



31 May 2021

Sub: Explanation on the Company's performance for the year ended 31 March 2021

To: President, The Stock Exchange of Thailand

Encl: 1 set of report and the audited financial statements for the year ended 31 March 2021

Thai Rayon Public Company Limited ("the Company") would like to explain its financial statements for the year ended 31 March 2021 in comparison with for the year ended 31 March 2020. The details of financial statements are set out in the attached note.

Income Statements (equity method) (Unit in Million Baht)	For the year ended 31 March			
	2021	2020	Increase/(Decrease)	
Revenue from sale of goods	6,003	7,374	(1,371)	(19%)
Interest income	18	63	(44)	(71%)
Gains on exchange rate	77	79	(2)	(3%)
Dividend income	5	8	(2)	(31%)
Other income	53	7	46	684%
Cost of sales of goods	5,517	7,290	(1,773)	(24%)
Distribution expenses	601	387	214	55%
Administrative expenses	157	233	(76)	(33%)
Finance cost	0.32	0.04	0.28	754%
Share of profit of associates accounted for using equity method	198	513	(315)	(61%)
Tax income	9	54	(46)	(84%)
Profit for the year	89	189	99	(53%)
Basic earnings per share (Baht)				
Basic earnings per share from continuing operations	0.44	0.94		
Gross profit margin	8%	1%		
Net profit margin	1%	3%		

1. Income statements (In which the equity method is applied) for the year ended 31 March 2021 in comparison with for the year ended 31 March 2020

Net profit for the year ended 31 March 2021 was Baht 89 Million as compared to net profit of Baht 189 Millions of last year, a decrease of Baht 99 Million or 53%. The significant changes are as follows:



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- 1) Revenue from sale of goods decreased by 19% or Baht 1,371 Million mainly due to lower realization and lower sales volume.
- 2) Interest income decreased by 71% or Baht 44 Million mainly due to reduction in deposits due to increase in investments during the year.
- 3) Dividend income decreased by 31% or Baht 2 Million due to lower dividend income declared by investee companies.
- 4) Other income increased by 684% or Baht 46 Million mainly due to receipt of insurance claim in this year which was not there in previous year.
- 5) Cost of goods sold decreased by 24% or Baht 1,773 Million mainly due to lower input costs and lower sales volume.
- 6) Distribution expenses increased by 55% or Baht 214 Million mainly due to sharp increase in sea freights due to container and shipping market imbalances.
- 7) Administrative expenses decreased by 33% or Baht 76 Million mainly due to various cost control measures.
- 8) Share of profit of associates accounted for using equity method decreased by 61% or Baht 315 Million mainly due to reduced profitability of associated companies.
- 9) Finance cost increased by 754% or Baht 0.28 Million mainly due to increase in working capital borrowings.
- 10) Tax income decreased by 84% or Baht 46 Million due to lower taxable loss.
- 11) Gross profit margin for this year was at 8% compared to 1% of last year mainly due to lower input costs and other manufacturing costs whereas net profit margin was 1% compared to 3% of last year mainly due to lower sales volume, higher selling expenses and lower share of profit from associated companies.

As per reasons mentioned above, earnings per share for the year ended 31 March 2021 is Baht 0.44 as compared to Baht 0.94 of last year.

2. Statements of financial position as of 31 March 2021 in comparison with as of 31 March 2020

As of 31 March 2021, total assets increased by 10% or Baht 2,540 Million, total liabilities increased by 4% or Baht 80 Million and shareholders' equity increased by 10% or Baht 2,460 Million compared to as of 31 March 2020. The significant changes are as below:



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A. ASSETS

- 1) Cash and cash equivalents decreased by 84% or Baht 1,184 Million mainly due to utilization of fixed deposits for investment purposes.
- 2) Current financial assets decreased by 94% or Baht 2,025 Million mainly due to same reason as mentioned above.
- 3) Trade and other current receivables increased by 36% or Baht 405 Million mainly due to increase in sales volume and sales realization in last quarter of this year.
- 4) Inventories decreased by 23% or Baht 334 Million due to reduction in value of finished goods and raw materials.
- 5) Other current assets increased by 68% or Baht 72 Million due to increase in VAT receivables.
- 6) Other non-current financial assets increased by 144% or Baht 2,459 Million due to additional investment in equity instruments and change in value of unrealized gain due to increase in fair value of equity instruments.
- 7) Investment in associates increased by 23% or Baht 3,390 Million mainly due to additional investment in associated company.
- 8) Other non-current assets increased by 40% or Baht 1 Million due to increase in deposits.

B. LIABILITIES AND SHAREHOLDERS' EQUITY

- 1) Short-term loans from financial institution increased by 578% or Baht 98 Million due to increase in short term borrowings.
- 2) Trade and other current payables decreased by 25% or Baht 366 Million mainly due to lower input prices and prepayment of some payables for business benefits.
- 3) Deferred tax liabilities increased by 556% or Baht 381 Million mainly due to increase 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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