



17 August 2020

Sub: Explanation on the Company's performance for 3-month period ended 30 June 2020

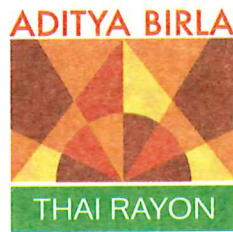
To: President
The Stock Exchange of Thailand

Encl: 1 set of report and the audited financial statements for 3-month period ended 30 June 2020

Thai Rayon Public Company Limited ("the Company") would like to explain its financial statements for 3-month period ended 30 June 2020 in comparison with for 3-month period ended 30 June 2019. The details of financial statements are set out in the attached note.

Income Statements (equity method) (Unit in Million Baht)	For 3-month period ended 30 June			
	2020	2019	Increase/(Decrease)	
Sales	1,252	2,008	(756)	(38%)
Interest income	8	16	(7)	(47%)
Gains on exchange rate	11	17	(6)	(35%)
Dividend income	0.5	0.8	(0.3)	(38%)
Other income	47	2	45	2444%
Cost of sales of goods	1,249	1,929	(680)	(35%)
Distribution expenses	94	93	1	-
Administrative expenses	37	55	(18)	(33%)
Share of loss of investments in associates	(563)	(209)	(355)	170%
Tax income	2.6	4.3	(1.7)	(39%)
Loss for the period	(621)	(238)	383	161%
Basic earnings (loss) per share (Baht)				
Basic loss per share from continuing operations	(3.08)	(1.18)		
Gross profit margin	0.2%	4%		
Net profit margin	(47%)	(12%)		





1. Income statements (In which the equity method is applied) for the 3-month period ended 30 June 2020 in comparison with for the 3-month period ended 30 June 2019.

Net loss for the 3-month period ended 30 June 2020 was Baht (621) Million compared to net loss of Baht (238) Million of last year, an increase of Baht 383 Million or 161%. The significant changes are as follows:

- 1) Revenue from sale of goods decreased by 38% or Baht 756 Million mainly due to lower realization and lower sales volume due to COVID-19 pandemic.
- 2) Interest income decreased by 47% or Baht 7 Million due to lower interest rate.
- 3) Gains on exchange rate decreased by 35% or Baht 6 Million. The Company follows consistent policy of internal hedging.
- 4) Dividend income decreased by 38% or Baht 0.3 Million due to lower dividend income from investee companies.
- 5) Other income increased by 2444% or Baht 45 Million mainly due to insurance claim.
- 6) Cost of sales of goods decreased by 35% or Baht 680 Million mainly due to lower input cost and lower sales volume.
- 7) Administrative expenses decreased by 33% or Baht 18 Million mainly due to lower activities during COVID-19 pandemic.
- 8) Share of loss of investments in associates under equity method increased by 170% or Baht 354 Million due to losses from associated companies.
- 9) Tax income decreased by 39% or Baht 1.7 Million due to lower taxable loss.
- 10) Gross profit margin for this period was at 0.2% compared to 4% mainly due to lower realization and lower sales volume whereas net profit margin was negative at (47%) compared to (12%) of last year mainly due to lower realization, lower sales volume and share of loss from associated companies.

As per reasons mentioned above, basic loss per share for 3-month period ended 30 June 2020 is Baht (3.08) as compared to loss per share of Baht (1.18) of last year.

2. Statements of financial position as of 30 June 2020 in comparison with as of 31 March 2020

As of 30 June 2020, total assets decreased by 2% or Baht 561 Million, total liabilities decreased by 25% or Baht 453 Million and shareholders' equity decreased by 0.46% or Baht 108 Million compared to as of 31 March 2020. The significant changes are as below:





A. ASSETS

- 1) Cash and cash equivalents increased by 85% or Baht 1,188 Million mainly due to classification of some investments from current financial assets.
- 2) Current financial assets decreased by 54% or Baht 1,167 Million mainly due to classification of some investments as cash and cash equivalents.
- 3) Trade and other current receivables decreased by 24% or Baht 268 Million due to lower sales.
- 4) Inventories decreased by 27% or Baht 381 Million due to lower finished goods and raw material due to lower production and lower sales.
- 5) Other current assets increased by 35% or Baht 38 Million mainly due to insurance claim receivable.
- 6) Other non-current financial assets increased by 44% or Baht 744 Million due to change in fair value of investments.

B. LIABILITIES AND SHAREHOLDERS' EQUITY

- 1) Short-term loans from financial institution decreased by 100% or Baht 17 Million due to re-payment of loan in this quarter.
- 2) Trade and other current payables decreased by 38% or Baht 552 Million due to lower input prices and lower production.
- 3) Other current liabilities decreased by 47% or Baht 30 Million mainly due to lower forward contract liability.
- 4) Deferred tax liabilities increased by 213% or Baht 146 Million mainly due to change in fair value of the equity instruments classified under other non-current financial instruments.
- 5) Loss from other components of equity decreased by 58% or Baht 513 Million mainly due to change in fair value of investment and exchange difference on translating financial statements.

Please be informed accordingly.

Yours faithfully,

Mr. Pramod Khandelwal

Vice President (Finance & Commercial)



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