**Thai Rayon Public Company Limited**

Condensed interim financial statements

for the three-month and six-month periods ended

30 September 2020

and

Independent auditor’s review report

**Independent Auditor’s Report on Review of Interim Financial Information**

**To the Board of Directors of Thai Rayon Public Company Limited**

I have reviewed the accompanying statement of financial position in which the equity method is applied and separate statement of financial position of Thai RayonPublic Company Limited (“the Company”) as at 30 September 2020; the related statement of income in which the equity method is applied and separate statement of income, the statement of comprehensive income in which the equity method is applied and separate statement of comprehensive income for the three-month and six-month periods ended 30 September 2020, the statement of changes in equity in which the equity method is applied and separate statement of changes in equity and the statement of cash flows in which the equity method is applied and the separate statement of cash flows for the six-month period ended 30 September 2020; and condensed notes (“interim financial information”).Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, “Interim Financial Reporting”. My responsibility is to express a conclusion on this interim financial information based on my review.

*Scope of Review*

Except as described in the following paragraph, I conducted my review in accordance with Thai Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

*Basis for qualified conclusion*

The Company has an investment in an associate, Thai Polyphosphate & Chemicals Company Limited (“TPC”) (in which the Company holds a 49.00% interest), accounted for using equity method amounting to Baht 3,367 million which is included in investments in associates in the statement of financial position in which the equity method is applied as at 30 September 2020 and has share of profit of associates accounted for using equity method and exchange differences on translating financial statements from this associate for the three-month period then ended amounting to Baht 79 million and Baht 11 million, respectively and for the six-month period then ended amounting to Baht 9 million and Baht 3 million, respectively. The investment in this associate accounted for using the equity method, share of profit of associates accounted for using equity method and exchange differences on translating financial statements from this associate were recognised based on the associate’s management accounts. I was unable to perform other review procedures to satisfy myself regarding the carrying value of investment in this associate which is included in investments in associates in the statement of financial position in which the equity method is applied as at 30 September 2020, share of profit of associates accounted for using equity method and exchange differences on translating financial statements from this associate for the three-month and six-month periods then ended. I was therefore unable to determine whether and to what extent related adjustments were required to the mentioned investments in associates, share of profit of associates accounted for using equity method, retained earnings and exchange differences from translating financial statements.

As described in the other matters paragraph, another auditor expressed a qualified opinion on valuation of investments in an associate, Thai Polyphosphate & Chemicals Company Limited, as at 31 March 2020 amounting to Baht 3,354 million which included in investments in associates in the statement of financial position in which equity method is applied and expressed a qualified review conclusion on the share of loss of associates accounted for using equity method from this associate for the three-month and six-month periods ended 30 September 2019 amounting to Baht 4 million and Baht 62 million, respectively for the same reason as described in the other matters paragraph.

*Qualified conclusion*

Except for the matters described in the basis for qualified conclusion paragraph, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, “Interim Financial Reporting”.

*Emphasis of Matters*

I draw attention to notes 3 and 4 to the interim financial information which describes the impact of the following matters:

- The adoption of certain new accounting policies from 1 April 2020.

- The COVID-19 outbreak on the Company’s business together with management’s plan to address these circumstances, and the adoption of the guidance on temporary accounting relief measures providing additional accounting options for the treatment of the impact of COVID-19 outbreak promulgated by the Federation of Accounting Professions in the interim financial information for the three-month and six-month period ended   
30 September 2020.

My conclusion is not modified in respect of these matters.

*Other Matters*

The statement of financial position in which the equity method is applied and separate statement of financial position of Thai Rayon Public Company Limited as at 31 March 2020 which are included as comparative information, are components of the audited financial statements as at and for the year ended 31 March 2020, which were audited by another auditor who expressed a qualified opinion thereon in her report dated 26 June 2020 for the inability to obtain sufficient appropriate audit evidence on the value of investments in associates under the equity method namely, Aditya Birla Chemicals (Thailand) Limited (“ABCT”), Birla Carbon (Thailand) Public Company Limited (“BCT”) and Thai Polyphosphate & Chemicals Company Limited (in which the Company holds 29.98%, 24.98% and 49.00% interests, respectively), amounting to Baht 4,255 million, Baht 5,018 million and Baht 3,354 million, respectively, which are included in investments in associates presented in the statement of financial position in which the equity method is applied as at 31 March 2020. Furthermore, the related statement of income in which the equity method is applied and separate statement of income, the statement of comprehensive income in which the equity method is applied and separate statement of comprehensive income for the three-month and six-month periods ended 30 September 2019, the statement of changes in equity in which the equity method is applied and separate statement of changes in equity and the statement of cash flows in which the equity method is applied and the separate statement of cash flows for the six-month period ended 30 September 2019 of Thai Rayon Public Company Limited which are included as comparative information, were reviewed by another auditor who expressed a qualified conclusion thereon in her report dated 13 November 2019 for the inability to obtain sufficient appropriate audit evidence on the value of investments in associates under the equity method namely, ABCT, BCT and TPC (in which the Company holds 29.98%, 24.98% and 49.00% interests, respectively), amounting to Baht 3,869 million, Baht 4,648 million and Baht 3,102 million, respectively, which are included in investments in associates presented in the statement of financial position in which the equity method is applied as at 30 September 2019 and share of loss of associates accounted for using equity method for the three-month and six-month periods then ended.

Nevertheless, the auditor of ABCT expressed an unqualified opinion in his audit report dated 13 August 2020 on the financial statements for the year ended 31 March 2020 and the auditor of BCT expressed an unqualified opinion in her auditor’s report dated 29 May 2020 on the financial statements for the year ended 31 March 2020. As a consequence, and after further communication with the auditors of ABCT and BCT, I am able to conclude that no adjustments are necessary to the carrying amount of the investments accounted for using equity method in these two associates which are included in investments in associates presented in the statement of financial position in which the equity method is applied as at 31 March 2020 and share of profit of associates accounted for using equity method from these two associates for the year then ended and for the three-month and six-month periods ended 30 September 2019.

(Chanarat Chanwa)

Certified Public Accountant

Registration No. 9052

KPMG Phoomchai Audit Ltd.

Bangkok

13 November 2020