



14 February 2023

Sub: Explanation on the Company's performance for the quarter ended 31 December 2022

To: President
The Stock Exchange of Thailand

In the context of review of Interim Financial statements and business outlook, we would like to update as follows:

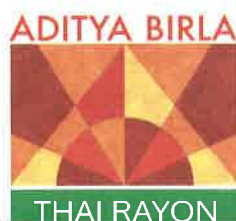
The Company witnessed sharp decline in the VSF demand worldwide and the same has resulted in significant decline in orders from global customers. The Company operated only 2 lines out of 5 lines during quarter 3 of financial year 2023 due to lower demand of VSF on one hand and increased commodity prices including prices of raw material and chemicals like pulp, caustic soda, sulphur, power and steam on the other hand.

However, there is improvement in demand of VSF in quarter 4 and now the Company has started operating all 5 production lines from second week of February 2023.

The Company would like to explain its financial statements for the quarter ended 31 December 2022 comparison with for the quarter ended 31 December 2021. The details of financial statements are set out in the attached note.

Income Statements (Separate Financial Statements) <i>(Unit in Million Baht)</i>	For the quarter ended 31 December			
	2022	2021	Increase/(Decrease)	
Revenue from sales of goods	1,193	2,795	(1,602)	(57.3%)
Interest income	0.145	0.958	(0.813)	(84.9%)
Losses on exchange rate	(43)	(15)	29	197.2%
Dividend Income	0	-	0	-
Other income	1	1	(0)	(23.3%)
Cost of sales of goods	1,401	2,328	(927)	(39.8%)
Distribution expenses	74	488	(414)	(84.9%)
Administrative expenses	46	40	6	16.2%
Profit (loss) from operating activities	(370)	(73)	297	407.1%
Finance cost	0.127	0.017	0.110	647.1%
Tax (expense) income	48	(13)	(62)	(461.2%)
Profit (loss) for the period	(322)	(86)	236	272.8%
Earnings (loss) per share (Baht)				
Basic earnings (loss) per share	(1.60)	(0.43)		
Gross profit margin	(20.1%)	16.3%		
Net profit margin	(28.0%)	(3.1%)		





Income Statements (Equity Method) (Unit in Million Baht)	For the quarter ended 31 December			
	2022	2021	Increase/(Decrease)	
Revenue from sales of goods	1,193	2,795	(1,602)	(57.3%)
Interest income	0.145	0.958	(0.813)	(84.9%)
Losses on exchange rate	(43)	(15)	29	197.2%
Dividend Income	0	-	0	-
Other income	1	1	(0)	(23.3%)
Cost of sales of goods	1,401	2,328	(927)	(39.8%)
Distribution expenses	74	488	(414)	(84.9%)
Administrative expenses	46	40	6	16.2%
Profit (loss) from operating activities	(370)	(73)	297	407.1%
Share of profit (loss) of investments in associates	(1,219)	423	(1,642)	(387.9%)
Finance cost	0.127	0.017	0.110	647.1%
Tax (expense) income	48	(13)	(62)	(461.2%)
Profit (loss) for the period	(1,541)	337	(1,877)	(557.3%)
Earnings (loss) per share (Baht)				
Basic earnings (loss) per share	(7.64)	1.67		
Gross profit margin	(20.1%)	16.3%		
Net profit margin	(133.9%)	12.1%		

1. Income statements (In which the equity method is applied) for the quarter ended 31 December 2022 compared with the quarter ended 31 December 2021

Net (loss) for the quarter ended 31 December 2022 was Baht (1,541) Million compared to net profit of Baht 337 Millions in same period of last year, decrease of Baht 1,877 Million or 557.3%. The significant changes are as follows:

- 1) Revenue from sales of goods decreased by 57.3% or Baht 1,602 Million mainly due to lower sales volume.
- 2) Interest income decreased by 84.9% or Baht 0.8 Million mainly due to lower amount of deposits during the period as compared to same period of last year.
- 3) Loss on exchange rate increased by 197.2% or Baht 29 Million due to appreciation of Thai Baht against US Dollar during the period.



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- 4) Cost of sales of goods decreased by 39.8% or Baht 927 Million mainly due to lower production.
- 5) Distribution expenses decreased by 84.9% or Baht 414 Million mainly due to lower sales volume and decrease in sea freight rates.
- 6) Share of profit of associates accounted for using equity method decreased by 387.9% or Baht 1,642 Million due to lower performance from some associated companies mainly on account of loss on exchange rate, lower sales volume and increase in cost.
- 7) Finance cost increased by 647.1% or Baht 0.11 Million due to some short-term borrowings during the period.
- 8) Tax expense reduced by 461.2% or Baht 62 Million mainly due to taxable losses during the period.
- 9) Gross profit margin for the quarter ended 31 December 2022 was at (20.1%) negative as compared to 16.3% of same period of last year mainly due to lower sales volume and higher input material prices whereas net profit margin was (133.9%) negative as compared to 12.1% of same period of last year mainly due to lower performance of associates.

As per reasons mentioned above, basic earnings per share for the quarter ended 31 December 2022 is Baht (7.64) as compared to Baht 1.67 of same period of last year.

2. Statements of financial position as of 31 December 2022 in comparison with as of 31 March 2022

As of 31 December 2022, total assets decreased by 4.3% or Baht 1,444 Million, total liabilities decreased by 40.8% or Baht 1,374 Million and shareholders' equity decreased by 0.23% or Baht 70 Million compared to 31 March 2022. The significant changes are as below:

A. ASSETS

- 1) Cash and cash equivalents decreased by 80.3% or Baht 237 Million mainly due to cash losses.
- 2) Current financial assets decreased by 77.3% or Baht 248 Million mainly due to maturity of deposits.
- 3) Trade and other current receivables decreased by 34% or Baht 664 Million mainly due to lower sales.



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- 4) Inventories decreased by 7.9% or Baht 184 Million mainly due to lower purchases during lower production.
- 5) Other current assets decreased by 5.2% or Baht 15 Million mainly due to lower advance to suppliers.

B. LIABILITIES AND SHAREHOLDERS' EQUITY

- 1) Trade and other current payables decreased by 51.6% or Baht 1,334 Million mainly due to lower purchases as only two lines were operating in quarter three and payments against earlier dues.
- 2) Current income tax payable decreased by 100% or Baht 13.2 Million due to payment of tax liability during the period.
- 3) Other current liabilities decreased by 24.4% or Baht 9 Million mainly due to revaluation of forward contracts.
- 4) Deferred tax liabilities decreased by 5.1% or Baht 29 Million mainly due to change in the market price of equity instruments.

Please be informed accordingly.

Yours faithfully,



Santosh Pati Tripathi

Vice President (Finance and Commercial)



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