



13 November 2020

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

To: President  
The Stock Exchange of Thailand

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

Thai Rayon Public Company Limited ("the Company") would like to explain its financial statements for 3-month period ended 30 September 2020 in comparison with for 3-month period ended 30 September 2019. 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 September			
	2020	2019	Increase/(Decrease)	
Revenue from sale of goods	1,329	2,011	(682)	(34%)
Interest income	5	17	(12)	(67%)
Gains on exchange rate	16	27	(11)	(41%)
Dividend income	5	7	(2)	(29%)
Other income	1	2	(1)	(52%)
Cost of sales of goods	1,284	1,984	(700)	(35%)
Distribution expenses	105	94	11	12%
Administrative expenses	40	52	(12)	(22%)
Share of profit (loss) of associates accounted for using equity method	228	(33)	260	796%
Tax income	28	7	21	324%
<b>Profit (Loss) for the period</b>	<b>182</b>	<b>(92)</b>	<b>275</b>	<b>297%</b>
Basic profit (loss) per share (Baht)				
Basic profit (loss) per share from continuing operations	0.90	(0.46)		
Gross profit margin	3%	1%		
Net profit margin	13%	(4%)		



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Sensitivity: General



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

Net profit for the 3-month period ended 30 September 2020 was Baht 182 Million as compared to net loss of Baht (92) Million of last year, an increase of Baht 275 Million or 297%. The significant changes are as follows:

- 1) Revenue from sale of goods decreased by 34% or Baht 682 Million mainly due to lower realization and lower sales volume.
- 2) Interest income decreased by 67% or Baht 12 Million due to lower interest rates and lower deposits.
- 3) Gains on exchange rate decreased by 41% or Baht 11 Million. The Company follows consistent policy of internal hedging.
- 4) Dividend income decreased by 29% or Baht 2 Million due to lower dividend income from investee companies.
- 5) Other income decreased by 52% or Baht 1 Million mainly due to lower export incentive due to lower revenue.
- 6) Cost of goods sold decreased by 35% or Baht 700 Million mainly due to lower input cost and lower sales volume.
- 7) Administrative expenses decreased by 22% or Baht 12 Million mainly due to lower operations and various cost control measures.
- 8) Share of profit of associates accounted for using equity method increased by 796% or Baht 260 Million mainly due to performance improvement of some of associated companies.
- 9) Tax income increased by 324% or Baht 21 Million due to higher taxable loss.
- 10) Gross profit margin for this period was at 3% compared to 1% of last year mainly due to lower realization whereas net profit margin was at 13% compared to net loss margin of (4%) of last year mainly due to lower realization, lower sales volume and higher share of profit from associated companies.

As per reasons mentioned above, basic profit per share for 3-month period ended 30 September 2020 is Baht 0.90 as compared to loss per share of Baht (0.46) of last year.



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

As of 30 September 2020, total assets slightly decreased by 1% or Baht 143 Million, total liabilities decreased by 23% or Baht 418 Million and shareholders' equity increased by 1% or Baht 275 Million compared to as of 31 March 2020. The significant changes are as below:

A. ASSETS

- 1) Cash and cash equivalents decreased by 16% or Baht 227 Million mainly due to classification of some investments as current financial assets.
- 2) Current financial assets decreased by 76% or Baht 1,625 Million mainly due to increase in investment in AV Group NB Inc., Canada.
- 3) Inventories decreased by 41% or Baht 586 Million due to lower finished goods and raw material due to lower production and lower sales.

B. LIABILITIES AND SHAREHOLDERS' EQUITY

- 1) Short-term loans from financial institution increased by 163% or Baht 28 Million due to short term working capital financing.
- 2) Trade and other current payables decreased by 40% or Baht 583 Million due to lower input prices and lower production.
- 3) Other current liabilities decreased by 64% or Baht 41 Million mainly due to reduction in forward contract liability.
- 4) Deferred tax liabilities increased by 254% or Baht 174 Million mainly due to change in fair value of the equity instruments classified under other non-current financial instruments.

Please be informed accordingly.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Pramod Khandelwal'.

Mr. Pramod Khandelwal  
Vice President (Finance & Commercial)



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