



15 February 2021

Sub: Explanation on the Company's performance for 3-month period ended 31 December 2020

To: President
The Stock Exchange of Thailand

Encl: 1 set of report and the audited financial statements for 3-month period ended 31 December 2020

Thai Rayon Public Company Limited ("the Company") would like to explain its financial statements for 3-month period ended 31 December 2020 in comparison with for 3-month period ended 31 December 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 31 December			
	2020	2019	Increase/(Decrease)	
Revenue from sale of goods	1,403	1,645	(242)	(15%)
Interest income	3	16	(13)	(81%)
Gains on exchange rate	33	19	14	77%
Dividend income	-	-	-	-
Other income	0.8	2	(1.4)	(64%)
Cost of sales of goods	(1,357)	(1,740)	(383)	(22%)
Distribution expenses	(141)	(85)	56	66%
Administrative expenses	(41)	(73)	(31)	(43%)
Share of loss of associates accounted for using equity method	(173)	(42)	132	318%
Tax income	15	33	(18)	(55%)
Loss for the period	(258)	(224)	34	15%
<u>Basic loss per share (Baht)</u>				
Basic loss per share from continuing operations	(1.28)	(1.11)		
Gross profit margin	3%	(6%)		
Net profit margin	(18%)	(13%)		

1. Income statements (In which the equity method is applied) for the 3-month period ended 31 December 2020 in comparison with for the 3-month period ended 31 December 2019

Net Loss for the 3-month period ended 31 December 2020 was Baht 258 Million as compared to net loss of Baht 224 Million of last year, an increase of Baht 34 Million or 15%. The significant changes are as follows:



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- 1) Revenue from sale of goods decreased by 15% or Baht 242 Million mainly due to lower realization and lower sales volume.
- 2) Interest income decreased by 81% or Baht 13 Million mainly due to lower deposits.
- 3) Gains on exchange rate increased by 77% or Baht 14 Million. The Company follows consistent policy of internal hedging.
- 4) Cost of goods sold decreased by 22% or Baht 383 Million mainly due to lower input cost and lower sales volume.
- 5) Distribution expenses increased by 66% or Baht 56 Million due to steep increase in sea freights.
- 6) Administrative expenses decreased by 43% or Baht 31 Million mainly due to onetime higher expenses in same period of previous year, lower operations and various cost control measures.
- 7) Share of loss of associates accounted for using equity method increased by 318% or Baht 132 Million mainly due to lower performance of associated companies.
- 8) Tax income decreased by 55% or Baht 18 Million due to lower taxable loss.
- 9) Gross profit margin for this quarter was at 3% compared to loss margin at (6%) of last year mainly due to lower input costs whereas net profit margin was negative at (18%) compared to net loss margin of (13%) of last year mainly due to lower realization, lower sales volume and lower share of profit from associated companies.

As per reasons mentioned above, basic loss per share for 3-month period ended 31 December 2020 is Baht 1.28 as compared to loss per share of Baht 1.11 of last year.

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

As of 31 December 2020, total assets slightly increased by 0.14% or Baht 36 Million, total liabilities decreased by 9% or Baht 168 Million and shareholders' equity increased by 0.87% or Baht 204 Million compared to as of 31 March 2020. The significant changes are as below:

A. ASSETS

- 1) Cash and cash equivalents decreased by 52% or Baht 736 Million mainly due to additional investment in AV Group NB Inc., Canada and Global Depository Receipts of Grasim Industries Co.,Ltd.





- 2) Current financial assets decreased by 92% or Baht 1,975 Million mainly due to additional investment in AV Group NB Inc., Canada and Global Depository Receipts of Grasim Industries Co.,Ltd.
- 3) Inventories decreased by 34% or Baht 493 Million due to reduction in value of finished goods and raw material due to lower input costs.
- 4) Other current assets increased by 40% or Baht 42 Million due to revaluation of foreign currency forward contracts and advance to suppliers.
- 5) Other non-current financial assets increased by 65% or Baht 1,115 Million due to additional investment in Global Depository Receipts of Grasim Industries Co.,Ltd. for THB 1,072 Million and change in value of unrealized gain.

B. LIABILITIES AND SHAREHOLDERS' EQUITY

- 1) Short-term loans from financial institution increased by 136% or Baht 23 Million due to higher short term working capital financing.
- 2) Trade and other current payables decreased by 24% or Baht 354 Million due to lower input prices.
- 3) Other current liabilities decreased by 67% or Baht 43 Million mainly due to reduction in forward contract liability.
- 4) Deferred tax liabilities increased by 301% or Baht 206 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,



Mr. Pramod Khandelwal
Vice President (Finance & Commercial)



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