



28 May 2020

**Subject:** Request for extension on the deadline for submission of the financial statements for the year ended 31 March 2020 to the Securities and Exchange Commission, Thailand (Revised)

**To:** Secretary General of the Office of SEC

**CC:** President, The Stock Exchange of Thailand

Thai Rayon Public Company Limited ("the Company") would like to request for extension the preparation and submission of the statement of financial position and operating results of the Company for the year ended 31 March 2020 to the Securities and Exchange Commission ("Office of SEC"), to be submitted within 31 July 2020.

Pandemic of the Corona Virus 2019 ("COVID-19") in Thailand and around the world is affecting the normal business operations in many countries. This is mainly due to measures of various governments and from its own businesses in order to prevent the spread of the COVID-19, causing the Company to unable to prepare and submit the reports of financial position and operating results as mentioned above to the Office of SEC. The Company has significant investments in various countries in the form of joint venture and associated companies, the joint venture is located in Canada and associated companies are located in China, Indonesia and Sweden. These companies are also impacted due to the pandemic of COVID-19 which intensified throughout all regions of the world causing each country to announce various lock down measures, asking people to stay indoors and not allow to travel to various places unless necessary. Due to such lockdown measures, both joint venture and associates are unable to prepare financial reports and financial statements in time due to obstacles and/or limitations in access to the information, documents and evidences affecting important accounting information to their auditors for review and expressing opinion. In addition, incomplete financial reports of joint venture and associated companies cause inadequate disclosure of information in the notes to the financial statements of the Company which might have significant misunderstandings to users of the financial statements. Inability to have all necessary information in time from joint venture and such associated companies has significant impact to the Company's financial position and income statements under equity method. The impact of such companies in total net profit of the Company under equity method was 13% and 18% of net profit for the year 2019 and 2018 respectively and the same is expected to increase for the year ended 31 March 2020 to more than 20%.



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In addition, the Company has discussed with our auditor as this is impacting work of audit under group audit in accordance to ISA (TSA) no.600 Special Considerations – Audits of Group Financial Statements (including the work of component auditors).

However, the Company has taken various measures to manage the situation of COVID-19 as follows.

1. Impact on business operations

The Company was running the business as usual during the year ending 31 March 2020. There was no business interruption due to COVID-19 and it continued the production and sales as usual. In addition, the Company regularly issued policies to prevent the spread of COVID-19 so that the Company could continue to operate the business as normal. The Company is also able to increase production of specialty products, improving quality and operational efficiency by focusing on reducing cost of production and other expenses.

Due to the pandemic of COVID-19, the Company has impact on its capacity utilization, revenue and profitability from April 2020 onwards due to reduction on demand from export markets caused by lock down implemented by many countries where the Company exports nearly 97% of its products.

2. Impact on funding sources and liquidity used in operations

The Company is closely monitoring the current situation with emphasis on liquidity and cash flow by focusing on working capital and slowdown in capital expenditure. The Company continues to get support from financial institutions for liquidity management to maintain normal business operations.

3. Impact on the financial statements

The Company expects that there is no significant impact of COVID-19 on the performance of the Company, joint venture and associates for the year ended 31 March 2020, except for China based associated company whose production was lower by 76% during January-March 2020.

The Company has discussed with the auditor on above issues and have a mutual opinion that Company shall not be able to prepare and submit the financial statements for the year ended 31 March 2020 to the Office of SEC within 29 May 2020.



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The Audit Committee Meeting no. 1/2020 held on 25 May 2020 considered the Company's request as reasonable, necessary and beyond control to extend the period for the preparation and submission of the reports of financial position and operating results. The joint venture and such associated companies are required to strictly comply with the government regulations of each country to effectively control the spread of COVID-19. The Company is required to prepare and disclose reports of financial position and operating results which should be accurate, reliable, and adequate. As the Company cannot gather important financial information from such foreign companies in time thereby causing the Company to not able to prepare and submit the financial position and financial statements for the year ended 31 March 2020 timely due to the epidemic of COVID-19 along with reasons as mentioned above. Therefore, it is resolved to approve the Company's request to extend the submission of financial position and financial statements for the year ended 31 March 2020 to the Office of SEC within 31 July 2020. This will help joint venture, associates and their auditors to have more time to prepare and review the financial statements for accuracy and reliability for disclosure to investors for consideration and acknowledgment. The request for extension is in accordance with the notification of the Office of the Securities and Exchange Commission no. SorChor. 31/2563. If there are any changes to the relevant terms and criteria, the Company will comply with regulations and keep the shareholders informed accordingly,

In addition, the Company has disclosed this information through the information transmission system (SET link) of the SET.

Please be informed accordingly.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Pramod Khandelwal'.



Mr. Pramod Khandelwal

Vice President (Finance & Commercial)



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