**Thai Rayon Public Company Limited**

Condensed interim financial statements

for the three-month and nine-month periods ended

31 December 2021

and

Independent auditor’s review report

|  |  |  |
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These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements and were approved and authorised for issue by the directors on   
14 February 2022.

**1 Basis of preparation of the interim financial statements**

The condensed interim financial statements are presented in the same format as the annual financial statements together with notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting,* guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The interim financial statements focus on new activities, events and circumstances to avoid repetition of information previously reported in annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company for the year ended 31 March 2021.

In preparing these interim financial statements, judgements and estimates are made by management in applying the Company’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 March 2021.

**2 Related parties**

Related parties relationships and pricing policy have no material changes during the three-month and   
nine-month periods ended 31 December 2021.

Significant transactions for the three-month and nine-month periods ended 31 December with related parties were as follows:

|  | **Financial statements in which the equity method is applied/ Separate financial statements** | | |
| --- | --- | --- | --- |
| ***Three-month period ended 31 December*** | 2021 |  | 2020 |
|  | *(in million Baht)* | | |
| **Associates** |  |  |  |
| Sales of goods | 88 |  | 112 |
| Dividend income | - |  | - |
| Other income | 1 |  | 1 |
| Purchase of raw materials | 714 |  | 446 |
|  |  |  |  |
| **Other related parties** |  |  |  |
| Sales of goods | 178 |  | - |
| Other income | - |  | 3 |
| Purchase of raw materials | 8 |  | 21 |
|  |  |  |  |
| **Key management personnel** |  |  |  |
| Key management personnel compensation |  |  |  |
| Short-term management benefits | 8 |  | 6 |

|  | **Financial statements in which the equity method is applied/ Separate financial statements** | | |
| --- | --- | --- | --- |
| ***Nine-month period ended 31 December*** | 2021 |  | 2020 |
|  | *(in million Baht)* | | |
| **Associates** |  |  |  |
| Sales of goods | 391 |  | 236 |
| Dividend income | 85 |  | 115 |
| Other income | 4 |  | 4 |
| Purchase of raw materials | 1,935 |  | 586 |
| Other expenses | 5 |  | - |
|  |  |  |  |
| **Joint venture** |  |  |  |
| Other expenses | - |  | 1 |
|  |  |  |  |
| **Other related parties** |  |  |  |
| Sales of goods | 432 |  | 23 |
| Dividend income | 21 |  | 5 |
| Other income | - |  | 3 |
| Purchase of raw materials | 37 |  | 301 |
| Other expenses | 1 |  | 1 |
| Acquisition of investment in associate | - |  | 1,939 |
|  |  |  |  |
| **Key management personnel** |  |  |  |
| Key management personnel compensation |  |  |  |
| Short-term management benefits | 27 |  | 22 |

Balances as at 31 December 2021 and 31 March 2021 with related parties were as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Financial statements in which the equity method is applied/ Separate financial statements** | | |
|  | 31 December |  | 31 March |
|  | 2021 |  | 2021 |
|  | *(in thousand Baht)* | | |
| ***Trade and other current receivables*** |  | | |
| Associates | 104,303 |  | 124,032 |
| Other related parties | 163,022 |  | 58,751 |
| **Total** | **267,325** |  | **182,783** |
|  |  |  |  |
| ***Trade and other current payables*** |  |  |  |
| Associates | 485,114 |  | 77,995 |
| Other related parties | 6,374 |  | 7,919 |
| **Total** | **491,488** |  | **85,914** |

**3 Other non-current financial assets**

|  | Financial statements in which the equity method is applied/ Separate financial statements | | |
| --- | --- | --- | --- |
|  | 31 December 2021 |  | 31 March  2021 | |
|  | *(in thousand Baht)* | | |
| **Equity instruments** |  |  |  | |
| *Global Depository Receipts - (GDRs) - related parties* |  |  |  | |
| Grasim Industries Limited | 1,123,859 |  | 1,123,859 | |
| UltraTech Cement Limited | 71,832 |  | 71,832 | |
| Aditya Birla Capital Limited | 6,448 |  | 6,448 | |
| *Ordinary shares - related parties* |  |  |  | |
| Indo-Thai Synthetics Co., Ltd. | 42,174 |  | 42,174 | |
| Alexandria Fiber Co., S.A.E. | 266,794 |  | 266,794 | |
| Thai Peroxide Co., Ltd. | 20 |  | 20 | |
| **Total** | **1,511,127** |  | **1,511,127** | |
|  |  |  |  | |
| *Add:* Unrealised gain from changes in fair value |  |  |  | |
| through other comprehensive income | 3,146,036 |  | 2,518,422 | |
| *Less:* Allowance for impairment loss | (266,794) |  | (266,794) | |
|  | **2,879,242** |  | **2,251,628** | |
|  |  |  |  | |
| **Fair value** | **4,390,369** |  | **3,762,755** | |
|  |  |  |  | |
| **Debt instruments** |  |  |  | |
| *Preference shares - related parties* |  |  |  | |
| Thai Peroxide Co., Ltd. | 6,500 |  | 6,500 | |
| AV Group NB Inc. | 73,408 |  | 82,174 | |
| Aditya Group AB | 265,227 |  | 260,480 | |
| **Total** | **345,135** |  | **349,154** | |
|  |  |  |  | |
| *Financial asset subject to restrictions* |  |  |  | |
| Bank of Thailand Bond | **52,105** |  | **52,105** | |
|  |  |  |  | |
| **Total other non-current financial assets** | **4,787,609** |  | **4,164,014** | |

As at 31 December 2021, investments in debt securities subject to restrictions carried interest at the rate of 0.45 percent per annum *(31 March 2021: 0.45 percent per annum)* and the Company pledged those with Provincial Electricity Authority to guarantee the usage of electricity.

The preference shares of AV Group NB Inc. are non-cumulative, participating, redeemable and non-voting preference shares, that entitle the Company to receive dividend at a rate of 6 percent per annum, in years in which dividend is declared.

The preference shares of Aditya Group AB are non-cumulative, participating, redeemable and voting preference shares, that entitle the Company to receive dividend at a rate of 1 percent per annum, in years in which dividend is declared.

A meeting of the shareholders of Alexandria Fiber Co., S.A.E. has passed a resolution to dissolve its operation. The deregistration of Alexandria Fiber Co., S.A.E. was effective from 31 August 2014 and it is currently in the process of liquidation. As a result, all shares held have been fully impaired.

During the nine-month period ended 31 December, the Company received dividend income from its other non-current financial assets as summarised below;

|  | **Financial statements in which the equity method is applied/ Separate financial statements** | | |
| --- | --- | --- | --- |
|  | 2021 |  | 2020 |
|  | *(in thousand Baht)* | | |
| ***Nine-month period ended 31 December*** |  |  |  |
| Thai Peroxide Co., Ltd. | 520 |  | 650 |
| Indo-Thai Synthetics Co., Ltd. | 159 |  | 159 |
| Ultratech Cement Ltd. | 3,134 |  | 1,214 |
| Grasim Industries Limited | 17,214 |  | 3,324 |
| **Total** | **21,027** |  | **5,347** |

The Company did not receive any dividend for the three-month periods ended 31 December 2021 and 2020.

**4 Investments in associates and joint venture**

Investments in associates and joint venture as at 31 December 2021 and 31 March 2021, and dividend income from those investments for nine-month periods ended 31 December 2021 and 2020 were as follows;

|  | **Financial statements in which the equity method is applied/ Separate financial statements** | | | | | | | | | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Type of business | Country | Ownership  interest | | |  | Paid-up capital | | |  | Cost | | |  | Equity | | | |  | Dividend income  for the nine-month  period ended | | |
|  |  |  | 31  December |  | 31  March |  | 31  December |  | 31  March |  | 31  December |  | 31  March |  | 31  December |  | | 31  March |  | 31  December |  | 31  December |
|  |  |  | 2021 |  | 2021 |  | 2021 |  | 2021 |  | 2021 |  | 2021 |  | 2021 |  | | 2021 |  | 2021 |  | 2020 |
|  |  |  | *(%)* | | |  | *(in million Baht)* | | | | | | | | | | | | | | | |
| ***Associates*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |
| PT. Indo Liberty Textiles | Manufacture of synthetic spun yarn | Indonesia | 40.00 |  | 40.00 |  | USD 20 million |  | USD 20 million |  | 198 |  | 198 |  | 266 |  | 236 | |  | - |  | - |
| Aditya Birla Chemicals (Thailand) ศLimited | Manufacture of chemical product | Thailand | 29.98 |  | 29.98 |  | 1,700 |  | 1,700 |  | 510 |  | 510 |  | 5,165 |  | 4,424 | |  | 25 |  | 25 |
| Thai Acrylic Fibre Co., Ltd. | Manufacture of acrylic fibre | Thailand | 30.00 |  | 30.00 |  | 713 |  | 713 |  | 407 |  | 407 |  | 217 |  | 204 | |  | - |  | - |
| Birla Carbon (Thailand) Public Company Limited | Manufacture of carbon black | Thailand | 24.98 |  | 24.98 |  | 300 |  | 300 |  | 236 |  | 236 |  | 5,933 |  | 5,198 | |  | 60 |  | 90 |
| Thai Polyphosphate & Chemicals Company Limited | Investment holding company | Thailand | 49.00 |  | 49.00 |  | 125 |  | 125 |  | 64 |  | 64 |  | 4,024 |  | 3,501 | |  | - |  | - |
| Birla Jingwei Fibres Co., Ltd. | Manufacture of viscose staple fibre | China | 42.53 |  | 42.53 |  | RMB 655 million |  | RMB 655 million |  | 1,388 |  | 1,388 |  | 302 |  | 169 | |  | - |  | - |
| Aditya Group AB | Investment holding company | Sweden | 33.33 |  | 33.33 |  | SEK 0.05 million |  | SEK 0.05 million |  | 1,824 |  | 1,824 |  | 1,046 |  | 960 | |  | - |  | - |
| Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi | Manufacture of viscose staple fibre | Turkey | 33.33 |  | 33.33 |  | TRY 0.50 million |  | TRY 0.50 million |  | 3 |  | 3 |  | 3 |  | 4 | |  | - |  | - |
| AV Group NB Inc. | Manufacture of pulp and fibre | Canada | 49.00 |  | 49.00 |  | CAD 80 million |  | CAD 80 million |  | 3,155 |  | 3,155 |  | 3,130 |  | 3,216 | |  | - |  | - |
| **Total** |  |  |  |  |  |  |  |  |  |  | **7,785** |  | **7,785** |  | **20,086** |  | **17,912** | |  | **85** |  | **115** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |
| ***Joint venture*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |
| AV Terrace Bay Inc. | Manufacture of pulp | Canada | 60.00 |  | 60.00 |  | CAD 70 million |  | CAD 70 million |  | **1,289** |  | **1,289** |  | **-** |  | | **-** |  | **-** |  | **-** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |

The fair value of investments in associates that is listed on the Stock Exchange of Thailand is as follow:

|  |  |  |  |
| --- | --- | --- | --- |
| **Associate** | **Fair value as at** | | |
|  | 31 December 2021 |  | 31 March 2021 |
|  | *(in thousand Baht/share)* | | |
| Number of shares held | 74,937,500 |  | 74,937,500 |
| Price per share *(Baht)* | 50.75 |  | 45.75 |
| Birla Carbon (Thailand) PLC. fair value | 3,803,078 |  | 3,428,391 |

**Share of comprehensive income**

During the period, the Company has recognised its share of profit (loss) of investment in associates in the financial statements in which the equity method is applied as follow:

|  | Financial statements in which the equity method is applied | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Share of profit (loss) of  associates accounted for using equity method | | |  | Exchange differences on translating financial statements | | |  | Share of other comprehensive income (expense) of associates | | |
| ***For the three-month period ended   31 December*** | 2021 |  | 2020 |  | 2021 |  | 2020 |  | 2021 |  | 2020 | |
|  | *(in thousand Baht)* | | | | | | | | | | | |
| ***Associates*** |  |  |  |  |  |  |  |  |  |  |  | |
| PT. Indo Liberty Textiles | 16,486 |  | (8,017) |  | (4,555) |  | (12,152) |  | (1,671) |  | 456 | |
| Aditya Birla Chemicals (Thailand) Limited | 213,034 |  | (37,220) |  | (13,459) |  | (5,686) |  | - |  | - | |
| Thai Acrylic Fibre Co., Ltd. | (10,669) |  | 528 |  | - |  | - |  | - |  | - | |
| Birla Carbon (Thailand) Public Company Limited | 165,819 |  | (4,740) |  | (16,117) |  | 27,285 |  | (1,943) |  | 1,032 | |
| Thai Polyphosphate & Chemicals Company Limited | 145,742 |  | (50,319) |  | (8,300) |  | (3,507) |  | - |  | - | |
| Birla Jingwei Fibres Co., Ltd. | (27,455) |  | (1,700) |  | 13,161 |  | (8,342) |  | - |  | - | |
| Aditya Group AB | (83,050) |  | (39,172) |  | (38,196) |  | 36,021 |  | (2,811) |  | - | |
| Aditya Birla Elyaf Sanayi Ve  Ticaret Anonim Sirketi | 79 |  | 84 |  | (1,503) |  | (31) |  | - |  | - | |
| AV Group NB Inc. | 3,300 |  | (33,437) |  | (59,476) |  | (71,136) |  | 7,799 |  | 62,748 | |
| **Total** | **423,286** |  | **(173,993)** |  | **(128,445)** |  | **(37,548)** |  | **1,374** |  | **64,236** | |
|  |  |  |  |  |  |  |  |  |  |  |  | |
| **Joint venture** |  |  |  |  |  |  |  |  |  |  |  | |
| AV Terrace Bay Inc. | - |  | - |  | - |  | - |  | - |  | - | |
| **Total** | **423,286** |  | **(173,993)** |  | **(128,445)** |  | **(37,548)** |  | **1,374** |  | **64,236** | |

|  | Financial statements in which the equity method is applied | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Share of profit (loss) of  associates accounted for using equity method | | |  | Exchange differences on translating financial statements | | |  | | Share of other comprehensive income (expense) of associates | | | |
| ***For the nine-month period ended   31 December*** | 2021 |  | 2020 |  | 2021 |  | 2020 | |  | | 2021 |  | 2020 | | |
|  | *(in thousand Baht)* | | | | | | | | | | | | | |
| ***Associates*** |  |  |  |  |  |  |  | |  | |  |  |  | | |
| PT. Indo Liberty Textiles | 16,343 |  | (56,006) |  | 15,019 |  | (40,069) | |  | | (1,377) |  | 402 | | |
| Aditya Birla Chemicals (Thailand) Limited | 750,934 |  | (29,498) |  | 15,369 |  | (273) | |  | | - |  | - | | |
| Thai Acrylic Fibre Co., Ltd. | 13,265 |  | (28,846) |  | - |  | - | |  | | - |  | - | | |
| Birla Carbon (Thailand) Public Company Limited | 774,737 |  | (4,500) |  | 18,980 |  | 8,722 | |  | | 1,371 |  | (3,048) | | |
| Thai Polyphosphate & Chemicals Company Limited | 513,433 |  | (70,852) |  | 9,479 |  | (168) | |  | | - |  | - | | |
| Birla Jingwei Fibres Co., Ltd. | 75,357 |  | (175,823) |  | 58,042 |  | (58,000) | |  | | - |  | - | | |
| Aditya Group AB | 68,444 |  | (140,627) |  | 19,841 |  | 35,502 | |  | | (2,714) |  | - | | |
| Aditya Birla Elyaf Sanayi Ve  Ticaret Anonim Sirketi | 296 |  | 144 |  | (1,477) |  | (954) | |  | | - |  | - | | |
| AV Group NB Inc. | 59,378 |  | (33,437) |  | (73,421) |  | (71,136) | |  | | (71,684) |  | 62,748 | | |
| **Total** | **2,272,187** |  | **(539,445)** |  | **61,832** |  | **(126,376)** | |  | | **(74,404)** |  | **60,102** | | |
|  |  |  |  |  |  |  |  | |  | |  |  |  | | |
| **Joint venture** |  |  |  |  |  |  |  | |  | |  |  |  | | |
| AV Terrace Bay Inc. | - |  | - |  | - |  | - | |  | | - |  | - | | |
| **Total** | **2,272,187** |  | **(539,445)** |  | **61,832** |  | **(126,376)** | |  | | **(74,404)** |  | **60,102** | | |

The Company has not recognised losses relating to joint venture accounted for using the equity method where its share of losses exceeds the carrying amount of those investments. As at 31 December 2021, the Company’s cumulative share of unrecognised losses was Baht 187 million *(31 March 2021: Baht 252 million)*, of which loss Baht 100 million and profit Baht 122 million were the Company’s share of profit for the three-month and nine-month periods ended 31 December 2021, respectively and profit Baht 9 million and loss 52 Baht million were the Company’s other comprehensive loss for the three-month and nine-month periods ended 31 December 2021, respectively. The Company has no obligation in respect of these losses.

Shares of profit (loss) of investment in PT Indo Liberty Textiles, Thai Acrylic Fibre Co., Ltd.,  
AV Terrace Bay Inc., AV Group NB Inc. and Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi for the three-month and nine-month periods ended 31 December 2021 were determined based on the financial statements prepared by the management of those companies and not reviewed by their auditors. However, the Company’s management believed that the financial statements would not be materially different if they were reviewed by the auditors of the associates.

On 9 September 2020, the Board of Directors of the Company resolved to acquire from a related party an additional 30% ordinary shares of AV Group NB Inc. which increases the Company’s participation from 19% to 49% for a total consideration of Baht 1,939 million. The investment was reclassified from other non-financial assets to Investment in associates on 28 September 2020 (Sale and purchase agreement date). The reclassification was based on a fair value approach and the cost of the investment in the associate was determined as the sum of the initial cost, gain on fair value remeasurement and additional consideration paid at the date of obtaining significant influence.

**5 Property, plant and equipment**

Acquisitions, disposals and transfers of property, plant and equipment during the nine-month period ended  
31 December 2021 were as follows:

|  | **Financial statements in which the equity method is applied/ Separate financial statements** | | |
| --- | --- | --- | --- |
|  | Acquisitions and transfers in - at cost |  | Disposals and transfers out - net book value |
|  | *(in thousand Baht)* | | |
| Machinery and equipment | 118,202 |  | 850 |
| Vehicles | 4,839 |  | 4,837 |
| Furniture, fixtures and office equipment | 438 |  | 85 |
| Computers | 842 |  | 55 |
| Assets under construction and installation | 144,894 |  | 45,499 |
| **Total** | **269,215** |  | **51,326** |

**6 Disaggregation of revenue**

The operating unit of the Company are located in Thailand. The vast majority of the production is exported overseas directly to external customers and related parties. Timing of revenue recognition is at a point in time.

In presenting information on the basis of geographical information, revenue is based on the geographical location of customers.

|  | **Financial statements in which the equity method is applied/ Separate financial statements** | | |
| --- | --- | --- | --- |
| ***Three-month period ended 31 December*** | 2021 |  | 2020 |
|  | *(in thousand Baht)* | | |
| **Geographic information** |  |  |  |
| Overseas | 2,549,922 |  | 1,281,520 |
| Thailand | 245,090 |  | 121,855 |
| **Total** | 2,795,012 |  | 1,403,375 |

|  | **Financial statements in which the equity method is applied/ Separate financial statements** | | |
| --- | --- | --- | --- |
| ***Nine-month period ended 31 December*** | 2021 |  | 2020 |
|  | *(in thousand Baht)* | | |
| **Geographic information** |  |  |  |
| Overseas | 6,926,281 |  | 3,665,279 |
| Thailand | 660,928 |  | 319,374 |
| **Total** | 7,587,209 |  | 3,984,653 |

**7 Financial instruments**

***Carrying amounts and fair values***

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

|  |  |  | **Financial statements in which the equity method is applied/ Separate financial statements** | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Carrying amount** | | | | | | |  | | **Fair value** | | | | | | |
| ***At 31 December 2021*** | Financial instruments measured at FVTPL |  | Financial instruments measured at FVOCI |  | Financial instruments measured at amortised cost |  | Total |  | Level 1 | |  | Level 2 |  | Level 3 |  | Total |
|  |  |  | *(in million Baht)* | | | | | | | | | | | | | |
| ***Financial assets*** |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |
| Other financial assets: |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |
| Equity instruments | - |  | 4,390 |  | - |  | 4,390 |  | 4,344 | |  | - |  | 46 |  | 4,390 |
| Debt instruments | - |  | - |  | 345 |  | 345 |  | - | |  | - |  | 345 |  | 345 |
| Financial asset subject to restrictions | - |  | - |  | 52 |  | 52 |  | - | |  | 52 |  | - |  | 52 |
| Forward exchange contract | 7 |  | - |  | - |  | 7 |  | - | |  | 7 |  | - |  | 7 |
| **Total other financial assets** | **7** |  | **4,390** |  | **397** |  | **4,794** |  |  | |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Financial statements in which the equity method is applied/ Separate financial statements** | | | | | | | | | | | | | |
|  | **Carrying amount** | | | | | | |  | | **Fair value** | | | | | | |
| ***At 31 March 2021*** | Financial instruments measured at FVTPL |  | Financial instruments measured at FVOCI |  | Financial instruments measured at amortised cost |  | Total |  | Level 1 | |  | Level 2 |  | Level 3 |  | Total |
|  |  |  | *(in million Baht)* | | | | | | | | | | | | | |
| ***Financial assets*** |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |
| Other financial assets: |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |
| Equity instruments | - |  | 3,763 |  | - |  | 3,763 |  | 3,719 | |  | - |  | 44 |  | 3,763 |
| Debt instruments | - |  | - |  | 349 |  | 349 |  | - | |  | - |  | 349 |  | 349 |
| Financial asset subject to restrictions | - |  | - |  | 52 |  | 52 |  | - | |  | 52 |  | - |  | 52 |
| **Total other financial assets** | **-** |  | **3,763** |  | **401** |  | **4,164** |  |  | |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |
| ***Financial liabilities*** |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |
| Short-term loans from financial institutions | - |  | - |  | (115) |  | (115) |  | - | |  | (115) |  | - |  | (115) |
| Forward exchange contract | (19) |  | - |  | - |  | (19) |  | - | |  | (19) |  | - |  | (19) |
| **Total other financial liabilities** | **(19)** |  | **-** |  | **(115)** |  | **(134)** |  |  | |  |  |  |  |  |  |

**8 Commitments with non-related parties**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Financial statements in which the equity method is applied/  Separate financial statements** | | |
|  |  | 31 December 2021 |  | 31 March  2021 |
|  |  | *(in million Baht)* | | |
| ***Capital commitments*** |  |  |  |  |
| Machinery and equipment |  | 43 |  | 34 |
| **Total** |  | **43** |  | **34** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Future minimum lease payments under***  ***non-cancellable short-term leases*** |  |  |  |  |
| Within 1 year |  | 2 |  | 2 |
| **Total** |  | **2** |  | **2** |

***Guarantees***

As at 31 December 2021, there were outstanding bank guarantees of approximately Baht 100 million *(31 March 2021: Baht 23 million)* issued by the banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business.

***Letter of credits***

As at 31 December 2021, there were outstanding letter of credits of approximately Baht 17 million   
*(31 March 2021: Baht 37 million)* issued by the banks on behalf of the Company in respect of certain performance bonds as required for purchase of raw material and supplies.

***Long-term purchase of goods and service agreements***

As at 31 December 2021, the Company has commitments in respect of long-term purchase of goods and service agreements as follow:

The pulp purchase agreements with a non-related overseas company and a related overseas company for the procurement of pulp at quantities and prices to be determined in accordance the provisions of the agreements. The agreements were for a period of 5 years and expired on 30 June 2021. Currently, the agreement is under renewal process.

A caustic soda purchase agreement with a non-related local company at the quantities and prices as stipulated in the agreement. The agreement was for a period of 3 years and expired on 31 December 2024.

An electricity purchase agreement with Gulf JP NK2 Co., Ltd. for the procurement of 1.1 MW of electricity per hour, at prices to be determined in accordance the provisions of the agreement. The agreement is for a period of 15 years commencing from September 2013.

A royalty agreement with an unrelated overseas company, who agreed to provide, among other things, technical know-how and assistance relating to the manufacture of rayon staple fibre and allied products to the Company for a fee calculated at a percentage of product sales. The agreement is for a period of 5 years which is expiring on 31 March 2024.

**9 Litigation**

In 2014, the Company was involved in lawsuits filed by two groups of people in Ang Thong Province on the grounds that the Company committed the tort of nuisance and the offence of releasing Carbon Disulfide (“CS2”) and Hydrogen Sulfide (“H2S”), causing damage to these people. A court found that the Company had installed caustic scrubbers and an activated carbon adsorption system for CS2, which would be beneficial for the environment in the long-term.

In 2018, Ang Thong Provincial Court awarded Baht 17.7 million to the first group of people in compensation, which was also upheld by Appeal Court. The court referred to the term “Health” under the National Health Act, under which “Health” also means mental and spiritual health. The court ruled that even though the plaintiffs could not prove a clear amount of damages they claimed, the court has the discretion to determine the damages for the plaintiff based on the circumstances and gravity of the wrongful act. In October 2019, the Company filed an appeal in the Supreme Court to the lawsuit filed by the first Group of people.

Regarding the class action case filed by the second group of people in Ang Thong provincial court in August 2018, the Appeals Court ruled in May 2020 to certify the class and adjusted the scope of the class to include any person who have been suffering from the odors of CS2, H2S and sulfuric acid from the Company’s plant situated at Ang thong. In September 2021, the Supreme Court confirmed the judgement of the Appeal court to certify the case as class action and to adjust the scope of the class action. The class action will now be heard on merit at the Civil court.

In January 2020, the third group of people and another person separately sued the Company for damages arising from a tort of nuisance due to release of chemicals causing detriment to these people. The two new law suits have been filed claim damages of Baht 0.2 million per person for harm to health and welfare and of Baht 0.1 million per person for nuisance caused by CS2 and H2S gases. Total claims under this lawsuit by the third group of people are Baht 16.5 million and claims of the other one person are Baht 1.5 million. The Company requested the new cases to be transferred to the Civil Court, which request has been granted. The Company already filed a defense of this case in June 2020. The case will now be heard on merit at Civil Court.

The Company recorded provision for losses as a result of these lawsuits amounting to Baht 17.7 million in the 2018 financial statements. The Company’s management believed that the amount of such provision as at 31 December 2021 is adequate for the losses that may be incurred as a result of the litigation.

**10 Dividends**

The dividends paid by the Company to the shareholders are as follows:

|  | Approval date | Payment schedule | Dividend rate per share |  | Amount |
| --- | --- | --- | --- | --- | --- |
|  |  |  | *(in Baht)* |  | *(in million Baht)* |
| *2021* |  |  |  |  |  |
| Annual dividend | 30 July 2021 | August 2021 | **0.05** |  | **10.08** |
|  |  |  |  |  |  |
| *2020* |  |  |  |  |  |
| Annual dividend | 30 July 2020 | August 2020 | **0.05** |  | **10.08** |