(95%)
Gains on exchange rate	10.88	10.82	0.06	1%
Dividend income	-	0.5	(0.5)	(100%)
Other income	1	47	(46)	(98%)
Cost of sales of goods	1,597	1,249	348	28%
Distribution expenses	282	94	188	200%
Administrative expenses	39	37	2	7%
Share of profit (loss) of investments in associates	796	(594)	1,390	234%
Finance cost	0.96	0	0.96	100%
Tax income (expense)	(95)	3	(98)	3738%
<b>Profit (loss) for the period</b>	<b>1,239</b>	<b>(652)</b>	<b>1,891</b>	<b>290%</b>
<i>Earnings (loss) per share (Baht)</i>				
Basic earnings (loss) per share	6.14	(3.23)		
Gross profit margin	35%	0.2%		
Net profit margin	50%	(47%)		



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1. Income statements (In which the equity method is applied) for the 3-month period ended 30 June 2021 in comparison with for the 3-month period ended 30 June 2020.

Net profit for the 3-month period ended 30 June 2021 was Baht 1,239 Million compared to net loss of Baht (652) Million of last year same period, an increase of Baht 1,891 Million or 290%. The significant changes are as follows:

- 1) Revenue from sale of goods increased by 95% or Baht 1,192 Million mainly due to higher realization and higher sales volume.
- 2) Interest income decreased by 95% or Baht 8 Million mainly due to lower amount of deposits.
- 3) Dividend income decreased by 100% or Baht 0.5 Million due to non-receipt of any dividend income from investee companies during the period.
- 4) Other income decreased by 98% or Baht 46 Million due to receipt of insurance claim in the same period of last year which is not there in this period.
- 5) Cost of sales of goods increased by 28% or Baht 348 Million mainly due to higher sales volume and higher input prices.
- 6) Distribution expenses increased by 200% or Baht 188 Million mainly due to sharp increase in sea freights due to container and shipping market imbalances.
- 7) Share of profit of investments in associates under equity method increased by 234% or Baht 1,390 Million due to better performance from associated companies.
- 8) Tax income (expense) increased by 3738% or Baht 98 Million mainly due to higher taxable income in Q1 as compared to taxable loss in the same period of previous year.
- 9) Exchange differences on translating financial statements decreased by 100% or Baht 68 Million due to weakening of Thai Baht against US Dollar.
- 10) Share of other comprehensive income of associates accounted for using equity method increased by 201% or Baht 27 Million due to better performance of associates.
- 11) Gross profit margin for this quarter was at 35% compared to 0.2% of last year mainly due to higher realization and higher sales volume whereas net profit margin was 50% compared to net loss margin (49%) in the same period of previous year mainly due to higher realization, higher sales volume and higher share of profit from associated companies.



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As per reasons mentioned above, basic earnings per share for 3-month period ended 30 June 2021 is Baht 6.14 as compared to loss per share of Baht (3.23) of last year.

## 2. Statements of financial position as of 30 June 2021 in comparison with as of 31 March 2021

As of 30 June 2021, total assets increased by 5% or Baht 1,494 Million, total liabilities increased by 6% or Baht 117 Million and shareholders' equity increased by 5% or Baht 1,377 Million compared to as of 31 March 2021. The significant changes are as below:

### A. ASSETS

- 1) Cash and cash equivalents decreased by 50% or Baht 109 Million mainly due to increase in working capital.
- 2) Current financial assets decreased by 83% or Baht 100 Million mainly due to increase in working capital
- 3) Trade and other current receivables increased by 23% or Baht 351 Million due to higher sales revenue as compared to same period of previous year.
- 4) Inventories increased by 34% or Baht 374 Million due to increase in finished goods and some raw materials.
- 5) Other current assets increased by 44% or Baht 78 Million mainly due to increase in VAT receivables.

### B. LIABILITIES AND SHAREHOLDERS' EQUITY

- 1) Short-term loans from financial institution increased by 48% or Baht 55 Million due to more borrowings for working capital.
- 2) Current income tax payable increased by 100% or Baht 67 Million due to taxable income during the period as compared to taxable loss in the same period of previous year.

Please be informed accordingly.

Yours faithfully,

Mr. Pramod Khandelwal  
Vice President (Finance & Commercial)



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