

14 February 2022

Sub: Explanation on the Company's performance for 3-month period ended 31 December 2021

To: President  
The Stock Exchange of Thailand

Thai Rayon Public Company Limited ("the Company") would like to explain its financial statements for 3-month period ended 31 December 2021 in comparison with for 3-month period ended 31 December 2020. 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			
	2021	2020	Increase/(Decrease)	
Revenue from sales of goods	2,795	1,403	1,392	99%
Interest income	1.0	3.0	(2.0)	(68%)
Gains on exchange rate	(15)	33	(48)	(145%)
Other income	1.4	0.8	0.6	81%
Cost of sales of goods	2,328	1,357	971	71%
Distribution expenses	488	141	348	247%
Administrative expenses	40	41	(1)	(4%)
Share of profit (loss) of investments in associates	423	(174)	597	343%
Tax (expense) income	(13)	15	(28)	(189%)
<b>Profit (loss) for the period</b>	<b>337</b>	<b>(258)</b>	<b>595</b>	<b>231%</b>
<b>Earnings (loss) per share (Baht)</b>				
Basic earnings (loss) per share	1.67	(1.28)		
Gross profit margin	17%	3%		
Net profit margin	12%	(18%)		

1. Income statements (In which the equity method is applied) for the 3-month period ended 31 December 2021 in comparison with for the 3-month period ended 31 December 2020

Net profit for the 3-month period ended 31 December 2021 was Baht 337 Million compared to Baht (258) Million of last year same period, an increase of Baht 595 Million or 231%. The significant changes are as follows:



Birla Cellulose  
BIRLA CELLULOSE

Page 1/3

Thai Rayon Public Company Limited

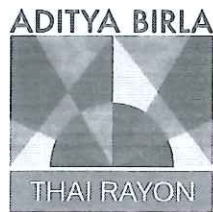
Office : 16<sup>th</sup> Floor, Mahatun Plaza Building, 888/160-1 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Thailand.

T: +66 2 2536745-54 | F: +66 2 2543181

Factory : 36 Moo 2, Ayuthaya-Angthong Highway, Tambol Posa, Amphur Muang Angthong, Angthong 14000 Thailand.

T: +66 35 611227-9 | F: +66 35 611908 | W: www.thairayon.com

Sensitivity: General



- 1) Revenue from sales of goods increased by 99% or Baht 1,392 Million mainly due to higher realization and higher sales volume.
- 2) Interest income decreased by 68% or Baht 2.0 Million mainly due to lower amount of deposits.
- 3) Gains on exchange rate decreased by 145% or Baht 48 Million due to strengthening of Thai Baht against US Dollar at period end.
- 4) Other income increased by 81% or Baht 0.6 Million mainly due to increase in export incentive on higher sales revenue.
- 5) Cost of sales of goods increased by 71% or Baht 971 Million mainly due to higher sales volume and higher input prices.
- 6) Distribution expenses increased by 247% or Baht 348 Million mainly due to sharp increase in sea freights due to container and shipping market imbalances.
- 7) Share of profit of associates accounted for using equity method increased by 343% or Baht 597 Million due to better performance from almost all associated companies.
- 8) Tax (expense) income increased by 189% or Baht 28 Million mainly due to higher taxable income in this quarter as compared to taxable loss in the same period of previous year.
- 9) Exchange differences on translating financial statements increased by 242% or Baht 91 Million due to strengthening of Thai Baht against foreign currencies.
- 10) Loss on investment in equity instruments designated at fair value through other comprehensive income increased by 154% or Baht 365 Million mainly due to decrease in market price and strengthening of Thai Baht against US Dollar.
- 11) Share of other comprehensive income of associates accounted for using equity method decreased by 98% or Baht 63 Million mainly due to exchange rate fluctuation.
- 12) Gross profit margin for this quarter was at 17% compared to 3% of last year mainly due to higher realization and higher sales volume whereas net profit margin was 12% compared to (18%) in the same period of previous year mainly due to higher realization, higher sales volume and higher share of profit from associated companies.

As per reasons mentioned above, basic earnings per share for 3-month period ended 31 December 2021 is Baht 1.67 as compared to Baht (1.28) of last year.



**Birla Cellulose**  
PAPER RECYCLING

Page 2/3

Thai Rayon Public Company Limited

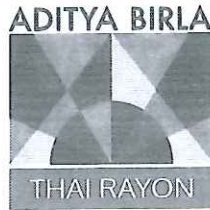
Office : 16<sup>th</sup> Floor, Mahatun Plaza Building, 888/160-1 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Thailand.

T: +66 2 2536745-54 | F: +66 2 2543181

Factory : 36 Moo 2, Ayuthaya-Angthong Highway, Tambol Posa, Amphur Muang Angthong, Angthong 14000 Thailand.

T: +66 35 611227-9 | F: +66 35 611908 | W: www.thairayon.com

Sensitivity: General



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

As of 31 December 2021, total assets increased by 14% or Baht 3,795 Million, total liabilities increased by 27% or Baht 504 Million and shareholders' equity increased by 13% or Baht 3,291 Million compared to as of 31 March 2021. The significant changes are as below:

A. ASSETS

- 1) Cash and cash equivalents increased by 51% or Baht 113 Million mainly due to cash profit.
- 2) Trade and other current receivables increased by 26% or Baht 401 Million mainly due to higher sales.
- 3) Inventories increased by 22% or Baht 236 Million mainly due to increase in finished goods and raw materials prices.
- 4) Other current assets increased by 31% or Baht 55 Million mainly due to increase in VAT receivables.

B. LIABILITIES AND SHAREHOLDERS' EQUITY

- 1) Trade and other current payables increased by 40% or Baht 438 Million mainly due to higher raw material prices.
- 2) Short-term loans from financial institution decreased by 100% or Baht 115 Million as there is no borrowing for working capital at the end of the period.
- 3) Current income tax payable increased by 100% or Baht 18 Million due to taxable income during the period as compared to taxable loss in the same period of previous year.
- 4) Other current liabilities increased by 11% or Baht 6 Million due to increase in advances.
- 5) Deferred tax liabilities increased by 33% or Baht 148 Million due to increase in the market price of equity instruments.

Please be informed accordingly.

Yours faithfully,

Santosh Pati Tripathi  
Vice President (Finance and Commerce)



Birla Cellulose