

29 May 2023

Sub: Explanation on the Company's performance for the year ended 31 March 2023

To: President  
The Stock Exchange of Thailand

In the context of review of the audited 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 2 and 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.

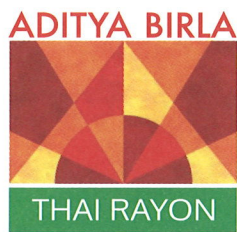
However, there is improvement in demand of VSF in quarter 4 and now the Company has started operating all 5 production lines from second week of February 2023.

The Company would like to explain its financial statements for the year ended 31 March 2023 comparison with for the year ended 31 March 2022. 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 year ended 31 March			
	2023	2022	Increase/(Decrease)	
Revenue from sales of goods	8,318	10,554	(2,236)	(21%)
Interest income	1.2	2.6	(1.4)	(53%)
Gains on exchange rate	12	138	(126)	(91%)
Dividend Income	173	106	67	63%
Other income	5.8	4.8	1	20%
Cost of sales of goods	8,098	8,389	(291)	(3%)
Distribution expenses	789	1,564	(775)	(50%)
Administrative expenses	182	170	12	7%
<b>Profit (loss) from operating activities</b>	<b>(559)</b>	<b>682</b>	<b>(1,241)</b>	<b>(182%)</b>
Finance cost	1.04	1.09	(0.05)	(5%)
Tax income (expense)	78	(127)	205	162%
<b>Profit (loss) for the year</b>	<b>(481)</b>	<b>555</b>	<b>(1,036)</b>	<b>(187%)</b>
<b>Earnings (loss) per share (Baht)</b>	<b>(2.39)</b>	<b>2.75</b>		
Basic earnings (loss) per share				
Gross profit margin	3%	20%		
Net profit margin	(6%)	5%		



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Income Statements (Equity Method) (Unit in Million Baht)	For the year ended 31 March		
	2023	2022	Increase/(Decrease)
Revenue from sales of goods	8,318	10,554	(2,236) (21%)
Interest income	1.2	2.6	(1.4) (53%)
Gains on exchange rate	12	138	(126) (91%)
Dividend Income	24	21	3 15%
Other income	5.8	4.8	1 20%
Cost of sales of goods	8,098	8,389	(291) (3%)
Distribution expenses	789	1,564	(775) (50%)
Administrative expenses	182	170	12 7%
<b>Profit (loss) from operating activities</b>	<b>(708)</b>	<b>597</b>	<b>(1,305) (219%)</b>
Share of profit (loss) of investments in associates	1,313	3,035	(1,722) (57%)
Finance cost	1.04	1.09	(0.05) (5%)
Tax (expense) income	78	(127)	205 162%
<b>Profit (loss) for the period</b>	<b>683</b>	<b>3,504</b>	<b>(2,821) (81%)</b>
<b>Earnings (loss) per share (Baht)</b>			
Basic earnings (loss) per share	3.39	17.38	
Gross profit margin	3%	20%	
Net profit margin	8%	33%	

1. Income statements (In which the equity method is applied) for the year ended 31 March 2023 compared with for the year ended 31 March 2022

Net profit for the year ended 31 March 2023 was Baht 683 Million compared to Baht 3,504 Million of last year, decrease of Baht 2,821 Million or 81%. The significant changes are as follows:

- 1) Revenue from sales of goods decreased by 21% or Baht 2,236 Million mainly due to lower sales volume.
- 2) Interest income decreased by 53% or Baht 1.4 Million mainly due to lower amount of deposits during the period as compared to same period of last year.
- 3) Gains on exchange rate decreased by 91% or Baht 126 Million due to fluctuating in exchange rate.



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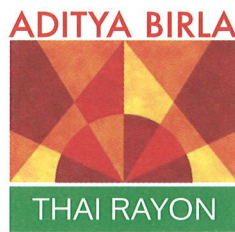
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- 4) Other income increased by 20% or Baht 1 Million due to surrender of provisions.
- 5) Cost of sales of goods decreased by 3% or Baht 291 Million due to lower production.
- 6) Distribution expenses decreased by 50% or Baht 775 Million mainly due to lower sales volume and decrease in sea freight rates.
- 7) Share of profit of associates accounted for using equity method decreased by 57% or Baht 1,722 Million due to lower performance from some associated companies mainly on account of lower sales volume, increase in cost and lower exchange gain.
- 8) Tax income (expense) increased by 162% or Baht 205 Million mainly due to taxable losses during the period.
- 9) Exchange differences on translating financial statements decreased by 397% or Baht 390 Million due to weakening of Thai Baht against US Dollars.
- 10) Gain (loss) on investment in equity instruments designated at fair value through other comprehensive income decreased by 130% or Baht 671 Million due to change in market rates and exchange rate.
- 11) Gain on re-measurements of defined benefit plans increased by 100% or 1.7 Million due to revaluation of employee benefit.
- 12) Gross profit margin for the year ended 31 March 2023 was at 3% as compared to 20% of last year mainly due to lower sales volume and higher input material prices whereas net profit margin was 8% as compared to 33% of last year mainly due to lower performance of associates and lower sales volume.

As per reasons mentioned above, basic earnings per share for the year ended 31 March 2023 is Baht 3.39 as compared to Baht 17.38 of last year.

## 2. Statements of financial position as of 31 March 2023 in comparison with as of 31 March 2022

As of 31 March 2023, total assets decreased by 2% or Baht 806 Million, total liabilities decreased by 14% or Baht 478 Million and shareholders' equity slightly decreased by 1% or Baht 329 Million compared to 31 March 2022.

The significant changes are as below:

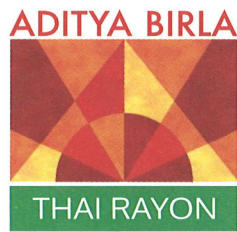
### A. ASSETS

- 1) Cash and cash equivalents decreased by 29% or Baht 85 Million mainly due to cash losses.
- 2) Current financial assets decreased by 77% or Baht 248 Million mainly due to maturity of deposits.



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- 3) Trade and other current receivables decreased by 22% or Baht 422 Million mainly due to lower sales.
- 4) Right of Use assets increased by 100% or Baht 3.8 Million due to lease accounting.
- 5) Other non-current assets decreased by 28% or Baht 1 Million mainly due to lower deposits.

#### B. LIABILITIES AND SHAREHOLDERS' EQUITY

- 1) Trade and other current payables decreased by 22% or Baht 558 Million mainly due to lower purchases as only two lines were operating for 6 months and payments against earlier dues.
- 2) Short-term loans from financial institutions increased by 100% or Baht 150 Million mainly due to lower cash in hand and cash losses.
- 3) Current income tax payable decreased by 100% or Baht 13 Million due to payment of tax liability during the period.
- 4) Current portion of lease liabilities increased by 100% or Baht 1.5 Million mainly due to lease accounting
- 5) Other current liabilities increased by 117% or Baht 44 Million mainly due to more advance from customers.
- 6) Deferred tax liabilities decreased by 19% or Baht 109 Million due to change in the market price of equity instruments.
- 7) Lease liabilities increased by 100% or Baht 2 Million mainly due to lease accounting.

Please be informed accordingly.

Yours faithfully,



Santosh Pati Tripathi

Vice President (Finance and Commercial)



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