

14 February 2025

Sub: Explanation on the Company's performance for the quarter ended 31 December 2024

To: President
The Stock Exchange of Thailand

Thai Rayon Public Company Limited ("the Company") would like to explain its financial statements for the quarter ended 31 December 2024 comparison with for the quarter ended 31 December 2023. The details of financial statements are set out in the attached note.

Income Statements (equity method) (Unit in Million Baht)	For the quarter ended 31 December			
	2024	2023	Increase/(Decrease)	
Revenue from sales of goods	2,584	2,316	267	12%
Interest income	0.4	3.7	(3.3)	(90%)
Gains on exchange rate	38	21	17	82%
Dividend income	-	0.3	(0.3)	(100%)
Gain on sale of other non-current financial assets	-	185	(185)	(100%)
Other income	1	2	(1)	(48%)
Cost of sales of goods	2,483	2,319	164	7%
Distribution expenses	178	96	82	86%
Administrative expenses	46.5	46.7	(0.2)	(0.5%)
Finance cost	10	-	10	100%
Share of profit of associates accounted for using equity method	690	285	405	142%
Tax income (expense)	27	(50)	77	153%
Profit for the period	622	302	320	106%
Earnings per share (Baht)				
Basic earnings per share	3.09	1.50		
Gross profit margin	4%	(0.1%)		
Net profit margin	24%	12%		

1. Income statements (In which the equity method is applied) for the quarter ended 31 December 2024 compared with the quarter ended 31 December 2023

Net Profit for the quarter ended 31 December 2024 was Baht 622 Million compared to Baht 302 Million in same period of last year, an increase of Baht 320 Million or 106%. The significant changes are as follows:



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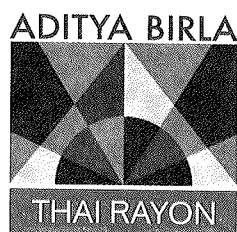
Thai Rayon Public Company Limited

Office : 16th 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



- 1) Revenue from sales of goods increased by 12% or Baht 267 Million mainly due to higher sales volume and higher realization.
- 2) Interest income decreased by 90% or Baht 3.3 Million due to lower surplus treasury invested in term deposits.
- 3) Gains on exchange rate increased by 82% or Baht 17 Million mainly due to forex gain on provision for Investment in Joint Venture (AV Terrace Bay Inc.) for future obligations and currency fluctuation.
- 4) Dividend income decreased by 100% of Baht 0.3 Million due to already received in the second quarter of this year.
- 5) Gain on sale of other non-current financial assets decreased by 100% of Baht 185 Million due to no transaction for sale of Investment for this quarter.
- 6) Other income decreased by 48% of Baht 1 Million due to last quarter have higher excess provision written back and profit on sale of fixed assets.
- 7) Cost of sales of goods increased by 7% or Baht 164 Million mainly due to increase in raw material prices and higher production during the period.
- 8) Distribution expenses increased by 86% or Baht 82 Million mainly due to higher sea freight and higher sales volume during the period.
- 9) Finance cost increased by 100% or Baht 10 Million due to higher short term working capital borrowings during the period.
- 10) Share of profit of associates accounted for using equity method increased by 142% or Baht 405 Million mainly due to exchange fluctuation coupled with better performance.
- 11) Tax income increased by 153% or Baht 77 Million mainly due to lower taxable profit and deferred tax account during the quarter.
- 12) Exchange differences on translating financial statements through other comprehensive income decreased by 112% or Baht 241 Million due to fluctuation of Thai Baht against foreign currencies.
- 13) Gain (loss) on investment in equity instruments designated at fair value through other comprehensive income decreased by 369% or Baht 776 Million mainly due to change in market price and exchange rate.
- 14) Share of other comprehensive income of associates accounted for using equity method decreased by 280% or Baht 1,773 Million mainly due to exchange rate fluctuation.



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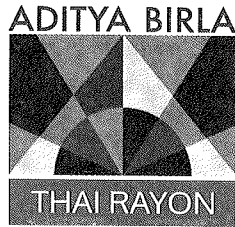
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15) Gross profit margin for the quarter ended 31 December 2024 was at 4% compared to negative at (0.1%) in same period of last year mainly due to higher realization offset by increased in raw material prices whereas net profit margin was at 24% compared to 12% in same period of last year mainly due to better performance of associated companies, higher realization, higher exchange gain, lower taxable income which is offset by increased in raw material prices.

As per reasons mentioned above, earnings per share for the quarter ended 31 December 2024 is Baht 3.09 as compared to Baht 1.50 in same period of last year.

2. Statements of financial position as of 31 December 2024 in comparison with as of 31 March 2024

As of 31 December 2024, total assets decreased by 6% or Baht 2,114 Million, total liabilities increased by 6% or Baht 399 Million and shareholders' equity decreased by 8% or Baht 2,514 Million compared to 31 March 2024. The significant changes are as below:

A. ASSETS

- 1) Cash and cash equivalents decreased by 47% or Baht 5 Million mainly due to more cash use in working capital and investments.
- 2) Inventories increased by 24% or Baht 509 Million due to higher raw material inventories including material in transit compared to same period of last year.
- 3) Other current assets increased by 30% or Baht 61 Million due to increase in VAT receivable, higher advances to raw material suppliers and prepaid insurance.

B. LIABILITIES AND SHAREHOLDERS' EQUITY

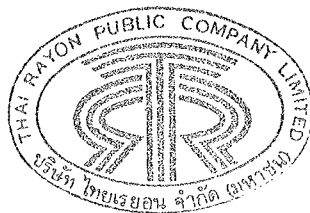
- 1) Trade and other current payables increased by 47% or Baht 1,048 Million mainly due to higher purchased of raw material in transit.
- 2) Short term loans from financial institutions increased by Baht 1,324 Million due to additional borrowing during the period.
- 3) Other current provision decreased by 58% or Baht 1,929 Million due to amount transfer for acquisition of investments in joint venture.

Please be informed accordingly.

Yours faithfully,

Mr. Rajesh Jha

Vice President (Finance and Commercial)



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