



Form 56-2

ANNUAL REPORT 2009

Thai Rubber Corporation (Thailand) Public Company Limited



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Annual Report Ending December 31, 2009

Thai Rubber Latex Corporation (Thailand) Public Company Limited

1. General information

1.1	The company	Thai Rubber Latex corporation (Thailand) Pcl.
	Head office and	
	Subsidiaries:	99/1-3 Moo 13, Bangna-Trad Road 7 th KM., Bangkaew, Bangplee Samutprakarn 10540
	Factory:	29 Moo 2, Banbung –Klang Road, Nongyai, Chonburi 20190
	Type of business:	Product of latex concentrate, rubber sheets, and other rubber products
	Company registration	
	Number:	0107536000137
	Telephone:	(662) 751-7171 (36 lines), (662) 751-7140 up to 75
	Facsimile:	(662) 316-3938, (662) 316-2485, (662) 316-5872, (662) 751-7016
	Website:	http: //www.thaitex.com
	Registered capital:	50,000,000 common shares. Bath 500,000,000 registered capital.
	Share outstanding:	27,263,106 common shares. Baht 272,631,060 paid-up capital.

1.2 Subsidiaries that the company holds more than 10%share

Subsidiaries are classified into eight groups of different products or businesses, which are; latex concentrate, latex examination gloves, rubber thread, service business, trading business, rubber estate, broker in agricultural futures market and other group.

(1) Latex Concentrate group:

The namely latex concentrate group, which produces latex concentrate, pre-vulcanized latex, rubber sheet, and other rubber products, consists of the company, 1 subsidiary and 2 associates as follows;

1.1 Thai Rubber Latex Corporation (Thailand). , Pcl.

1.2 Thai Rubber Latex Group Co., Ltd.

Factory Total 8 Factories, in Songkla, Suratahani, Phang-Nga, Chumporn, Rayong
(2 factories), Chanthaburi, Nongkhai

Registered capital: 100,000,000 common shares. Baht 1,000,000,000 registered capital.

Share outstanding: 54,400,000 common shares. Baht 544,000,000 paid-up capitals.

Share holding by the

Company: 100 % (subsidiary)

1.3 Revertex (Thailand) Co., Ltd.

Factory: 29 Moo 2, Banbung-Klang Road, Nongyai, Chonburi 20190

Share outstanding: 1,500,000 common shares. Baht 15,000,000 paid-up capital.

Share holding by the

Company: 49.90 % (associate)

Note: On 13 December 2007, the extraordinary general meeting of shareholders of the associate passed a special resolution to approve the dissolution of the associate had deregistered with the Ministry of Commerce on 19 February 2008.

1.4 Wintex Rubber Industrial Co., Ltd.

Factory: 99 Moo 13, kamphaengphet, Rattaphum, Songkla
Registered capital: 250,000 common shares. Baht 25,000,000 registered capital.
Share outstanding: 250,000 common shares. Baht 25,000,000 paid-up capital.
Share holding by the
Company: 25 % (associate)

Note: On 25 September 2009, the extraordinary general meeting of shareholder passed a special resolution to approve the resolution of the subsidiary had sold 62,500 shares that TRUBB holds in Wintex Rubber Industry Co., Ltd. at Baht 122 per share (a par value 100 per share) amount Baht 7,625,000 to Mr. Suporn Weerajindapong.

(2) Latex Glove group:

The namely latex glove group, which produces latex examination glove, consists of 1 associate as follow;

2.1 Rosner Mautby Meditrade Co., Ltd.

Factory: 199 Moo 11 Banpu, Had Yai, Songkhla
Registered capital: 12,000,000 common shares. Baht 120,000,000 registered capital.
Share holding by the
Company: 31.54 % (associate)

Note: The associate has temporarily ceased its operations during 2007. The Company recognized share of losses from investment in this associate until the value of the investment reached zero. Subsequent losses incurred by this associate have not been recognized in the company's account since the Company has no obligations, whether legal or constructive, to make any payments on behalf of this associate.

(3) Rubber Thread group:

The namely rubber thread group, which produces rubber thread, consists of 1 subsidiary as follows;

3.1 Woldflex Pcl.

Factory: 59/1 Moo 5, Pluakdang, Maenamkoo, pluakdang, Rayong 21140

Registered capital: 77,000,000 common shares. Baht 308,000,000 registered capital.

Share outstanding: 77,000,000 common shares. Baht 308,000,000 paid-up capital.

Share holding by the

Company: 98.44 % (subsidiary)

(4) Service group:

The namely service group, which provide storage and shipment service for exporters of latex concentrate, consists of 1 subsidiary as follow;

4.1 Thai Tank Installation Co., Ltd.

Share outstanding: 3,500,000 common shares. Baht 35,000,000 paid-up capital.

Share holding by the

Company: 65.43 % (subsidiary)

Note: On 7 November 2007, the extraordinary general meeting of shareholders of the subsidiary passed a special resolution to approve the dissolution of the subsidiary had deregistered with the Ministry of Commerce on 28 December 2007.

(5) Trading group:

The namely trading group consists of 2 subsidiaries and 1 associate as follows;

5.1 Wold Wide Resource trading Co., Ltd. (Importer and shipping service)

Share outstanding: 1,000,000 common shares. Baht 10,000,000 paid-up capital.

Share holding by the

Company: 100 % (subsidiary)

Note: The extraordinary general meeting of shareholders of the subsidiary held on 31 December 2005 approved the closure of business. The subsidiary had deregistered with the Ministry of Commerce on 25 January 2006 and already liquidated on 28 December 2009.

5.2 Thaitex RCP Technology Co., Ltd. (Imports the equipment to stimulate to have more yield of field latex)

Registered capital: 1,500,000 common shares. Baht 15,000,000 registered capital.

Share outstanding: 1,500,000 common shares. Baht 15,000,000 paid-up capital.

Share holding by the

Company: 45 % (subsidiary)

Note: On 25 December 2009, the extraordinary general meeting of shareholder no.12/2009 passed a special resolution to approve the resolution of the subsidiary had sold 675,000 shares that TRUBB holds in Thaitex RCP Technology Co., Ltd. at Baht 0.01 per share (a par value 10 per share) amount Baht 6,750 to Greenyield Holding Co.,Ltd.

5.3 T-Interplus Co., Ltd. (trading natural rubber products)

Registered capital: 500,000 common shares. Baht 5,000,000 registered capital.

Share outstanding: 500,000 common shares. Baht 1,250,000 paid-up capital.

Share holding by the

Company: 40 % (associate)

(6) Rubber Estate group:

The namely rubber estate group, which operates a rubber plantation consists of 1 subsidiary as follows;

6.1 Thai Rubber City Co., Ltd.

Rubber plantation Located in Nan and Chiang Rai province

Registered capital: 30,000,000 common shares. Baht 300,000,000 registered capital.

Share outstanding: 30,000,000 common shares. Baht 225,000,000 paid-up capital.

Share holding by the

Company: 100 % (subsidiary)

The associate of Thai Rubber City Co., Ltd.

Wang Somboon Rubber Estate Co., Ltd.

Rubber plantation Locate in Sakaew province

Registered capital: 5,530,000 common shares. Baht 55,300,000 registered capital.

Share outstanding: 5,530,000 common shares. Baht 55,300,000 paid-up capital.

Share holding by the

Company: 48.40 %

(7) Broker group:

The namely broker group, which provide service as broker in the agricultural futures market, consists of 1 subsidiary as follow;

7.1 Agrowealth Co., Ltd.

Registered capital: 6,000,000 common shares. Baht 60,000,000 registered capital.

Share outstanding: 6,000,000 common shares. Baht 60,000,000 paid-up capital.

Share holding by the

Company: 100 % (subsidiary)

(8) Other Group

The namely other group, which produces latex foam mattress, consists of 1 related company as follows;

8.1 Latex Systems Co., Ltd.

Registered capital: 2,035,501 common shares. Baht 18,808,029.24 registered capital.

Share outstanding: 2,035,501 common shares. Baht 18,808,029.24 paid-up capital.

Share holding by the

Company: 29.97 % (relate company)

1.3 Other references

(A) Registrar

Name Thailand Securities Depository Co., Ltd.

Address Capital Market Academy Building, 2nd floor
2 / 7 Moo 4, North Park Project, Vibhavadi-Rangsit Road, Tung Song Hong, Laksi,
Bangkok 10210

Telephone (662) 596-9000

Facsimile (662) 832-4994-6

(B) Auditing Firm

Name Ernst & Young Office Limited

Address 33rd Floor, Lake Rajada Office Complex
193/136-137 New Rachadapisek Road, Bangkok 10110

Telephone (662) 246-0777, 661-9190

Facsimile (662) 264-0789, 661-9192

Auditors Ms.Rattana Jara CPA No.3734
Ms.Rungnapa Lersuwankul CPA No.3516
Ms.Kamontip Lertwitworatep CPA No.4377

2. Financial summary

Financial highlights of the company (consolidated)

(Unit: Million baht)

Year	2009	2008	2007
Total revenues	7,978.14	9,041.40	8,231.59
Cost of goods sold and expenses	7,859.00	9,156.62	8,232.69
Net income (loss)	119.14	(115.22)	(1.10)
Earnings per share (Bt.)	4.37	(4.23)	(0.04)
Share outstanding (million shares)	27.26	27.26	27.26
Total assets	4,615.80	3,780.11	4,849.57
Current assets	2,871.66	2,127.51	3,240.44
Total liabilities	3,677.48	2,898.77	3,758.55
Current liabilities	3,677.23	2,892.98	3,318.32
Shareholders' equity	938.32	881.34	1,091.02

Financial ratio of the company (consolidated)

Year	2009	2008	2007
<i>Liability ratio</i>			
Current ratio (times)	0.78	0.74	0.98
Cash cycle (days)	95	87	99
<i>Profitability ratio</i>			
Gross margin	9.39%	4.67%	8.52%
Net profit margin	1.49%	-1.27%	0.06%
ROE	13.09%	-11.68%	0.63%
<i>Efficiency ratio</i>			
ROA	2.84%	-2.67%	13.00%
<i>Financial policy ratio</i>			
Debt to Equity (times)	3.92	3.29	3.44
Interest coverage ratio (times)	1.9	0.39	1.19
Dividend payout ratio	0%	0%	0%

Note: 2007- 2008 finished goods are valued at the lower of cost (weighted average method)

2010 finished goods are valued at the First in – first out

3. Nature of business

3.1 Structure and Business division of the group companies

The company together with subsidiaries and affiliates can be classified into 8 groups of business according to the types of businesses operating, which are latex concentrate, rubber thread, latex glove, service, trading, rubber estate, broker in the agricultural futures market, and other group. Names of companies in each group and shareholding in each company are already mentioned in the point no.1 General information of this report.

Business operation of the company

The company is engage mainly in the manufacturing and selling of latex concentrate. Main customers are the general customers and subsidiaries, which consist of rubber thread, latex glove manufactures, and other group, will add value by taking the raw material into their own product line of finished products

3.2 Income structure of the group

(Unit ; Million Baht)

Business \ year	2009		2008		2007	
	Income	%	Income	%	Income	%
Latex concentrate	9,004.08	85.28	8,059	90.88	7,179	87.67
Rubber thread	1,459.80	13.83	781	8.81	983	12.00
Trading	8.11	0.08	19	0.21	17	0.20
Service	-	-	6	0.07	7	0.09
Rubber estate	2.37	0.02	3	0.03	4	0.05
Latex mattress and latex pillow	84.25	0.80	-	-	-	-
Total	10,558.61	100.00	8,868	100.00	8,190	100.00

3.3 Major change in core businesses of the company

(1) Latex Concentrate group:

Industry outlook 2009 - 2010

The year 2009 had a rather shaky start due to the Global Economic uncertainty caused by the Hamburger Crisis that spilled over to the major economies worldwide. Although the Asian economies felt the tremor rather mildly, the financial institutions around Asia including Thailand were rather cautious with their lending and the business communities also did take a cautious approach. Thus there was no big addition to the existing Latex Concentrate producing facilities in the past year, there were addition of only two new small factories and started operation in 2009. Southern Thailand still remains the main producer of Concentrated Latex, where most factories are located. The number still remains at 26 producers who could be considered as major Concentrated Latex producers. Although no new facilities or machines were added, however with total of 9 factories and 270 machines 100% owned by Thai Rubber Latex Corporation and its associated factories under Thaitex , the Thaitex group still remains the biggest producer of concentrated latex producer with the biggest production capacity in Thailand, as a matter of fact, largest in the world. The company along with its subsidiaries and associates still maintains its domestic market share of more than 30%.

During the year 2009, the Natural Rubber Market had been generally in an upward trend, it gradually recovered from its lowest point during December of year 2008, which was rather frightening at the time due to potential severe decline of Natural Rubber demand as a result of the severe turmoil in the World's Automobile Industry as a whole, since Automobile Tire producers consume the bulk of the global natural rubber production. However the physical rubber prices began to recover from their lowest levels gradually since the early part of year 2009. The major factors that contributed to this uptrend of the Natural Rubber prices during the year 2009 are as follows:

1. The announcement in late December, 2008 by the three ITRC countries to implement the AETS (Agreed Export Tonnage Scheme) i.e. to withheld export of 915,000 tons of Rubber to the market over the 12 months period of year 2009, which indeed helped stop the free price falls we saw during December of 2008.

2. Production was interrupted by widespread unusually adverse and erratic weather conditions in the three ITRC countries, namely Thailand, Indonesia and Malaysia, which are the main natural rubber producing countries with combined production of nearly 70% of total Global natural rubber production, which severely affected the natural production i.e. world natural rubber supply. In the year 2009 Thailand's rubber production is estimated to have fallen by about 7.9% to approximately 2.8 million tons as compared to 3.04 million tons in 2008, Indonesia's production fell by about 8.4% from 2.50 million tons to 2.29 million tons and that of Malaysia is estimated at 0.84 million tons from 1.08 million tons of 2008, a fall of about 20% YOY. World's total natural rubber production is being estimated to have fallen by 7.3% to 8.9 million tons in 2009 from 9.6 million tons of the year 2008.
3. The upsurge of crude oil, which reached to above USD 80 per barrel during later part of 2009 from below USD 40 per barrel during December 2008.
4. The continued strengthening of the regional currencies against the US Dollar, due to comparatively better economic conditions in the region.
5. Higher than expected buying activities by China due to its record increase of domestic automobile sales, thus generating more tire sales domestically, resulting into more consumption of rubber. The Chinese import of Natural Rubber is estimated to be 1.7 million tons during 2009 as compared to 1.6 million tons in 2008, an increase of about 6% YOY. Total Chinese natural rubber consumption is estimated at 2.987 million tons against 2.881million tons, a total increase of 4.9% YOY.
6. India's total natural consumption also rose by 5.2% to 0.882 million tons in 2009 against 0.835 tons of year 2008.
7. Most global economies have also appeared to have bottomed out and showing signs of improvements generally.

During the 2nd half of July 2009, we saw the all commodities prices, (soft commodities, precious and primary metals and energy prices) rising substantially. Gold prices reached historical high prices during the third quarter of year 2009.

We can easily sum it up that both rubber and non-rubber factors helped the global rubber prices rise continuously during 2009, especially during the 4th quarter the rubber prices moved up very fast due to unusual heavy rain in most rubber producing areas in the South, which made supply extremely tight.

Competition trend

We believe that the growth of Thailand and Malaysia's dipping industry, which uses concentrated natural rubber latex as the major raw material, will remain robust and global demand for examination and surgical gloves will keep its pace for expansion due to the H1N1 epidemic, which still remains a big global health threat, making the use of rubber gloves a necessity even in the underdeveloped countries. The global demand for gloves is expected to increase by 10-12%, reaching about 150 billion pieces in the year 2010. As Latex Concentrate constitutes more than 50% of the raw material used in the production of medical gloves, one does not necessarily has to be Rocket or Nuclear scientist to predict that the global Latex Concentrate demand will increase substantially in the year 2010.

Major glove manufacturers in Malaysia have already started expansion of their capacity substantially since the end of 3rd quarter of last year, some are already completed and about to be in operation soon and others are expected to be completed in the very near future. Therefore certainly the Malaysian demand for concentrated latex is going to increase significantly during 2010 and Thailand is certainly going to benefit from this as we all know that Malaysia is a major net importer of Concentrated Latex form Thailand.

Thailand will still remain the largest producer of latex concentrate, contributing more than 80% of the global latex production. Out of Thailand's total latex production, about 30% is expected to be domestically consumed as increase of latex consumption is also expected due to increased demand, while the rest 70% or so is expected to be exported this year and the prices of concentrated latex are expected to remain comparatively higher due to supply tightness, at least during the first half of this year.

Unlike last year, with the Global Automobile Industry showing signs of gradual recovery, the global demand for dry rubber, which is main raw material for tire production, is expected to increase by 10-12% in the year 2010 as compared to that of year 2009. However according to IRSG and ANRPC projections, the tightness in global natural rubber supply may continue for the next two years as demand is increasing and natural production is unlikely to show any significant increase, due to expected erratic weather conditions worldwide. Also due to high rubber prices for the last few years, the rubber trees have been over tapped and now they appear to be exhausted and have started giving comparatively less yield. This phenomenon is being experienced in Thailand, Malaysia, Indonesia, India, Vietnam and other rubber producing countries. Hence as

earlier mentioned, we expect physical rubber prices (both dry rubber and latex concentrate) continue to remain at comparatively high levels.

Domestic market is still expected to remain our main outlet with more than 60% of our production being sold in the domestic market; another 40% or so is being targeted for the export market. We expect Malaysia and China to still remain our major export markets, while exports to Europe and USA do not appear to be that encouraging, as latex consumption of natural latex in these parts of the world is gradually shrinking. However we expect our sales to South Asian and Middle East countries to increase from 2010 onward, as latex consumption are being seen to be increasing in these areas. Although we are already exporting our latex to South American countries, we still expect our sales to this market to increase during 2010.

Considering the fact that signs of global financial recovery are already appearing on the horizon, we expect 2010 to be a much better and more promising year.

(2) Finished products group: Rubber Tread

Industry and competition trend

Rubber thread is used as the raw material for the garment and apparel industry. World Flex Pcl. is one of the 5 suppliers in Thailand. The biggest suppliers are located in Thailand and Malaysia.

The rubber thread group is profitable in year 2009 due to the price of latex raw material is not volatile. Therefore the company can quote the price on the cost plus basis, and delivery of goods can be made smoothly. In addition, demand for rubber thread has not been so subsided even though the U.S. subprime crisis in 2008 caused the economy in general to be busted.

4. Risk

4.1 Risk of raw material supply shortage

The main raw material of concentrate latex is field latex, which is tapped from the rubber tree. The quantities got from tapping greatly rely on weather condition such as, temperature, air humidity, and rainfall. There are two main conditions that affect the yield quantity of field latex

(1) Length of wintering (shedding leaves) period, which there will be no tapping, during February through May of every year, it may vary by coming sooner or later than expected. Also the duration of wintering period may differ.

(2) During the yield period, if the weather condition turns unfavorable for the tree to yield, such as drought or rain, then the field latex will fall short

In addition, as the world demand for rubber sheet and block rubber expand to serve the growing need of car tire industry, whereas the tappable plantation areas are unable to keep up with the same expansion rate. This will case the demand for rubber over the supply, which will cause competition in the procurement of the raw material to feed each rubber factory.

The uncertainty of raw material quantity, if happen not as planned, will affect the sales and production plan.

However. the fact that company has nine subsidiaries' latex concentrate factories and three alliances' factory spread out in three different regions; the southern, the eastern and the northeastern part of the country, enables the company to sufficiently provide latex concentrate to the customers, despite of unfavorable supply condition.

4.2 Risk of price fluctuation according to the world market

In each of the past few years, rubber price has been greatly volatile, reflecting in the rubber prices of much future market, e.g., AFET, TOCOM. Partly it is the result of speculation by the hedge funds in the commodity markets world. It has been more difficult to the rubber price movement in the short run. As the rubber price directly and greatly affects production cost of latex as the field latex constitutes approximate 90 percent of latex concentrate production cost. Hence, managing risk of rubber price fluctuation is reflected in the policy of stock keeping and sales position. For example, in the situation where the rubber price trend is uncertain, the company will not keep too much stock (long position) or sell forward too much (short position)

4.3 Financial Risk

With the rubber price situation that had been upward trend and stayed at high level since 2003, the company requires greater working capital in order to keep stock and finance account receivables. The main source of increased working capital is short term financing from financial institutions. This business situation can be understood hence the company is well supported with expanded credit lines.

In addition, the company has portion of export sales volume approximately 40 percent of total sales volume, whereas the raw materials, which is a great portion of total production cost, are purchased locally. Therefore, even though the company had set the export price to cover all the costs and expenses, the export revenue, when convert into Thai Bath, may be different from the revenue book in the export date. The company manages this risk by entering into forward contract to exchange the foreign currency.

5. Shareholder structure and management

5.1 Shareholders

As of 17 March 2010, the latest book closing date, list of major shareholders is as follows

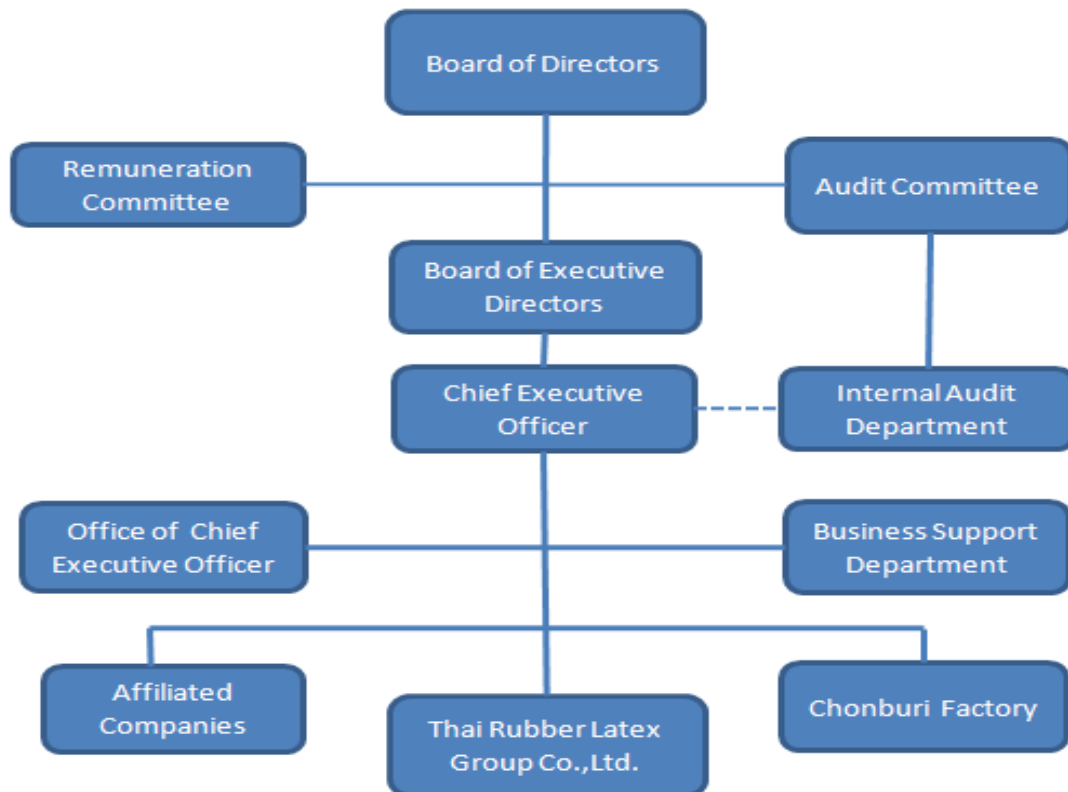
Item	Shareholders	Number of Shares	Percentage of Shareholding
1.	Mr.Paiboon Waraprateep's Group	4,772,600	17.51%
2.	Mr.Vorathep Wongsasuthikul's Group	2,695,100	9.89%
3.	Country Group Securities Public Limited	1,693,900	6.21%
4.	Mr.Prachnon Temritikulchai's Group	1,673,700	6.14%
5.	KGI Securities(Thailand)Pcl.	1,400,500	5.14%
6.	World Latex Supply Co.,Ltd.	1,318,000	4.83%
7.	UBS AG SINGAPORE,BRANCH-PB SECURITIES CLIENT CUSTODY	600,000	2.20%
8.	Mr.Suchart Charoenpornpanichkuls' Group	540,810	1.98%
9.	Thai NVDR Co.,Ltd.	520,700	1.91%
10.	Ms.Boonsarng Pumpuang	292,900	1.07%

Note: "Investor can see current data of shareholders from the company's website (<http://www.thaitex.com>) before Ordinary Shareholders meeting"

5.2 Management

Thai Rubber Latex Corporation (Thailand) Public Company Limited has regulated the working regulations and operation authority, Which have been continuously pursued and have been amended to be appropriate with duty and responsibility of each position since 29 December 2003 until present by regulating the structure of management and administration as follow;

Organization Chart of Thai Rubber Latex Corporation (Thailand) PCL.



The structure of management and administration has declared working regulations and operation authority as follows;

5.2.1 Board of Directors

According to the Public Company Limited Act B.E. 2535 Chapter 6 concerning the Board of Director, Section 67 - 97 has designated the number, qualification, elation, meeting, and resignation of direcdtors.The authority and duty of the Board of Directors has been specified in Section 77 which is to manage and administer the company to be in accordance with company objectives, articles of association, and resolution of shareholder meeting. Moreover, Section 85 also imposed the duty of business operation of company where the directors shall perform their duties to be in complied with the law, objectives, articles of association, and

resolution of shareholder meeting with honesty, trustworthy, and awareness in order to protect the company's interests.

Besides the authority and duty of administration, such law additionally identified the limitation of performance, including responsibility for any damages occurred to the company as well.

Referred to the resolution of the shareholder meeting no.1/2009 held on 24 April 2009, the company has been approved to be composed with 11 directors in the Board of Directors with the remuneration of Baht 8.94 million.

The name list of directors and number of meeting attended in 2009

<u>Name-Surname</u>	<u>Title</u>	<u>12 Board of Directors meetings</u>	<u>11 Audits committee meetings</u>
1.Mr.Vorathep Wongsasuthikul	President and CEO	10	
2.Mr.Paiboon Waroprateep	Vice President	12	
3.Mr.Prachnon Temritikulchai	Vice President	12	
	Director	8	
5.Mr.Tiwa Sappakit	Director and Chairman of Auditing committee	12	11
6.Mr.Erwin Muller	Director, Chairman of Remuneration committee	10	8
7.Mr.Krisn Saritdeechaikul	Director and Auditing Director	10	10
8.Mr.Wiroj Wongpiyasatid	Director and Remuneration Director	12	
9.Mr.Wanchai Tanittiraporn	Director	8	
10.Ms.Suchada Sodthibhapakul	Director and Remuneration Director	12	
11.Mr.Yanyong Tavarorot	Director	7	

5.2.2 Board of Executive Directors

The Board of Directors has appointed the Board of Executive Directors comprising of not less than 3 directors of the company. In 2009, the Board of Executive Directors has been composed of 4 directors as follows;

1. Mr.Vorathep Wongsasuthikul
2. Mr.Paiboon Waraprateep
3. Mr.Prachnon Temritikulchai
4. Mr.Suchart Charoenpornpanichkul

The company has issued regulations on duty and authority in order to limit the power of such as well.

5.2.3 Audit Committee

The Board of Directors has selected the Audit Committee from 2 previous independent directors and 1 expert in accounting and finance. The total number of audit Committee shall be composed of 3 persons which are

- | | |
|------------------------------|--------------------------------|
| 1. Mr. Tiwa Sappakit | Chairman of auditing committee |
| 2. Mr. Erwin Muller | Auditing Director |
| 3. Mr. Krisn Saritdeechaikul | Auditing Director |

With the Secretary of such has been appointed to Mr. Bandit Hongsuwan, the Manager of Internal Control.

The Board of directors by the approval of the Ordinary Shareholder Meeting No.5/2009, which was held on 14 March 2009, has set the duration for Audit Committee as of 3 year period of time.

Before operation, the Audit Committee has preliminary issued an Audit Committee Charter to be proposed to the Board of directors in order to consider, approve, and declare the effective of such to be activated business operation as the Board of directors deemed appropriate.

5.2.4 Remuneration Committee

The Board of Directors has appointed the Remuneration Committee by selecting 3 directors of the company to be included and appointing the Secretary of the Board of Director to be the Secretary thereof.

From Clause 5.2, the Management of the Company, Thai Rubber Latex Corporation (Thailand) Public Company Limited has specified the infrastructure of its administration by using 4 boards of directors as follows;

1. Board of Directors, totaling 11 directors
2. Board of Executive Directors, totaling 4 directors
3. Audit Committee, totaling 3 directors
4. Remuneration Committee, totaling 3 directors

In addition, the Board of Directors has appointed 6 Assistant Managing Directors from high skilled and experienced managers in order to perform any duties the President and Executives deemed appropriate as follows;

- | | |
|--------------------|----------------------|
| 1. Mr. Suvasitthi | Dewan |
| 2. Mr. Chainarin | Nithipornpim |
| 3. Mr. Prawit | Waraprateep |
| 4. Ms. Chalengkwan | Wongsasuthikul |
| 5. Mr. Pattarapol | Wongsasuthikul |
| 6. Mr. Kittti | Charoenpornpanichkul |

The appointment of these 6 Assistant Managing Directors has lightened the load of works from the Board of Director and Board of Executive Directors in every aspect. Even through a position of director has been unoccupied and the perfect one for replacement has not been appointed, the Board of Director has not faced with failure to the compliance with the law whatsoever. There were explicitly designation of authority of the Board of Directors and Board of Executive Director to appoint the assistant Managing Director any performance as may deemed appropriate as follows;

Authority of the Board of Director

1. To manage the company with honest and foresight, and in accordance with the objectives, Company's affidavit, relevant laws, as well as, the resolution of shareholders' meeting

2. Determine the company's goal, policy, strategy, and budget. To oversee the executive director's management to be in line with policy except for the matters that needs approval from the shareholders' meeting before proceeding.

Duties and scope of responsibility of the executive directors

1. To consider the goal, policy, and annual budget, which are prepared by the management level staff, review and ensure they, are in accordance with the policy assigned from the Board of directors. Proposed to Board of directors for approval .To approves any changes of budget incurred and present to the Board of director in the next meeting.

2. To oversee the overall performance of each group of subsidiaries. Arrange to have the management of each group reported on monthly basis.

3. Approve the expenses in the limit stated in the company's affidavit.

4. Approve the budgeted expenses as set in the annual budgeting or as the Board of directors had approved in principal previously.

5. Approve in principal the investment in the existing business or joint venture with other business entities. This approval is to be presented in the next meeting of board of directors for approval once more.

6. Approve the appointment of authorized signatories in the company's current account and company's payment advice.

7. Act as consultants for management staff regarding production, marketing, finance,management, personals and operation.

8. Approve the appointment, transfer, and dismissal of employee.

9. To pursue matters assigned from Board of directors.

5.3 Nomination and appointment of directors.

The company has two methods of selecting directors and management as below.

Method 1 – Number of directors depends on shareholder's resolution, which is appropriate to manage the company. However, according to the applicable law, number of directors must not be less than 5.

Method 2 – Board of directors will act as Nominating Committee to opt for qualified, experienced, and legally eligible person to replace the retired or resigning director. In case of business expansion /cons traction, numbers of directors will increase accordingly. This change in number of directors is to be approved by shareholders' meeting.

5.4 Director's remuneration

5.4.1 Monetary remuneration of directors

(A) Remuneration of directors

Total remuneration of 11 directors in 2009 was Baht 8.82 million, dividing into meeting compensation to directors, executive directors, auditing directors and remunerating directors. The average remuneration per director per year was Baht 0.8 million. The highest remuneration per director per year was Baht 1.53 million. The lowest remuneration per director per year was Baht 0.24 million.

(B) Remuneration of management

In 2009, total number of management was 9 persons. Total remuneration was Baht 18.44 million dividing into salary, bonus, traveling and house rent expenses. The average remuneration per management per year was Baht 2.05 million. The highest remuneration per management per management per year was Baht 5.20 million. The lowest remuneration per management per year was Baht 1.05 million.

5.4.2 Other remuneration

None

5.5 Principal of good corporate governance

The company emphasizes on its administration so as to attain transparency and efficiency of the management which includes the Board of Director, and employees, to rest assure that the delegated duties are performed with fairness and transparency. The shareholders, investor, stakeholders, and relevant parties can be confident in the transparency of companies' operation.

In accordance with the principals of good corporate governance determinate by the stock Exchange of Thailand in 2006, the content is divided into five sections as follows;

5.5.1 The Rights of Shareholders,

The company realizes that shareholders are owners of the company and had appointed board of directors to act on their behalves. By the same token, shareholders should also realize their rights and obligation, so as to protect their interests.

In 2009, the company convened a 2009 Annual Ordinary Shareholder Meeting. The meeting was arranged at the firm's meeting room on 24 April 2009. The firm submitted letters calling the meeting together with meeting-based information as per meeting agenda to shareholders on 24 March 2009 for acknowledgement prior to meeting for 31 business days. The agenda of which had the Board of Directors' opinion attached and the record, of which was correct and complete in order for the shareholders to be able to examine such issues. As far as transparency concerned, the board of directors, including all panel of directors such as executive director, audit committee, remuneration committee, attended meeting to answer the shareholders' questions. The duration of meeting was appropriate so as shareholders can express their opinions freely.

5.5.2 The equitable treatment of shareholders

The company treats all shareholders fairly whether they are major minor, individual, institutional, or foreign shareholders. The company has treated them with equality. This principle is shown in many actions, for instance;

(1) Voting rights is depends on the number of shares held by each shareholder. One share entitles one vote.

(2) Voting rights to elect the company's Board of Director id equal. No priority among shareholders.

(3) The board of directors has established measures to prevent the misuse of internal information (insider trading) for personal benefit of the persons concerned, including the Directors, management staff and employees.

5.5.3 The Role of stakeholders

The company concentrates on the right of the stakeholders, regardless of whether they are internal stakeholders, i.e., employees and management of the subsidiaries, or external stakeholders, i.e., competitors, creditors, public sectors and other entities involved. This is because of the fact that the enterprise is aware of such supports provided by a variety of stakeholders that the firm has potential to enter to the field of competition and generate profits in favor of the firm which is deemed success in the long run whereby the company's Board of director is aware of the right of the stakeholders as specified by laws and shall control and support cooperation between the company and the stakeholders to create wealth, work and growth to the company with stabilized financial position and good environment.

5.5.4 Disclosure and transparency

Not only that the company has disclosed the required financial report and other information to the public on the completely, accurately, and timely manner, but also addition information has been disclosed to public to ensure transparency in its operation, for instance;

- . The information regarding performance and attendance of the directors.
- . Report on the corporate governance policy and the performance on such aspect.
- . Answering to the questions from public through concerned department.

5.5.5 The responsibilities of the Board of Director

The Board of Directors consists of qualified, knowledgeable, and accepted in his field of profession. The Board of Directors has responsibility to jointly draw the financial policy, risk management policy, and organization overview. The Board has to monitor, oversee and access the performance management staff to ensure that managing activities are carries out in accordance with the business plan.

In 2009, the Board of Director has 11 directors, which consist of 4 executive directors, 4 non-executive directors and 3 independent directors which all three of them are in the Audit committee.

Board of Directors Meeting

The firm shall define annual meeting schedule, such as general tour meeting, factory manager meeting and various division managers meeting on the 4th Tuesday of every month. The Board of Directors Meeting shall be convened on the 3rd Friday of each month, although the annual meeting is scheduled, the company shall prior submit a notice to determine the meeting at least 7 days by notifying meeting agenda and document concerned, including the previous meeting record for certification. Apart from normal monthly meeting, special to consider quarterly financial statements shall be also held to certify the report prescribed by Stock Exchange of Thailand. There will not be less than 12 Times of the Board of Directors Meeting to be convened in a year.

Remuneration of Directors and Management

(A) Remuneration of Directors

The firm has clearly and transparently specified remuneration of directors at the same rate, as that of the industry and the aforesaid rate is high enough for maintaining the qualified directors. This remuneration has been approved by the shareholder meeting. The director assigned to be the audit committees receive additional remuneration in line with the addition on line with the additional quantity of work.

(B) Remuneration of Management

The remuneration of management is in accordance with principles and policies set forth by the Board of Directors by the linkage of the enterprise's operational results and each management's performance. This remuneration shall be considered by Sub - Committee on Remuneration Determination and the suitable amount shall be presented to the Board of Director of the Company for final approval.

Sub - Committee

In addition to Board of Directors with remuneration according to above Remuneration of Directors and Management, the company still has ad hoc Sub - Committee without remuneration as necessary. In this regard, the directors, and salaried managers and employees shall be appointed to be the members of Sub - Committee.

Internal Control and Audit Systems

The company has set managerial structure to define that the Internal Control Division is Accountable to Managing Director and is the Secretary to the Committee.

The company focuses on internal control system both in efficient managerial and operational levels by apparently setting functions and powers of operation of operators and management in writing. The company controls and oversees the use of assets of the company to maximize benefit, segregate the duties of operator, follow up, control, and evaluate the performance on a continual basis.

Additionally. The company authorizes the Internal Audit Division to audit operations to ensure that major operations and crucial financial activities of the company abide by guidelines set forth and with efficiency, including auditing relevant law and requirement compliance and enabling Internal Audit Division to be independent and able to fully perform auditing and balancing. Thus, the company stipulates that the Internal Audit Division directly reports to the Audit Committee and that its performance is evaluated by the Audit Committee.

It is regarded that the control systems has directors continually control every dimension and follow up the results every month.

On internal audit, the Internal Audit Division controls, oversees, and assesses the performance in conformity to operational plans, and has the Audit Committee co-considers and co-evaluate the performance and then continuously report to the Board of Directors of the company for acknowledgement and consideration on a monthly basis.

Report of Board of Directors

The Board of Directors of the company is responsible for consolidated financial statements of the company and its subsidiaries and for financial information shown on annual report. The aforesaid financial statements are prepared in accordance with Generally Accepted Accounting Principles in Thailand. The company adopts the appropriate accounting policies with consistent practices, cautious judgment, and best estimation in preparation, including sufficient important information disclosure written in notes to financial statements.

The Board of Directors maintains effective internal control systems to reasonably ensure that the accounting data records are correct, complete, and adequate to maintain the properties and that the company will find its weak points to prevent material corruption or abnormal operation.

For these reasons, the Board of Directors appoints the Audit Committee consisting of Non-Executive Directors responsible for quality of financial reports and internal control systems and opinions given in respect of these issues, which have already been displayed on report of the Audit Committee on annual report.

In the Board of Directors' opinion, overall internal control systems of the company is in satisfactory level and can reasonably create confidence on the Company and its subsidiary companies' financial statements as at 31 December 2009.

Relationship with Investors

The Board of Directors of the company is always aware that the company's monetary and non-monetary information can affect investors and stakeholders' decision making; therefore, the company emphasizes the management to disclose its information; completely, actually, reliably, consistently and punctually, whereby the firm's management always realizes this importance and practice. For investor relations division, the Company has not yet particularly established this work unit. Nonetheless, the company has assigned the Finance Manager and the Financial and Project Analysis manager to contact and communicate with every institution of investors and shareholders, including analysts and public sectors concerned. Due to few transactions, investors can contact the company for information.

5.6 Use to inside information

The company prohibits its management personals or the relevant departments that acknowledge the inside information disclosing such information to the irrelevant parties or the outsiders.

5.7 Internal Audit

From Board of director's view, the company had already carried out proper internal audit. As the company has set up internal audit department, reporting to the audit committee, auditing activities were at least evaluated once a month. The directors were regularly updated in the Board of directors meeting. As a result of the company's audit mechanisms, the company and subsidiaries were able to protect their assets from misuse or unauthorized transaction.

6. Related party transaction

6.1 Related party transaction with party who may have conflict in the year 2009

In the year 2009, the company had business transaction with its subsidiaries, affiliates, related companies and related parties. Relationships are by ways of shareholdings, having common directors or partial joining executives. The significant business transaction between the company and those companies are summarized below.

Abbreviation's explanation

The Company

TRUBB = Thai Rubber Latex Corporation (Thailand) Public Company Limited

Subsidiaries

THAITEK = Thai Rubber Latex Group Co., Ltd. (TRUBB holds 100% shares)

WFX = World Flex PCL. (TRUBB holds 98.44% shares)

CITY = Thai Rubber City Co., Ltd. (TRUBB holds 100% shares)

Associated company

WSR = Wangsomboon Rubber Estate Co., Ltd. (TRUBB holds shares indirectly in WSR, by CITY holds 48.43% shares in WSR)

Related companies

LS = Latex Systems Co., Ltd.

VAP = Vorakij Auto Shrink Pack Co., Ltd.

WLS = World Latex Supply Co., Ltd.

TSE = Thai Smart Elastic Co., Ltd.

TCR = Thai Chun Rubber Partnership Ltd.

Related persons

Mr. Chainarin Nithipornpim = Shareholder and Assistant Managing Director

Mr. Prakrit Waraprateep = Shareholder's and Vice President's son

(A) Buying and Selling to related party transactions which are normal business activities

Name and Relationship	Transaction description	Transaction Value (Million Baht)	Necessity and Reasonability
LS (Group of shareholders who collectively hold 14% Shares in TRUBB hold 12% shares in LS)	THAITEX sold concentrated latex to LS as raw material for producing latex foam mattress.	30.46	<ul style="list-style-type: none"> - LS bought concentrated latex from THAITEX before to be related company of TRUBB. - THAITEX's selling price to LS is the same as to other customers.
WSB (Group of shareholders who collectively hold 30% Shares in TRUBB hold 20% shares in WSB)	THAITEX bought field latex from WSB's plantation as production raw material.	23.30	<ul style="list-style-type: none"> - WSB's plantation locates in the same province as Thaitex's factory. It is logistically reasonable to purchased price is the same as that of purchased from other plantation in the same province.
TSE (Groups of Shareholders who collectively hold 22.39% Shares in TRUBB hold 95.82% shares in TSE)	WFX sold second grade rubber thread to TSE as raw material for TSE and resell.	7.43	<ul style="list-style-type: none"> -TSE is the only purchaser of second grade rubber thread. Therefore there is no comparison of other purchaser's price.
Mr.Chainarin Nithipornpim (holding 0.50% share in TRUBB)	THAITEX bought field latex from Mr.Chainarin's rubber plantation as production raw material.	1.9	<ul style="list-style-type: none"> Mr.Chainarin's plantation locates in the same province as Thaitex's factory. It is logistically reasonable to purchase from his plantation. And purchased price is the same as that of purchased from other plantation.
SDR (Group of Shareholders who collective hold 49%share in TRUBB hold 96% share in SDR)	THAITEX bought field latex from SDR's plantation as production raw material.	5.01	<ul style="list-style-type: none"> SDR's plantation locates in the same province as Thaitex's factory. It is logistically reasonable to purchase from its plantation. And purchased price is the same as that of purchased from other plantation.

Name and Relationship	Transaction description	Transaction Value (Million Baht)	Necessity and Reasonability
TCR (Groups of shareholders who collectively hold 17% shares in TRUBB hold 42% shares in TCR)	TRUBB sold skim block to TCR as raw material for producing rubber band.	3.84	The 30% shareholder group of TCR is a co-founder of TRUBB and TCR has purchased skim block from TRUBB since its beginning. TRUBB's selling price to TCR is the same as to other customers.
WSB (Groups of shareholders who collectively hold 30% shares in TRUBB hold 20% shares in WSB)	TRUBB bought field latex from WSB's plantation as production raw material.	0.86	WSB's plantation locates in the same province as TRUBB's factory. It is logistically reasonable to purchase from its plantation. And purchased price is the same as that of purchased from other plantation.

(B) Relate party transactions which is not normal business activities

None

(C) Related party service transaction

Name and Relationship	Transaction description	Transaction value (Million Baht)	Necessity and Reasonability
Mr.Prakit Waraprateep (hold 8% shares in TRUBB)	THAITEX's factory in Chantaburi province rent the land from Mr.Prakit as the site for the latex concentrate factory with five centrifuging machines.	0.07	Renting land is a way to reduce the investment in fixed assets as the small factory such as Chantaburi branch and hence reduce fixed cost. In addition the rent charged, currently 66,000 Baht per year, is lower than the rent of nearby comparable plot of land. Rent duration is 10 years. Contract expires in 2012.

(D) Related interest expense/income transaction

None

(E) Dept guarantee among the companies

None

Policy in setting up price of related party transaction

Policy details are disclosed in the notes to consolidated financial statements point no.7, in the annual financial statements report of year 2009, which was audited by the Certified Public Accountant.

6.2 Necessary and justification of related party transaction

The company describes necessary and justification of related party transaction in table (A) and (C). Board of Directors and Audit Committee certified above related party transactions on 1 March 2010

6.3 Approve procedure of the normal business transaction with related party

Board of Directors will hold meeting once a year in order to set forth the policy, which related subordinate management staff will determine the price in accordance with the policy.

6.4 Policy of future related party transaction

The company has no policy to create new related transaction, however, if necessary, the company will carry out the transaction in the way that is most beneficial to the shareholder. The transactions carried out in 2009 will continue in 2010.

7. Management discussion and financial performance

7.1 Overall performance

(A) Overall performance

In the year 2009 Thai Rubber Latex Corporation (Thailand) PCL (TRUBB) and subsidiaries had total revenue Baht 7,978 million, decreased Baht 1,063 million or 12 percent decrease. Whereas, the cost of goods sold and services and total expenses were Baht 7,859 million, decreased Baht 1,297 million or 14 percent decrease. Net profit was Baht 120 million, increased 234 percent. Total assets were Baht 4,616 million, increased 836 million or 22 percent increase. Total liabilities were Baht 3,677 million, increased 779 million or 27 percent increase. Total shareholders' equity was Baht 938 million, increased 57 million or 6 percent increase. The major causes of better business operation were the subsidiaries business recovery after the raw material price crisis and business operation problem. Together with, the rubber demand increased owing to the economic explosive in China so it made the rubber demand not fall down. By the drought in almost all rubber planted areas in Thailand in 2009, it made the rubber price raised continuously also.

The causes of changes in 2009's operation results compared to 2009's were;

- (1) Sales and services income of 2009 was Baht 7,914 million decreased Baht 1,011 million or 11percent decrease.
- (2) Cost of sales and services was Baht 7,170 million decreased Baht 1,338 million or 16 percent decrease. (In 2009, the change in accounting policy for recording cost of inventory should be noted. TRUBB and subsidiaries changed the way cost of inventory was recorded; from the first-in-first-out method to the weighted average method. TRUBB and subsidiaries recorded the effect of the accounting change against the beginning balance of retained earnings of 2008 as though weighted average method were originally recorded).
- (3) Gross profit was Baht 744 million decreased Baht 327 million or 44 percent increase.
- (4) Selling and administrative expenses were Baht 456 million decreased Baht 1 million or 0.22 percent decrease.
- (5) Other income were Baht 64 million, decreased Baht 25 million or 28 percent decrease (The majoe cause of decrease in other income was gain futher from exchange rate Baht 3 million ,decrease 14 million)

- (6) Loss from derivatives trading was Baht 11 million
- (7) Other expenses were Baht 88 million increased Baht 83 million or 1,579 percent increase (cause of doubtful debt Baht 70.68 million).
- (8) Corporate income tax was Baht 0.67 million.

(B) Latex Concentrate Group:

- (1) Sale income – Sales revenue of 2009 was Baht 6,336 million decreased Baht 2,196 million or 26 percent decrease. It was the result of decrease selling price 28% .Whereas sale volume increased 142,265 metric ton or 7 percent increase because of the economy recovery all over the world in 2008.It made the old price and rubber price falled down tremendously.While rubber price falled down,rubber demand still grown up.
- (2) Other income – Other income was Baht 32 million, decreased Baht 70 million from 2009. The cause of decrease in other income were gain on exchange rate ,loss on derivatives trading and interest income decrease.
- (3) Cost of goods sold and expenses - Cost of sales and services was Baht 6,405 million decreased 2,410 million or 27 percent decrease due to 22 percent lower raw material cost. Selling and administration expenses was Baht 439 million increased Baht 41 million or 10 percent increase due to allowance for doubtful debt Baht 61 million . Interest expense was Baht 125 million decreased Baht 56 million or 31 percent decrease due to raw material price decrease .
- (4) Net loss – Net loss from normal operation was Baht 47 million, decreased 129 million compared to that loss of last year .Baht 176 million (In the company's financial performance didn't include the reversal of allowance for impairment of investment Baht 207 million)
- (5) Return on Equity - Thai Rubber Latex Group Co.,Ltd., subsidiary in the latex group, paid dividend Share for unpaid up Baht 40.80 million from profit Baht 86 million or 47.44 percent of the profit to TRUBB.

(C) Rubber Thread Group:

- (1) Sales income - Sales revenue of 2009 was Baht 1,450 million decreased Baht 658 million or 83 percent decrease due to sale volume increase, cause the demand of rubber thread increased especially in China. Together with, in 2009, the company succeeded in business's management improvement by new

executive management team who brought the effectiveness in production and new market penetration since 2008.

(2) Other income – Other income was Baht 20 million increased Baht 3 million or 18 percent increase due to sale volume increase from the sale and production volume increase. Whereas ,in 2009, gain on exchange rate was Baht 3 million decreased Baht 2 million compared to that of last year.

(3) Cost of goods sold and expenses - Cost of goods sold and expenses were totally Baht 1,265 million increased Baht 447 million or 55 percent increase due to sale and production volume increase.

(4) Net profit - Net profit from normal operation was Baht 204 million increased Baht 213 million. Also, net profit margin was 14 percent, increased 1 percent compared to that of last year.

(5) Return on Equity - Worldflex Co. , ltd. subsidiary rubber thread manufacturing, paid dividend Baht 57.75 million from profit Baht 204.48 million or 28.24 percent of the profit to TRUBB.

7.2 Financial Status

(A) Assets

Total assets at year end of 2009 were Baht 4,615 million increased 836 million or 22 percent increase from that of the previous year. Increase of current assets were Baht 744 million and non-current assets were Baht 92 million.

1. Assets Structure

- Current assets totally Baht 2,872 million, increased Baht 744 million or 35 percent increase. The main increased items were; trade accounts increased Baht 235 million due to higher in sales volume entire the year 2009 ; inventory increased Baht 627 million due to longer carrying stock period of 12 days and lower raw material price from economic slump ,so the company needed to keeping lower cost of stock.

- Non-current assets totally Baht 1,744 million, increased 92 million or 6 percent increase because of deferred expenses and withholding tax deducted at source.

2. Quality of Assets

- Assets in 2009, the company had not set allowance for diminution in value of inventories.

- Trade account and notes receivable (before allowance for doubtful accounts) totally Baht 1,355 million. The profile was as follows;

(1) 73 percent of total trade accounts and notes receivable was within due date; comparing to 59 percent that of last year.

(2) 22 percent of total trade account and notes receivable was overdue less than 365 days; comparing to 37 percent that of last year.

(3) The balance Baht 71 million of total trade accounts and notes receivable or 5 percent of total, was made full allowance. This portion was higher comparing to 2.76 percent of 2008. Most of these trade accounts and notes receivable with full allowance had outstanding duration longer than 1 year or under legal action against the company.

(B) Liquidity

1. Cash flow -as of 31 December 2009, the cash flow situation was summarized follows;

- Cash flows from operation activities: Net cash used from operating activities of Baht 408 million, whereas in 2008 that had net cash used in operating activities of Baht 1,072 million. This was due to Baht 279 million increase of trade accounts and notes receivable compared to Baht 669 million decrease of that in 2008 and Baht 428 million increase of inventory compared to Baht 209 million decrease of that in 2008 due to higher sales and production volume in 2009.

- Cash flows used in investing activities: Net cash used in investment was Baht 184 million, decreased from previous year of Baht 159 million due to expanding investment in land plant and equipment Baht 160 million in 2009, whereas in 2008 that was of Baht 125 million.

- Cash flows from financing activities: Net cash used in financing activities were Baht 459 million, comparing to net cash from financing activities of Baht 835 million in 2008, because of increasing short term debt of Baht 657 million for stocking which the rubber price risen ours raw material 100 percent more.

2. Liquidity ratios

- Current ratio was 0.78 time, increase 0.11 time from last year due to decreasing in short-term financing ratio when compared to total asset because of utilizing profit from operation in business instead.

- Acid-test ratio was 0.40 time, decreased 0.01 time from last year. Due to higher sales volume in 2009, the company increased the investment in account and trade receivable more and another cause was allowance for doubtful debt.

- Repayment of short-term debt and current portion of long-term loans which may affect liquidity: as at year end 2009, the current portion of long-term loans in 2009 of Baht 522 million in the notes of 2009 consolidated financial statements point no.17 (e) , there was long-term loan Baht 300 million (as promissory note credit facility from financial institution) which will be revolving every 3 year and will be paid by November 2010.

(C) Capital Expenditure

Capital expenditure in 2009 totally Baht 4.38 million. Details of that were provided in the notes to 2009 consolidated financial statements point no.11.

(D) Source of Fund

1.Capital Structure - Debt to equity ratio was 3.92 time, increased from 3.29 time as at year end 2008, because, the company increased to utilize short-term loan from financial institution in the last quarter in 2009 ,the company's policy needed to increase the level of keeping inventories more,because it will be forecasted having drought in 2010 will make the shortage of inventories.Beside using net operation profit for inventories investment,the company utilized short term financial for inventories investment also.

2. Shareholder's equity - Equity of Baht 938 million, increased Baht 57 million or 6 percent increase.

3. Liabilities - Current portion of long-term was Baht 3,677.48 million, increased Baht 778.71 million or 26.83 percent. Long-term debt was already repaid totally.

7.3 Audit's remuneration

(A) Audit fee

The company and subsidiaries paid total audit fee of Baht 5.55 million.

(B) Non – audit fee

The subsidiaries have to pay the audit fee for reviewing the compliance with the conditions of the Board of investments certificate in the future amounting Baht 0.22 million.

8. Financial Report

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its subsidiaries

Report and consolidated financial statement 21 December 2009 and 2008

Report of Independent Auditor

To the Shareholders of Thai Rubber Latex Corporation (Thailand) Public Company Limited

I have audited the accompanying consolidated balance sheets of Thai Rubber Latex Corporation (Thailand) Public Company Limited and its subsidiaries as at 31 December 2009 and 2008, the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended, and the separate financial statements of Thai Rubber Latex Corporation (Thailand) Public Company Limited for the same periods. These financial statements are the responsibility of the management of the Company and its subsidiaries as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits. I did not audit the financial statements of a subsidiary, which were included in the consolidated financial statements with total assets as at 31 December 2009 of approximately Baht 70.6 million, representing 1.53 percent of the consolidated total (2008: Baht 54.3 million or 1.46 percent of consolidated total) and total revenues for the year then ended of approximately Baht 12.5 million, representing 0.15 percent of the consolidated total (2008: Baht 7.1 million or 0.07 percent of the consolidated total). The financial statements of this subsidiary were audited by other auditor and I have obtained the audit report from that auditor. Therefore, my report, related to any amounts and particulars of this subsidiary as included in the consolidated financial statements for the year 2009 and 2008, are based solely upon the audit report of that auditor.

Except as discussed in the next paragraph, I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.



I have yet to receive the financial statements for the year ended 31 December 2009 of an overseas subsidiary company, which is 100 percent held by Thai Rubber Latex Group Company Limited, the subsidiary of the Company. The financial statements of this subsidiary were included in the consolidated financial statements with total assets as at 31 December 2009 of approximately Baht 106.36 million, representing 2 percent of the consolidated total and total revenues for the year then ended of approximately Baht 773.93 million, representing 10 percent of the consolidated total. The financial statements of the subsidiary company as included in the consolidated financial statements for the year ended 31 December 2009 were prepared by the management of the subsidiary, and were unaudited by the auditor of the subsidiary.

In my opinion, based on my audits and the report of the other auditor, except for the effect to the 2009 financial statements of the adjustments that might have been required from the matter discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Thai Rubber Latex Corporation (Thailand) Public Company Limited and its subsidiaries and of Thai Rubber Latex Corporation (Thailand) Public Company Limited as at 31 December 2009 and 2008, the results of their operations, and cash flows for the years then ended in accordance with generally accepted accounting principles.

Without additional qualifying my opinion on the above financial statements, I draw attention to the following matters:

- a) As discussed in Note 4 to the financial statements, in 2009, the Company and its subsidiaries changed their accounting policy for recording inventories from first-in, first-out method to weighted average method. The Company and its subsidiaries had restated the financial statements as at 31 December 2008 and for the year then ended, to reflect such change in accounting policy.



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- b) As discussed in Note 28.4 to the financial statements, a subsidiary received a notice from the Department of Special Investigation (DSI) alleging that the subsidiary encroached on approximately 900 rai of the National Reserve land for rubber planting. The management of the Company and the subsidiary refuse the allegation and have explained that the Company's procedures for acquiring land for planting accord with legal processes, and the land possessory rights were legally acquired. The case is currently under the consideration of the DSI in which the management believe that the final outcome will not result in significant loss to the Company and the subsidiary.

Kamontip Lertwitworatep

Certified Public Accountant (Thailand) No. 4377

Ernst & Young Office Limited

Bangkok: 1 March 2010

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its subsidiaries

Balance sheets

As at 31 December 2009 and 2008

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2009	2008	2009	2008
			(Restated)		(Restated)
Assets					
Current assets					
Cash and cash equivalents		127,118,366	262,445,926	33,634,987	19,210,198
Trade accounts receivable					
Related parties	7, 8	48,233,682	51,580,195	186,012,513	41,634,210
Unrelated parties - net	8	1,278,164,418	1,039,877,054	737,941,960	566,672,034
Trade accounts receivable - net		1,326,398,100	1,091,457,249	923,954,473	608,306,244
Short-term loans and advances to					
Related parties	7	454,117	12,737,722	374,998,986	272,989,726
Unrelated parties - net		74,492,343	57,199,571	34,397,502	42,265,035
Inventories - net	9	1,277,518,098	651,108,486	207,934,264	178,510,323
Other current assets					
Value added tax refundable		10,988,021	4,344,128	622,396	1,012,580
Advance payments for goods		29,159,933	17,619,246	29,159,934	11,731,566
Others		25,535,386	30,598,942	3,313,705	563,959
Total other current assets		65,683,340	52,562,316	33,096,035	13,308,105
Total current assets		2,871,664,364	2,127,511,270	1,608,016,247	1,134,589,631
Non-current assets					
Investments in subsidiaries - net	10	-	-	1,210,011,559	1,006,744,059
Investments in associates - net	11	36,158,775	54,256,060	8,295,720	15,018,407
Other long-term investments - net	12	-	-	-	-
Property, plant and equipment - net	13	1,256,662,972	1,226,561,930	280,491,274	301,028,203
Land possessory rights - net	14	137,775,981	137,775,981	3,129,500	3,129,500
Rubber plantation development costs	15	172,080,665	108,083,527	-	-
Other non-current assets					
Withholding tax deducted at source		55,827,624	39,787,670	54,372,618	38,187,740
Deposit for purchase of land		33,214,820	52,269,019	-	-
Others		52,417,240	33,861,418	5,304,169	2,494,848
Total other non-current assets		141,459,684	125,918,107	59,676,787	40,682,588
Total non-current assets		1,744,138,077	1,652,595,605	1,561,604,840	1,366,602,757
Total assets		4,615,802,441	3,780,106,875	3,169,621,087	2,501,192,388

The accompanying notes are an integral part of the financial statements.

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its subsidiaries

Balance sheets (continued)

As at 31 December 2009 and 2008

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2009	2008	2009	2008
			(Restated)		(Restated)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	16	2,768,452,270	2,111,707,483	1,307,582,354	733,194,707
Trade accounts payable					
Related parties	7	347,864	5,987,753	380,165,377	394,997,492
Unrelated parties		220,853,322	108,574,142	16,143,747	19,378,599
Total trade accounts payable		221,201,186	114,561,895	396,309,124	414,376,091
Short-term loans and advances from					
related parties	7	-	1,311,066	86,596,454	98,691,458
Current portion of long-term loans	17	522,250,000	584,634,132	522,250,000	573,586,791
Current portion of finance leases and hire-purchase payable	18	1,508,167	2,056,393	-	-
Other current liabilities					
Accrued expenses		122,530,941	56,781,230	29,817,515	20,820,957
Others		41,287,614	21,929,851	8,021,637	5,842,760
Total other current liabilities		163,818,555	78,711,081	37,839,152	26,663,717
Total current liabilities		3,677,230,178	2,892,982,050	2,350,577,084	1,846,512,764
Non-current liabilities					
Long-term loans - net of current portion	17	-	5,039,572	-	5,039,572
Finance leases and hire-purchase payable - net of current po	18	248,291	744,986	-	-
Total non-current liabilities		248,291	5,784,558	-	5,039,572
Total liabilities		3,677,478,469	2,898,766,608	2,350,577,084	1,851,552,336

The accompanying notes are an integral part of the financial statements.

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its subsidiaries

Balance sheets (continued)


As at 31 December 2009 and 2008

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2009	2008	2009	2008
			(Restated)		(Restated)
Shareholders' equity					
Share capital					
Registered					
50,000,000 ordinary shares of Baht 10 each		500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid up					
27,263,106 ordinary shares of Baht 10 each		272,631,060	272,631,060	272,631,060	272,631,060
Paid-in capital					
Share premium		124,045,530	124,045,530	124,045,530	124,045,530
Revaluation surplus on assets	13	391,127,652	450,752,664	96,105,604	102,655,698
Translation adjustments		(1,153,998)	-	-	-
Retained earnings					
Appropriated - statutory reserve	19	80,517,672	64,164,000	50,000,000	42,559,000
Unappropriated (deficit)		64,724,036	(38,817,427)	276,261,809	107,748,764
Equity attributable to Company's shareholders		931,891,952	872,775,827	819,044,003	649,640,052
Minority interest - equity attributable to minority shareholders of subsidiaries					
		6,432,020	8,564,440	-	-
Total shareholders' equity		938,323,972	881,340,267	819,044,003	649,640,052
Total liabilities and shareholders' equity		4,615,802,441	3,780,106,875	3,169,621,087	2,501,192,388
		0	-	-	-

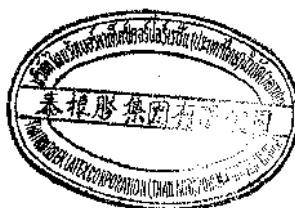
The accompanying notes are an integral part of the financial statements.

Directors


นายวราเทพ วาสัตตชกุล
กรรมการผู้จัดการ


นายไพบุลย์ วรประทีป
กรรมการบริหาร


นายไพบุลย์ วรประทีป
กรรมการบริหาร



Thai Rubber Latex Corporation (Thailand) Public Company Limited and its subsidiaries

Income statements

For the years ended 31 December 2009 and 2008

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2009	2008 (Restated)	2009	2008 (Restated)
Revenues					
Sales and service income		7,913,795,979	8,924,527,145	4,298,407,012	5,165,345,704
Gain from sale of investment		45,105	65,299	3,775,180	65,299
Gain from investment in agricultural futures		-	27,767,716	-	22,889,970
Other income					
Interest income		19,717,766	22,688,120	25,507,547	32,475,616
Dividend income	10	-	-	97,649,587	-
Gain on exchange		3,383,384	17,296,897	-	-
Reversal of allowance for impairment of investment		-	-	221,119,508	-
Others		41,198,824	49,056,698	9,718,487	26,635,095
Total other income		64,299,974	89,041,715	353,995,129	59,110,711
Total revenues		7,978,141,058	9,041,401,875	4,656,177,321	5,247,411,684
Expenses					
Cost of sales and services		7,170,352,510	8,507,872,613	4,129,636,278	5,042,100,144
Selling expenses		246,811,867	272,375,751	128,506,593	146,419,138
Administrative expenses		159,662,696	161,117,810	42,364,224	43,142,018
Directors' and management's remuneration		49,334,000	21,973,000	11,082,000	9,295,000
Loss on derivatives trading		10,729,287	-	10,542,069	-
Loss on exchange		-	-	3,024,906	6,268,628
Other expenses		88,344,025	5,259,432	73,640,099	12,864,623
Total expenses		7,725,234,385	8,968,598,606	4,398,796,169	5,260,089,551
Income (loss) before share of income (loss) from investments					
in associates, financial cost and corporate income tax		252,906,673	72,803,269	257,381,152	(12,677,867)
Share of loss from investments in associates	11	(263,368)	(322,145)	-	-
Income (loss) before financial cost and corporate income tax					
corporate income tax		252,643,305	72,481,124	257,381,152	(12,677,867)
Financial cost		(132,829,869)	(187,066,748)	(81,427,107)	(77,666,161)
Income (loss) before corporate income tax		119,813,436	(114,585,624)	175,954,045	(90,344,028)
Corporate income tax	21	(673,666)	(636,707)	-	-
Net income (loss) for the year		119,139,770	(115,222,331)	175,954,045	(90,344,028)
Net income (loss) attributable to:					
Equity holders of the parent		119,895,135	(112,497,029)	175,954,045	(90,344,028)
Minority interests of the subsidiaries		(755,365)	(2,725,302)		
		119,139,770	(115,222,331)		
Basic earnings (loss) per share					
Net income (loss) attributable to equity holders of the parent	23	4.40	-4.13	6.45	(3.31)
Weighted average number of ordinary shares (shares)		27,263,106	27,263,106	27,263,106	27,263,106

The accompanying notes are an integral part of the financial statements.

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the years ended 31 December 2009 and 2008

(Unit: Baht)

Consolidated financial statements									
Note	Equity attributable to the parent's shareholders						Minority interest -		
	Issued and paid-up share capital	Share premium	Revaluation surplus on assets	Translation adjustment	Retained earnings		Total equity attributable to the parent's shareholders	to minority shareholders of subsidiaries	Total
					Appropriated - statutory reserve	Unappropriated (deficit)			
Balance as at 31 December 2007 - as previously reported	272,631,060	124,045,530	515,767,989	-	64,164,000	102,871,132	1,079,479,711	11,540,670	1,091,020,381
Cummulative effect on change in accounting policy for recording inventories	4	-	-	-	-	(29,191,530)	(29,191,530)	(24,251)	(29,215,781)
Balance as at 31 December 2008 - as restated	272,631,060	124,045,530	515,767,989	-	64,164,000	73,679,602	1,050,288,181	11,516,419	1,061,804,600
Expense recognised directly in equity:									
Amortisation of revaluation surplus on assets	13	-	-	(65,015,325)	-	-	(65,015,325)	(226,677)	(65,242,002)
Total expense recognised directly in equity		-	-	(65,015,325)	-	-	(65,015,325)	(226,677)	(65,242,002)
Net loss for the year - restated		-	-	-	-	(112,497,029)	(112,497,029)	(2,725,302)	(115,222,331)
Balance as at 31 December 2008	272,631,060	124,045,530	450,752,664	-	64,164,000	(38,817,427)	872,775,827	8,564,440	881,340,267

The accompanying notes are an integral part of the financial statements.

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the years ended 31 December 2009 and 2008

(Unit: Baht)

Consolidated financial statements									
Note	Equity attributable to the parent's shareholders						Minority interest -		
	Issued and paid-up share capital	Share premium	Revaluation surplus on assets	Translation adjustment	Retained earnings (deficit)		Total equity attributable to the parent's shareholders	to minority shareholders of subsidiaries	Total
					Appropriated - statutory reserve	Unappropriated (deficit)			
Balance as at 31 December 2008 - as previously reported	272,631,060	124,045,530	450,752,664	-	64,164,000	(99,420,381)	812,172,873	8,610,244	820,783,117
Cummulative effect on change in recording investment from cost method to equity method	11.1.2	-	-	-	-	(1,290,324)	(1,290,324)	-	(1,290,324)
Cummulative effect on change in accounting policy for recording inventories	4	-	-	-	-	61,893,278	61,893,278	(45,804)	61,847,474
Balance as at 31 December 2008 - as restated	272,631,060	124,045,530	450,752,664	-	64,164,000	(38,817,427)	872,775,827	8,564,440	881,340,267
Expenses recognised directly in equity:									
Amortisation of revaluation surplus on assets	13	-	-	(59,625,012)	-	-	(59,625,012)	(226,677)	(59,851,689)
Translation adjustment		-	-	(1,153,998)	-	-	(1,153,998)	-	(1,153,998)
Total expenses recognised directly in equity		-	-	(59,625,012)	(1,153,998)	-	(60,779,010)	(226,677)	(61,005,687)
Net income (loss) for the year		-	-	-	-	119,895,135	119,895,135	(755,365)	119,139,770
Total income (expenses) recognised for the year		-	-	(59,625,012)	(1,153,998)	119,895,135	59,116,125	(982,042)	58,134,083
Unappropriated retained earnings transferred to statutory reserve		-	-	-	16,353,672	(16,353,672)	-	-	-
Decrease in minority interest from dividend paid by subsidiaries		-	-	-	-	-	-	(900,414)	(900,414)
Decrease in minority interest		-	-	-	-	-	-	(249,964)	(249,964)
Balance as at 31 December 2009	272,631,060	124,045,530	391,127,652	(1,153,998)	80,517,672	64,724,036	931,891,952	6,432,020	938,323,972

The accompanying notes are an integral part of the financial statements.

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the years ended 31 December 2009 and 2008

(Unit: Baht)

Separate financial statements						
Note	Issued and paid-up	Share premium	Revaluation surplus on assets	Retained earnings		Total
				Appropriated - statutory	Unappropriated	
	share capital			reserve		
Balance as at 31 December 2007 - as previously reported	272,631,060	124,045,530	109,227,131	42,559,000	205,895,809	754,358,530
Cummulative effect on change in accounting policy for recording inventories	4	-	-	-	(7,803,017)	(7,803,017)
Balance as at 31 December 2007 - as restated	272,631,060	124,045,530	109,227,131	42,559,000	198,092,792	746,555,513
Expense recognised directly in equity:						
Amortisation of revaluation surplus on assets	13	-	-	(6,571,433)	-	(6,571,433)
Total expense recognised directly in equity		-	-	(6,571,433)	-	(6,571,433)
Net loss for the year - restated		-	-	-	(90,344,028)	(90,344,028)
Balance as at 31 December 2008	272,631,060	124,045,530	102,655,698	42,559,000	107,748,764	649,640,052

The accompanying notes are an integral part of the financial statements.

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the years ended 31 December 2009 and 2008

(Unit: Baht)

Separate financial statements						
Note	Issued and paid-up	Share premium	Revaluation surplus on assets	Retained earnings		Total
				Appropriated - statutory	Unappropriated	
	share capital			reserve		
Balance as at 31 December 2008 - as previously reported	272,631,060	124,045,530	102,655,698	42,559,000	91,829,931	633,721,219
Cummulative effect on change in accounting policy for recording inventories	4	-	-	-	15,918,833	15,918,833
Balance as at 31 December 2008 - as restated	272,631,060	124,045,530	102,655,698	42,559,000	107,748,764	649,640,052
Expenses recognised directly in equity:						
Amortisation of revaluation surplus on assets	13	-	-	(6,550,094)	-	(6,550,094)
Total expenses recognised directly in equity		-	-	(6,550,094)	-	(6,550,094)
Net income for the year		-	-	-	175,954,045	175,954,045
Total income (expenses) recognised for the year		-	-	(6,550,094)	175,954,045	169,403,951
Unappropriated retained earnings transferred to statutory reserve	19	-	-	7,441,000	(7,441,000)	-
Balance as at 31 December 2009	272,631,060	124,045,530	96,105,604	50,000,000	276,261,809	819,044,003

The accompanying notes are an integral part of the financial statements.

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its subsidiaries

Cash flows statements

For the years ended 31 December 2009 and 2008

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
		(Restated)		(Restated)
Cash flows from operating activities				
Net income (loss) before tax	119,813,436	(114,585,624)	175,954,045	(90,344,028)
Adjustments to reconcile net income (loss) before tax to net cash provided by (paid from) operating activities:				
Share of loss from investments in associates				
under equity method	263,368	322,145	-	-
Dividend income	-	-	(97,649,587)	(306,626)
Depreciation and amortisation	94,357,879	97,329,826	18,650,336	20,825,114
Doubtful accounts	48,358,619	2,072,004	60,772,785	3,644,623
Loss from diminution in inventory value (reversal)	(197,976,291)	196,976,291	(85,273,002)	85,273,002
Gain from disposals of property, plant and equipment	(205,932)	(1,326,758)	(100)	(129,009)
Loss from impairment of assets (reversal)	(187,713)	187,713	-	-
Loss from impairment of deposits for purchase of land	8,287,000	-	-	-
Loss (gain) from sales of investments	3,079,734	(65,299)	9,188,070	(65,299)
Loss from impairment of investments (reversal)	-	-	(221,119,508)	9,220,000
Unrealised loss (gain) on exchange	(2,562,844)	(6,960,344)	3,086,932	(4,053,259)
Interest income	(19,717,766)	(22,688,120)	(25,507,547)	(32,475,616)
Interest expenses	126,988,343	180,909,811	79,222,702	76,304,574
Net operating income (loss) before changes in operating assets and liabilities	180,497,833	332,171,645	(82,674,874)	67,893,476
Operating assets (increase) decrease				
Trade accounts receivable	(278,599,069)	668,946,637	(377,279,756)	584,347,531
Short-term loans and advances to unrelated parties	(19,387,662)	4,031,498	5,639,343	(13,461,324)
Inventories	(428,433,321)	208,863,015	55,849,061	(4,216,172)
Other current assets	(12,467,990)	85,363,748	(22,534,859)	195,709,428
Other non-current assets	(27,279,564)	(35,717,589)	(2,809,321)	11,197,868
Operating liabilities increase (decrease)				
Trade accounts payable	106,639,291	(116,893,051)	(18,066,967)	(350,349,030)
Accrued expenses	65,749,711	(66,943,394)	8,996,558	(24,634,378)
Other current liabilities	18,739,863	(19,228,631)	5,757,524	1,273,712
Cash from (used in) operating activities	(394,540,908)	1,060,593,878	(427,123,291)	467,761,111
Cash received from interest income	2,643,801	14,205,919	1,998,395	13,295,637
Cash received from withholding tax deducted at source	-	20,180,843	-	17,501,386
Cash paid for corporate income tax	(16,415,805)	(22,982,708)	(16,184,878)	(21,618,457)
Net cash from (used in) operating activities	(408,312,912)	1,071,997,932	(441,309,774)	476,939,677

The accompanying notes are an integral part of the financial statements.

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its subsidiaries

Cash flows statements (continued)

For the years ended 31 December 2009 and 2008

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
		(Restated)		(Restated)
Cash flows from investing activities				
Decrease (increase) in short-term loans and advances to related parties	12,283,605	(1,194,920)	(102,095,353)	(95,488,218)
Cash received from interest income	16,940,665	8,604,336	23,429,169	18,797,630
Cash paid for investments in related parties	(4,377,720)	-	(11,877,720)	(210,199,997)
Cash returned from investments in related parties	17,525,095	-	27,264,345	-
Cash paid for investments in other companies	-	(30,000,000)	-	(30,000,000)
Cash returned from investments in other companies	-	30,065,299	-	30,065,299
Dividend received from related parties	706,394	3,213,600	97,649,587	306,626
Proceeds from disposals of property, plant and equipment	3,414,056	26,002,145	7,528,540	3,921,748
Purchases of property, plant and equipment	(160,762,453)	(124,582,531)	(12,191,941)	(21,214,713)
Increase in rubber plantation development costs	<u>(70,629,199)</u>	<u>(71,335,396)</u>	<u>-</u>	<u>-</u>
Net cash from (used in) investing activities	<u>(184,899,557)</u>	<u>(159,227,467)</u>	<u>29,706,627</u>	<u>(303,811,625)</u>
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	656,744,787	(779,085,352)	574,387,647	(267,914,737)
Increase (decrease) in short-term loans and advances from related parties	(1,311,066)	1,049,732	(11,847,979)	10,020,971
Cash received from long-term loans	-	160,000,000	-	160,000,000
Repayment of long-term loans	(67,423,704)	(39,631,359)	(56,376,363)	(18,623,637)
Cash paid for finance leases and hire-purchase payable	(1,247,221)	(407,643)	-	(732,457)
Interest expenses	(127,473,925)	(177,358,574)	(80,135,369)	(73,001,302)
Share subscription received from minority interest	<u>(249,964)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash from (used in) financing activities	<u>459,038,907</u>	<u>(835,433,196)</u>	<u>426,027,936</u>	<u>(190,251,162)</u>
Increase (decrease) in cash and cash equivalents	(134,173,562)	77,337,269	14,424,789	(17,123,110)
Translation adjustment	<u>(1,153,998)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>(135,327,560)</u>	<u>77,337,269</u>	<u>14,424,789</u>	<u>(17,123,110)</u>
Cash and cash equivalents at beginning of the year	<u>262,445,926</u>	<u>185,108,657</u>	<u>19,210,198</u>	<u>36,333,308</u>
Cash and cash equivalents at the end of the year	<u><u>127,118,366</u></u>	<u><u>262,445,926</u></u>	<u><u>33,634,987</u></u>	<u><u>19,210,198</u></u>

Supplemental cash flows information:

Non-cash related transactions from investing activities

Depreciation on revalued portion	59,851,689	65,242,002	6,550,094	6,571,433
Transfer land possessory rights to land	-	1,310,860	-	-
Transfer deposits for purchase of land to land	22,753,307	-	-	-
Assets acquired under financial lease agreements and hire purchase	202,300	-	-	-

The accompanying notes are an integral part of the financial statements.

**Thai Rubber Latex Corporation (Thailand) Public Company Limited
and its subsidiaries**

Notes to financial statements

For the years ended 31 December 2009 and 2008

1. General information

Thai Rubber Latex Corporation (Thailand) Public Company Limited (“the Company”) was incorporated as a limited company under Thai laws and was transformed to be a public limited company under the Public Limited Companies Act. The Company is domiciled in Thailand and is principally engaged in the manufacture and sales of latex concentrated and prevulcanized latex. Its registered address is at No. 99/1-3 Moo 13, Bangna-Trad Road, K.M. 7, Tambol Bangkaew, Amphur Bangplee, Samutprakarn.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 30 January 2009, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Thai Rubber Latex Corporation (Thailand) Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage owned by		Assets as a		Revenues as a	
			the Company - direct		percentage to the		percentage to the	
			and indirect		consolidated total		consolidated total	
					assets as of		revenues for the years	
					31 December		ended 31 December	
			2009	2008	2009	2008	2009	2008
			Percent	Percent	Percent	Percent	Percent	Percent
<u>Subsidiaries directly held by the Company</u>								
Thai Rubber Latex Group Co., Ltd.	Production and distribution of latex concentrate and skim blocks	Thailand	100.0	100.0	37	41	32	33
World Wide Resource Trading Co., Ltd.	Importer of rubber and textile chemicals concentrate and skim blocks	Thailand	-	100.0	-	-	-	-
World Flex Public Company Limited	Production of rubber thread	Thailand	98.4	98.4	18	14	14	9
Thai Tank Installation Co., Ltd.	Storage and shipment services for exports of latex	Thailand	65.4	65.4	-	-	-	-
Thaitex RCP Technology Limited	Import and distribution of the chemicals and equipment for latex producing	Thailand	-	45.0	-	-	-	-
Thai Rubber City Co., Ltd.	To operate the rubber planting project	Thailand	100.0	100.0	11	12	-	-
Agrowealth Co., Ltd.	Agricultural future trading	Thailand	100.0	100.0	2	1	-	-
<u>Subsidiary directly held by Agrowealth Co., Ltd.</u>								
Udomsuk (S) Pte Ltd.	Purchase and investment in agricultural future trading	Singapore	-	100.0	-	-	-	-
<u>The subsidiaries held by Thai Rubber Latex Group Co., Ltd.</u>								
Thai Rubber Latex Group Co., Ltd. (Shanghai)	Purchase and distribution of latex concentrate	China	100.0	-	2	-	10	-

- b) Subsidiaries are fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent significant accounting policies.
- d) The financial statements of overseas subsidiary company are translated into Thai Baht at the closing exchange rate as to assets and liabilities, and at monthly average exchange rates as to revenues and expenses. The resultant differences are shown under the caption of “Translation adjustment” in shareholders’ equity
- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f) Investments in the subsidiaries as recorded in the Company's books of account are eliminated from the consolidated financial statements.

- g) Minority interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

- 2.3 The separate financial statements, which present investments in subsidiaries and associates under the cost method, have been prepared solely for the benefit of the public.

3. Adoption of new accounting standards

In June 2009, the Federation of Accounting Professions has issued Notification No. 12/2552, assigning new numbers to Thai Accounting Standards that match the corresponding International Accounting Standards. The numbers of Thai Accounting Standards as referred to in these financial statements reflect such change.

The Federation of Accounting Professions has issued Notification No. 86/2551 and 16/2552, mandating the use of new accounting standards, financial reporting standard and accounting treatment guidance as follows:

3.1 Accounting standards, financial reporting standard and accounting treatment guidance which are effective for the current year

Framework for Preparation and Presentation of Financial Statements (revised 2007)

TAS 36 (revised 2007)

Impairment of Assets

TFRS 5 (revised 2007)

Non-current Assets Held for Sale

and Discontinued Operations

Accounting Treatment Guidance for Leasehold Right

Accounting Treatment Guidance for Business Combination under Common Control

These accounting standards, financial reporting standard and accounting treatment guidance became effective for the financial statements for fiscal years beginning on or after 1 January 2009. The management has assessed the effect of these standards and believes that TFRS 5 (revised 2007), Accounting Treatment Guidance for Leasehold Right and Accounting Treatment Guidance for Business Combination under Common Control are not relevant to the business of the Company, while Framework for Preparation and Presentation of Financial Statements (revised 2007) and TAS 36 (revised 2007) do not have any significant impact on the financial statements for the current year.

3.2 Accounting standards which are not effective for the current year

		<u>Effective date</u>
TAS 20	Accounting for Government and Disclosure of Government Assistance	1 January 2012
TAS 24 (revised 2007)	Related Party Disclosures	1 January 2011
TAS 40	Investment Property	1 January 2011

However, TAS 24 (revised 2007) and TAS 40 allow early adoption by the entity before the effective date.

The management of the Company has assessed the effect of these standards and believes that TAS 20 and TAS 40 are not relevant to the business of the Company, while TAS 24 (revised 2007) will not have any significant impact on the financial statements for the year in which it is initially applied.

4. Change in accounting policy for recording inventories

In 2009, the Company and its subsidiaries changed its accounting policy for recording inventories from first-in, first-out method to weighted average method. In this regard, the Company had restated the previous year's consolidated and separate financial statements as though the inventories had originally been recorded using weighted average method. The change has an effect of decreasing net loss in the consolidated and separate financial statements for the year ended 31 December 2008 by Baht 91.1 million (Baht 3.34 per share) and Baht 23.7 million (Baht 0.87 per share), respectively. The cumulative effect of the change in accounting policy has been presented under the heading of "Cumulative effect on the change in accounting policy for recording inventories" in the statements of changes in shareholders' equity.

5. Significant accounting policies

5.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deduction discounts and allowances. Revenues from sales of goods under the conditions that the goods will be paid for only when they are used by the customer, and that unused goods can be returned, are recognised when the goods are used by the customer.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Rental income

Rental income is recognised on an accrual basis.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash and deposits at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.3 Trade accounts receivable

Trade accounts and notes receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in the collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

5.4 Inventories

Finished goods are valued at the lower of cost (weighted average method) and net realisable value. Cost includes as all production costs and attributable factory overheads.

Raw materials and supplies used in the manufacture are valued at the lower of cost (weighted average method) and net realisable value and are charged to production costs whenever consumed.

Allowance for diminution in inventory value is made for damaged, slow-moving or deteriorated inventories.

5.5 Investments

- a) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.
- c) Long-term investments in marketable equity securities which are regarded as available-for-sale securities are determined at fair value. Changes in the carrying amount of securities are recorded in shareholders' equity in the balance sheets until the securities are sold or permanently impaired, the changes are then included in determining income.
- d) Long-term investments in non-marketable equity securities, which are classified as other investments, are stated at cost net of allowance for loss on diminution in value (if any).

5.6 Property, plant and equipment and depreciation

Land is stated at revalued amount. Buildings and equipment are stated at cost or revalued amount less accumulated depreciation and allowance for loss on impairment of assets (if any).

Property, plant and equipment are initially recorded at cost on the acquisition date. Land, buildings and machinery are subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the balance sheet date.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Company's and the subsidiaries' assets, the increase is credited directly to equity under the heading of "Revaluation surplus on assets". However, a revaluation increase will be recognised as income to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense.

- When an asset's carrying amount is decreased as a result of a revaluation of the Company's and the subsidiaries' assets, the decrease is recognised as an expense in the income statement. However, a revaluation decrease is to be charged directly against the related "Revaluation surplus on assets" to the extent that the decrease does not exceed the amount held in the "Revaluation surplus on assets" in respect of those same assets. Any excess amount is to be recognised as an expense in the income statement.

Depreciation of plant and equipment is calculated by reference to their costs or the revalued amount on the straight-line basis (except certain assets which were acquired prior to 1998 are depreciated based on declining basis) over the following estimated useful lives:

Building and building improvement	-	5 - 50	years
Machinery	-	5 - 20	years
Office equipment	-	3 - 5	years
Motor vehicles	-	5	years
Other fixed assets	-	5 - 10	years

The depreciation is dealt with in the financial statements as follows:

- Depreciation attributed to the original cost portion is included in determining income.
- Depreciation attributed to the surplus portion is deducted against revaluation surplus in shareholders' equity.

No depreciation is provided for land, land improvement and assets in progress.

5.7 Rubber plantation development costs

Rubber plantation development costs present the costs of rubber tree plantation, which are amortised over the estimated productive life of the rubber trees (20 years).

Cost of supplying rubber vacancies and infilling mature areas are included in determining income.

No amortisation is provided on rubber plantation development costs that are not ready for harvest.

5.8 Land possessory rights

Land possessory rights are stated at cost less allowance for loss on impairment of assets (if any).

5.9 Deferred expenses and amortisation

Deferred expenses represent deferred receptacle costs, which are stated at cost less accumulated amortisation. Amortisation is calculated by reference to cost on a straight-line basis over a period of 2 - 3 years.

The amortisation is included in determining income.

5.10 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company and the subsidiaries that gives them significant influence over the Company and the subsidiaries, key management personnel, directors and officers with authority in the planning and direction of the Company's and the subsidiaries's operations.

5.11 Long-term lease agreements

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to the income statements over the lease period. The asset acquired under finance leases is depreciated over the useful life of the asset.

5.12 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities determined in foreign currencies outstanding are translated into Baht at the exchange rates ruling on the balance sheet date, with the exception of those covered by forward exchange contracts, which are translated at the contracted rates.

Gains and losses on exchange are included in determining income.

5.13 Impairment of assets

At each reporting date, the Company and the subsidiaries perform impairment reviews in respect of the property, plant and equipment whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and the subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the income statement. However in cases where property, plant and machines was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation. Any excess amount is recognised as expense in the income statement.

5.14 Employee benefits

Salaries, wages, bonuses and contributions to the social security fund and provident fund are recognised as expenses when incurred.

5.15 Income Tax

Income tax is provided in the accounts based on the taxable profits determined in accordance with tax legislation.

5.16 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the balance sheet date. Gains and losses from the translation are included in determining income. Premiums or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

Interest rate swap contracts

The net amount of interest to be received from or paid to the counterparty under the interest rate swap contracts is recognised as income or expenses on an accrual basis.

Agricultural futures contracts

Gains (loss) on trading of agricultural futures contracts are recognised as income or expenses on the transaction dates.

6. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant accounting judgments and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for diminution in inventory value

In determining an allowance for diminution in inventory value, the management needs to make judgment and estimates of loss that may be incurred from obsolete or deteriorated inventories including the effect from the reduction of net realisable value of inventories.

Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments.

Impairment of equity investments

The Company treats available-for-sale investments and other investments as impaired when management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment.

Property plant and equipment and depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and salvage values of the Company’s and the subsidiaries plant and equipment and to review estimate useful lives and salvage values when there are any changes.

The Company and its subsidiaries measure land, buildings and machinery at revalued amounts. Such amounts are determined by the independent valuer using the market approach for land and the depreciated replacement cost approach for buildings and machinery. The valuation involves certain assumptions and estimates.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Litigation

The Company has contingent liabilities as a result of litigation. The Company’s management has used judgment to assess the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the balance sheet date.

7. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing and lending policy
	2009	2008	2009	2008	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	460,679	277,423	At market price
Sales of raw materials	-	-	5,166	5,514	At market price
Interest income	-	-	6,402	10,624	At interest rate of 4.49 - 7.50 percent per annum (2008: 5.27 - 7.50 percent per annum)
Office rental and service income	-	-	4,110	4,141	Baht 200 and Baht 60 per month per square metre for rental and service respectively, based on actual area used except for companies involved in latex production for which total charge is based on allocation thereof.
Machine rental income	-	-	840	840	At contract price of Baht 5,000 per machine per month
Purchases of goods	-	-	1,883,328	1,676,096	At market price less operating expenses at the determining rate (Baht 1.5 - 2.0 per kilogram) (2008: At market price less operating expenses Baht 0.5 - 1.0 per kilogram)
Interest expenses	-	-	2,054	2,668	At interest rate of 4.25 – 7.50 percent per annum (2008: 5.12 - 7.50 percent per annum)
Service expenses	-	-	30	97	At market price
<u>Transactions with associates</u>					
Sales of goods	30,455	-	-	-	At market price
Interest income	442	1,356	442	1,356	At interest rate of 4.49 - 9.00 percent per annum (2008: 9.00 - 9.50 percent per annum)
Office rental and service income	239	344	239	344	Baht 200 and Baht 60 per month per square metre for rental and service respectively, based on actual area used
Purchases of finished goods	104,734	738,071	104,734	738,071	At market price
Purchases of raw materials	23,381	29,372	-	2,279	At market price
Purchases of equipments	-	492	-	492	At market price
Service expenses	-	35	-	35	At market price
<u>Transactions with related companies / related persons</u>					
Sales of goods	46,911	107,774	33,340	49,847	At market price
Office rental and service income	1,390	2,974	1,390	2,974	Baht 200 and Baht 60 per month per square metre for rental and service respectively, based on actual area used
Machine rental income	1,200	3,100	1,200	3,100	At contract price of Baht 100,000 per month
Purchases of finished goods	-	3,531	-	3,531	At market price
Purchases of raw materials	7,622	13,459	-	13,459	At market price
Purchase of rubber seeding (recorded as deferred expense)	2,767	-	-	-	At market price
Purchases of supplies	-	46	-	46	At market price

The balances of the accounts as at 31 December 2009 and 2008 between the Company and those related parties are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<u>Trade accounts receivable</u>				
<u>- related parties</u>				
<u>Subsidiaries</u>				
World Flex Public Company Limited	-	-	168,776,313	-
Thai Rubber Latex Group Co., Ltd.	-	-	6,772,365	19,034,050
Total trade accounts and notes receivable - subsidiaries	-	-	175,548,678	19,034,050
<u>Associates</u>				
Latex Systems Co., Ltd.	29,614,721	-	-	-
Total trade accounts and notes receivable - associates	29,614,721	-	-	-
<u>Related companies</u>				
Phoenix Rubber Products Co., Ltd.	10,382,835	19,547,055	10,382,835	16,227,460
World Latex Supply Co., Ltd.	4,081,288	5,518,833	-	-
Thai Smart Elastic Co., Ltd.	4,073,838	854,507	-	-
Thai Chuan Rubber Partnership Ltd.	81,000	477,000	81,000	477,000
Latex Systems Co., Ltd. (became associated company in 2009)	-	25,182,800	-	5,895,700
Total trade accounts receivable - related companies	18,618,961	51,580,195	10,463,835	22,600,160
Total trade accounts receivable - related parties	48,233,682	51,580,195	186,012,513	41,634,210
<u>Short-term loans and advances to related parties</u>				
<u>Short-term loans and accrued interest receivable</u>				
<u>Subsidiaries</u>				
Thai Rubber City Co., Ltd.	-	-	374,387,003	254,430,011
Agrowealth Co., Ltd.	-	-	1,722	-
World Wide Resource Trading Co., Ltd.	-	-	-	3,644,623
Thaitex RCP Technology Limited	-	-	-	2,220,222
World Flex Public Company Limited	-	-	-	280,328
Total short-term loans and accrued interest receivable - subsidiaries	-	-	374,388,725	260,575,184
Less: Allowance for doubtful accounts	-	-	-	(3,644,623)
Total short-term loans and accrued interest receivable – subsidiaries - net	-	-	374,388,725	256,930,561
<u>Associate</u>				
Wintex Rubber Industry Co., Ltd. (became unrelated party in 2009)	-	9,649,635	-	9,649,635
Total short-term loans and accrued interest receivable - associate	-	9,649,635	-	9,649,635
Total short-term loans and accrued interest receivable - related parties	-	9,649,635	374,388,725	266,580,196

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
<u>Advances to related parties</u>				
<u>Subsidiaries</u>				
Agrowealth Co., Ltd.	-	-	454,392	638,763
Thai Rubber Latex Group Co., Ltd.	-	-	136,713	5,576,402
World Flex Public Company Limited	-	-	6,894	419
Thai Rubber City Co., Ltd.	-	-	562	613
Thaitex RCP Technology Limited	-	-	-	44,681
Total advances to subsidiaries	-	-	598,561	6,260,878
<u>Associates</u>				
Wang Somboon Rubber Estate Co., Ltd.	3,136	4,622	277	491
T-Inter Plus Co., Ltd.	-	15,123	-	15,123
Revertex (Thailand) Limited	-	417	-	417
Total advances to associates	3,136	20,162	277	16,031
<u>Related companies</u>				
Phoenix Rubber Products Co., Ltd.	398,256	238,895	11,344	128,809
Soydao Rubber Estate Co., Ltd.	52,725	2,829,030	79	3,812
Total advances to related companies	450,981	3,067,925	11,423	132,621
Total advances to related parties	454,117	3,088,087	610,261	6,409,530
Total short-term loans and advances to related parties	454,117	12,737,722	374,998,986	272,989,726
<u>Trade accounts payable - related parties</u>				
<u>Subsidiary</u>				
Thai Rubber Latex Group Co., Ltd.	-	-	380,155,747	390,542,154
Total trade accounts payable - subsidiary	-	-	380,155,747	390,542,154
<u>Associates</u>				
Wang Somboon Rubber Estate Co., Ltd.	219,968	1,383,891	-	-
Revertex (Thailand) Ltd.	-	4,455,338	-	4,455,338
Total trade accounts payable - associates	219,968	5,839,229	-	4,455,338
<u>Related companies / person</u>				
Soydao Rubber Estate Co., Ltd.	117,696	129,591	-	-
Phoenix Rubber Products Co., Ltd.	9,630	-	9,630	-
Thanakorn Estate	570	18,933	-	-
Total trade accounts payable - related companies / person	127,896	148,524	9,630	-
Total trade accounts payable - related parties	347,864	5,987,753	380,165,377	394,997,492

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<u>Short-term loans and advances from related parties</u>				
<u>Short-term loans and accrued interest payable</u>				
<u>Subsidiaries</u>				
Thai Rubber Latex Group Co., Ltd.	-	-	86,576,451	97,289,975
Thai Rubber City Co., Ltd.	-	-	-	17,185
Total short-term loans and accrued interest payable to related parties	-	-	86,576,451	97,307,160
<u>Advances from related parties</u>				
<u>Subsidiary</u>				
Thai Rubber Latex Group Co., Ltd.	-	-	20,003	298,984
Total advances from subsidiary	-	-	20,003	298,984
<u>Associates</u>				
Revertex (Thailand) Ltd.	-	1,085,314	-	1,085,314
Total advances from associates	-	1,085,314	-	1,085,314
<u>Related company</u>				
Soydao Rubber Estate Co., Ltd.	-	225,752	-	-
Total advances from related company	-	225,752	-	-
Total advances from related parties	-	1,311,066	20,003	1,384,298
Total short-term loans and advances from related parties	-	1,311,066	86,596,454	98,691,458

During 2009, movements of short-term loans and accrued interest receivable from related parties and short-term loans and accrued interest payable to related parties of the Company were as follows:

	(Unit: Thousand Baht)			
	Balance as at	During the year		Balance as at
	1 January			31 December
	2009	Increase	Decrease	2009
<u>Short-term loans and accrued interest receivable from related parties</u>				
<u>Subsidiaries</u>				
Thai Rubber City Co., Ltd.	254,430	170,289	50,332	374,387
Thaitex RCP Technology Limited (became unrelated party in 2009)	2,220	107	119	2,208
World Flex Public Company Limited	280	-	280	-
Agrowealth Co., Ltd.	-	2,026	2,024	2
<u>Associated</u>				
Wintex Rubber Industry Co., Ltd. (became unrelated party in 2009)	9,650	941	5,158	5,433

	Balance as at 1 January 2009	During the year		Balance as at 31 December 2009
		Increase	Decrease	
<u>Short-term loans and accrued interest payable to related parties</u>				
<u>Subsidiaries</u>				
Thai Rubber Latex Group Co., Ltd.	97,290	476,245	486,959	86,576
Thai Rubber City Co., Ltd.	17	-	17	-

Directors and management's remuneration

In 2009, the Company and its subsidiaries paid salaries, bonus, meeting allowances, and gratuities to their directors and management totaling Baht 49.3 million (the Company only: Baht 11.1 million) (2008: Baht 22.0 million, the Company only: Baht 9.3 million).

Guarantee obligations with related parties

As at 31 December 2009, a total of Baht 2,178.23 million and USD 27.30 million of credit facilities granted to the Company by the commercial banks are guaranteed by certain subsidiaries, and the Company has issued letters of guarantee to banks to secure credit facilities granted by the banks to its subsidiaries totaling Baht 2,838.24 million and USD 16 million (as detailed in Note 28.3).

8. Trade accounts receivable

The balances of trade accounts receivables and notes receivable as at 31 December 2009 and 2008 aged on the basis of due date of invoices, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<u>Trade accounts receivable - related parties</u>				
Not yet due	16,304	18,980	186,012	25,689
Past due				
Up to 3 months	11,279	17,893	-	5,556
3 - 6 months	6,078	10,464	-	5,911
6 - 9 months	3,128	462	-	-
9 - 12 months	4,852	402	-	-
Over 12 months	6,593	3,379	-	4,478
Total trade accounts receivable - related parties	48,234	51,580	186,012	41,634

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<u>Trade accounts receivable - unrelated parties</u>				
Not yet due	975,409	638,141	540,299	275,304
Past due				
Up to 3 months	254,202	285,037	150,015	175,952
3 - 6 months	359	85,838	100	85,100
6 - 9 months	-	13,492	-	13,409
9 - 12 months	51	-	-	-
Over 12 months	125,309	48,404	106,073	16,907
Total trade accounts receivable - unrelated parties	1,355,330	1,070,912	796,487	566,672
Less: Allowance for doubtful accounts	(77,166)	(31,035)	(58,545)	-
Trade accounts receivable – unrelated parties - net	1,278,164	1,039,877	737,942	566,672
Total trade accounts receivable - net	1,326,398	1,091,457	923,954	608,306

9. Inventories

	(Unit: Baht)					
	Consolidated financial statements					
			Allowance for diminution in inventory value			
	Cost		Reduction cost to net realisable value		Inventory - net	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
		(Restated)		(Restated)		(Restated)
Finished goods	1,078,217,812	803,192,259	-	(197,976,291)	1,078,217,812	605,215,968
Work in process	13,321,723	2,128,759	-	-	13,321,723	2,128,759
Raw materials	168,274,192	29,088,350	-	-	168,274,192	29,088,350
Packing materials	1,820,343	1,195,335	-	-	1,820,343	1,195,335
Supplies	15,884,028	13,480,074	-	-	15,884,028	13,480,074
Total	1,277,518,098	849,084,777	-	(197,976,291)	1,277,518,098	651,108,486

	(Unit: Baht)					
	Separate financial statements					
			Allowance for diminution in inventory value			
			Reduction cost to net realisable value		Inventory - net	
	<u>Cost</u>		<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
		(Restated)		(Restated)		(Restated)
Finished goods	204,692,640	260,398,558	-	(85,273,002)	204,692,640	175,125,556
Raw materials	2,871,268	2,604,313	-	-	2,871,268	2,604,313
Supplies	370,356	780,454	-	-	370,356	780,454
Total	207,934,264	263,783,325	-	(85,273,002)	207,934,264	178,510,323

10. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements are as follows:

Company's name	Nature of business	Separate financial statements											
		Paid up capital		Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net		Dividend received during the year	
		<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
		Thousand Baht	Thousand Baht	Percent	Percent	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Thai Rubber Latex Group Co., Ltd.	Production and distribution of latex concentrate and skim blocks	544,000	544,000	100.0	100.0	544,000,000	544,000,000	-	-	544,000,000	544,000,000	40,799,996	-
World Wide Resource Trading Co., Ltd.	Importer of rubber and textile chemicals (Already liquidated)	-	10,000	-	100.0	-	6,220,000	-	(6,220,000)	-	-	-	-
World Flex Public Company Limited	Production of rubber threads	308,000	308,000	98.4	98.4	443,600,000	443,600,000	(36,600,000)	(243,600,000)	407,000,000	200,000,000	56,849,591	-
Thai Tank Installation Co., Ltd.	Storage and shipment services for exports of latex (currently in process of liquidation)	35,000	35,000	65.4	65.4	12,942,500	22,675,000	(12,563,327)	(12,563,327)	379,173	10,111,673	-	-
Thaitex RCP Technology Limited	Production and distribution of latex concentrate and skim blocks (sold all shares)	-	15,000	-	45.0	-	6,750,000	-	(5,250,000)	-	1,500,000	-	-
Thai Rubber City Co., Ltd.	To operate the rubber planting project	225,000	225,000	100.0	100.0	224,999,943	224,999,943	-	-	244,999,943	224,999,943	-	-
Agrowealth Co., Ltd.	Agricultural futures trading	60,000	52,500	100.0	100.0	46,099,920	38,599,920	(12,467,477)	(12,467,477)	33,632,443	26,132,443	-	-
Total						<u>1,271,642,363</u>	<u>1,286,844,863</u>	<u>(61,630,804)</u>	<u>(280,100,804)</u>	<u>1,210,011,559</u>	<u>1,006,744,059</u>	<u>97,649,587</u>	<u>-</u>

- 10.1 On 4 January 2008, the Company had made the additional payment of share subscriptions of 2,500,000 ordinary shares of Agrowealth Co., Ltd. at Baht 0.40 each, totaling Baht 1.0 million. As a result, the investment in this subsidiary stated at cost increased from Baht 28.4 million to Baht 29.4 million.

On 30 June 2008, the Company had made the additional payment of share subscriptions of 2,500,000 ordinary shares of Agrowealth Co., Ltd. at Baht 1.20 each, totaling Baht 3.0 million. As a result, the investment in this subsidiary stated at cost increased from Baht 29.4 million to Baht 32.4 million.

On 18 August 2008, the Company had made the additional payment of share subscriptions of 2,500,000 ordinary shares of Agrowealth Co., Ltd. at Baht 1.13 each and 2,499,992 ordinary shares at Baht 0.35 each, totaling Baht 3.7 million. As a result, the investment in this subsidiary at cost increased from Baht 32.4 million to Baht 36.1 million.

On 22 August 2008, the meeting of the board of directors of Agrowealth Co., Ltd. passed a resolution to approve an increase of the registered capital of the subsidiary from Baht 50 million to Baht 60 million, by issuing new 1,000,000 ordinary shares, at a par value of Baht 10 each, totaling Baht 10 million, to allot to the Company. After acquiring shares, the Company has held 5,999,992 ordinary shares of the subsidiary, with the remaining 100% shareholding. The objective of the subsidiary's capital increase is to increase Adjusted Net Capital (ANC) so that the subsidiary can take greater investors' orders in the Agricultural Future Exchange of Thailand (AFET).

On 11 November 2008, the Company had made the additional payment of share subscriptions of 1,000,000 ordinary shares of Agrowealth Co., Ltd. at Baht 2.50 each, totaling Baht 2.5 million. As a result, the investment in this subsidiary stated at cost increased from Baht 36.1 million to Baht 38.6 million.

On 16 September 2009, the Company had made the additional payment of share subscriptions of 1,000,000 ordinary shares of Agrowealth Co., Ltd. at Baht 7.50 each, totaling Baht 7.5 million. As a result, the investment in this subsidiary at cost increased from Baht 38.6 million to Baht 46.1 million. The subsidiary registered the capital increase with the Ministry of Commerce on 17 September 2009.

- 10.2 On 19 September 2008, the Extraordinary General Meeting of shareholders of World Flex Plc. passed the resolution to reduce the registered capital of the subsidiary by way of decreasing the par value of the share from Baht 10 per share to Baht 4 per share in order to offset against retained losses. This resulted in the decrease in the registered capital of the subsidiary by Baht 162 million from the registered capital of Baht 270 million to Baht 108 million. The subsidiary processed its capital reduction on 12 December 2008.

On 22 December 2008, the Extraordinary General Meeting of shareholders of World Flex Plc. passed the resolution to increase the registered capital of Baht 200 million from Baht 108 million to Baht 308 million, by issuing new 50 million ordinary shares, at a par value of Baht 4 each, to allot to the Company. After acquiring shares, the Company has held 75,799,454 ordinary shares of the subsidiary, and the Company's holding interest increased from 95.6 percent to 98.4 percent. The Company had made payment for investment in this subsidiary on 24 December 2008.

The subsidiary registered the capital changes with the Ministry of Commerce on 29 December 2008.

Since the operating results of World Flex Plc. had been improved, the Company had in 2009 reversed an allowance for impairment of investment in the subsidiary by Baht 207 million taking into account the net asset value of the subsidiary as at 31 December 2009. The Company's management believes that the operations of the subsidiary will be consistently profitable in the future.

- 10.3 On 12 May 2009, the Company received an attributable return on investment in 229,000 ordinary shares of Thai Tank Installation Co., Ltd. at Baht 42.50 each, totaling Baht 9.7 million, following the resolution passed by the meeting of shareholders of the subsidiary on 10 April 2009. As a result, the net investment in Thai Tank Installation Co., Ltd. had reduced to Baht 0.4 million.
- 10.4 On 25 December 2009, the meeting of the board of directors of the Company passed a resolution approving the Company to sell the investment in 675,000 ordinary shares of Thaitex RCP Technology Limited, representing 45 percent shareholding investment in this company, at selling price of Baht 0.01 per share, totaling Baht 6,750. On 31 December 2009, the Company received the full payment and had already transferred the shares.

- 10.5 On 14 December 2009, a meeting of the board of directors of Thai Rubber Latex Group Co., Ltd., a subsidiary company, passed a resolution approving the business closure of the division in Shanghai, China, and the acquisition of common shares totaling USD 1,010,000 of Thai Rubber Latex Group (Shanghai) Co., Ltd., or equivalent to 100 percent of its registered capital. The operation of the subsidiary in China was transferred from such closure unit.
- 10.6 On 5 March 2009, the meeting of the board of directors of Udomsuk(s) Pte Ltd., a subsidiary company, passed a resolution to liquidate the company. Udomsuk(s) Pte Ltd. had already registered to dissolve its business.

11. Investments in associates

11.1 Details of associates:

Company's name	Nature of business	Country of incorporation	Consolidated financial statements							
			Paid up capital		Shareholding percentage		Cost		Carrying amount based on equity method	
			<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
			Thousand Baht	Thousand Baht	Percent	Percent	Baht	Baht	Baht	Baht
Revertex (Thailand) Limited	Production and distribution of semi-concentrate latex	Thai	-	15,000	-	49.9	-	7,499,915	-	18,337,535
Wang Somboon Rubber Estate Co., Ltd. (held by Thai Rubber City Co., Ltd., which is a subsidiary)	Planting of rubber	Thai	55,300	55,300	48.4	48.4	30,100,720	30,100,720	30,481,270	30,157,785
Rosner-Mautby Meditrade (Thailand) Ltd.	Production of latex examination gloves	Thai	120,000	120,000	31.5	31.5	37,849,000	37,849,000	-	-
Wintex Rubber Industry Co., Ltd. (became unrelated party in 2009)	Production and distribution of latex concentrate	Thai	-	25,000	-	25.0	-	6,250,000	-	3,407,574
T-Inter Plus Co, Ltd.	Distribution of all rubber products	Thai	1,250	1,250	40.0	40.0	500,000	500,000	135,596	225,490
Latex Systems Co., Ltd. (become associated company in 2009)	Production of and distribution of foam latex mattress and pillow	Thai	18,808	12,808	30.0	11.1	7,795,720	3,418,000	5,541,909	2,127,676
Total							<u>76,245,440</u>	<u>85,617,635</u>	<u>36,158,775</u>	<u>54,256,060</u>

Company's name	Nature of business	Country of incorporation	Separate financial statements									
			Paid up capital		Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amount based on cost method - net	
			<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
			Thousand Baht	Thousand Baht	Percent	Percent	Baht	Baht	Baht	Baht	Baht	Baht
Revertex (Thailand) Limited	Production and distribution of semi-concentrate latex	Thai	-	15,000	-	49.9	-	7,499,915	-	-	-	7,499,915
Rosner-Mautby Meditrade (Thailand) Ltd.	Production of latex examination gloves	Thai	120,000	120,000	31.5	31.5	37,849,000	37,849,000	(37,849,000) (37,849,000)	-	-
Wintex Rubber Industry Co., Ltd. (became unrented party in 2009)	Production and distribution of latex concentrate	Thai	-	25,000	-	25.0	-	6,250,000	-	(2,649,508)	-	3,600,492
T-Inter Plus Co, Ltd.	Distribution of all rubber products	Thai	1,250	1,250	40.0	40.0	500,000	500,000	-	-	500,000	500,000
Latex Systems Co., Ltd. (become associated company in 2009)	Production of and distribution of foam latex mattress and pillow	Thai	18,808	12,808	30.0	11.1	7,795,720	3,418,000	-	-	7,795,720	3,418,000
Total									(37,849,000			
							<u>46,144,720</u>	<u>55,516,915</u>	<u>)</u>	<u>(40,498,508)</u>	<u>8,295,720</u>	<u>15,018,497</u>

11.1.1 On 25 April 2008, the meeting of the board of directors of the Company passed a resolution approving the jointed investment in the natural concentrated latex project by constructing a factory in The People's Republic of China. The jointed company has a registered capital of RMB 70 million (approximately Baht 340 million), whereby the Company will invest RMB 24.50 million (approximately Baht 120 million), representing 35% holding interest. However, the Company had not invested in that company as of 31 December 2009.

11.1.2 On 13 August 2009, the meeting of the board of directors of the Company passed a resolution approving the Company to invest in 207,614 ordinary shares of Latex Systems Co., Ltd., (a foam latex mattress manufacturer) through the purchase from the unrelated parties, at Baht 10 each, totaling Baht 2.08 million, so as to increase the Company's portion of investment in business line of manufacturing latex concentrated end-products. As a result, the Company's investment in Latex Systems Co., Ltd. increased from 153,313 ordinary shares, totaling Baht 3.42 million (representing 11.06 percent shareholding) to 360,927 ordinary shares, totaling Baht 5.46 million (representing 26.04 percent shareholding), and Latex Systems Co., Ltd. became an associate of the Company.

On 25 September 2009, the meeting of the board of directors of the Company passed a resolution approving the Company to invest in the additional 169,079 ordinary shares of Latex Systems Co., Ltd. at Baht 9.24 each, totaling Baht 1.56 million. After acquiring shares, the Company has held altogether 530,006 ordinary shares, totaling Baht 7.06 million in Latex System Co., Ltd., with the remaining 26.04 percent shareholding.

On 25 December 2009, the meeting of the board of directors of the Company passed a resolution approving the Company to invest in 80,000 ordinary shares of Latex Systems Co., Ltd., through the purchase from the unrelated parties, at Baht 9.24 each, totaling Baht 0.74 million. After acquiring shares, the Company has held altogether 610,006 ordinary shares, totaling Baht 7.80 million in Latex System Co., Ltd., representing 29.97 percent shareholding.

Due to the change in the status to an associate of Latex System Co., Ltd., the Company had restated the 2008 financial statements as if the Company had recorded the investment in Latex System Co., Ltd., under equity method from the beginning. In this regard, the Company restated the consolidated balance sheet as at 31 December 2008, and the related consolidated income statement for the year then ended, as presented herein for comparative purpose, to reflect the effect of such adjustment. The adjustment has an effect of increasing net loss for the year ended 31 December 2008 by Baht 1.3 million. The cumulative effect of the adjustment up to the beginning of the year 2009 of approximately Baht 1.3 million has been adjusted to the brought forward retained earnings in the statement of changes in shareholders' equity for the year ended 31 December 2009.

- 11.1.3 On 4 September 2009, the Extraordinary General Meeting of shareholders of T-Inter Plus Co., Ltd. passed a resolution approving the dissolution of the associate as this company had not operated any business transactions since its incorporation in 2007. T-Inter Plus Co., Ltd had already deregistered with the Ministry of Commerce on 3 December 2009.
- 11.1.4 On 25 September 2009, the meeting of the board of directors of the Company passed a resolution approving the Company to sell the investment in 62,500 ordinary shares of Wintex Rubber Industry Co., Ltd., representing 25 percent shareholding investment in this company, at the selling price of Baht 122 per share, totaling Baht 7.63 million. On 31 December 2009, the Company received the full payment and had already transferred the shares.
- 11.1.5 Revertex (Thailand) Ltd. had already registered for its liquidation in which the Company received an attributable return on investment in 999,988 ordinary shares of Baht 9.90 each, totaling Baht 9.9 million, on 28 December 2009.

11.2 Share of income/loss and dividend received

During the year, the Company recognised its share of net income/loss and dividend income from investments in associates in the consolidated financial statements as follows:

	(Unit: Baht)			
	Consolidated financial statements			
	Share of income (loss) from		Dividend received	
	investments in associates		during the year	
	during the year			
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	(Restated)			
Wang Somboon Rubber Estate Co., Ltd.	1,930,285	1,693,783	1,606,800	3,213,600
Wintex Rubber Industry Co., Ltd.	(1,163,000)	(521,474)	-	-
T-Inter Plus Co, Ltd.	(89,894)	(204,130)	-	-
Latex Systems Co., Ltd.	(940,759)	(1,290,324)	-	-
Total	<u>(263,368)</u>	<u>(322,145)</u>	<u>1,606,800</u>	<u>3,213,600</u>

11.3 Summarised financial information of associates

Financial information of the associated companies is summarised below.

Company's name	Paid-up capital as		Total assets as at		Total liabilities as at		Total revenues for		Net income (loss)	
	at 31 December		31 December		31 December		the year ended		for the year ended	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revertex (Thailand) Limited	-	15.00	-	-	-	-	-	-	-	-
Wang Somboon Rubber Estate Co., Ltd.	55.30	55.30	66.66	65.71	3.71	3.43	28.44	33.73	3.99	3.50
Rosner-Mautby Meditrade (Thailand) Ltd.	120.00	120.00	-	-	-	-	-	-	-	-
Wintex Rubber Industry Co., Ltd.	-	25.00	-	85.35	-	71.72	-	783.93	-	(2.58)
T-Inter Plus Co, Ltd.	1.25	1.25	0.35	0.61	0.01	0.05	-	0.05	(0.22)	(0.51)
Latex systems Co., Ltd.	18.81	12.81	49.81	44.08	34.95	28.93	88.49	101.13	(6.28)	(8.90)

- Revertex (Thailand) Ltd. had ceased its operations since 2008 and had been liquidated in 2009 as discussed in Note 11.1.5. Thus, there is no available financial information for the years ended 31 December 2008 and 2009.

- Rosner-Mautby Meditrade (Thailand) Ltd. has temporarily ceased its operations since 2007. Thus, there is no available financial information for the years ended 31 December 2008 and 2009.
- The Company recognised share of losses from investment in Rosner-Mautby Meditrade (Thailand) Limited until the value of the investment reached zero. Subsequent losses incurred by this associate have not been recognised in the Company's accounts since the Company has no obligations, whether legal or constructive, to make any payments on behalf of this associate.
- The Company sold the investment in ordinary shares of Wintex Rubber Industry Co., Ltd. as discussed in Note 11.1.4. Thus there is no available financial information for the year ended 31 December 2009.
- T-Inter Plus Co., Ltd. had deregistered with the Ministry of Commerce and had been liquidated as discussed in Note 11.1.3. Thus, there is no available financial information for the year ended 31 December 2009.

11.4 Investments in associates, which are Wang Somboon Rubber Estate Co., Ltd., T-Inter Plus Co., Ltd. and Latex System Co., Ltd., in the consolidated financial statements are stated under the equity accounting method based on the associates' financial statements as at 31 December 2009 and 2008, which were audited by their auditors.

12. Other long-term investments

These represented long-term investments in the ordinary shares of the following companies:

	(Unit: Baht)							
	Consolidated financial statements		Separate financial statements					
	2009		2008		2009		2008	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value	Cost/ Book value	Fair value	Cost/ Book value	Fair value
<u>Available-for-sale securities</u>								
Listed securities	1,248,718	-	1,248,718	-	1,248,718	-	1,248,718	-
Less: Provision for changes in the value of investments	(431)		(431)		(431)		(431)	
Less: Allowance for impairment	(1,248,287)		(1,248,287)		(1,248,287)		(1,248,287)	
Available-for-sale securities - net	-		-		-		-	
<u>Other investments</u>								
Ordinary shares								
Siam Steel Container Co., Ltd.	2,000,000		2,000,000		1,000,000		1,000,000	
Dr. Boo Co., Ltd.	5,100,000		5,100,000		5,100,000		5,100,000	
Universal Steel Drum Co., Ltd.	3,000,000		3,000,000		3,000,000		3,000,000	
Asia Fila Co., Ltd.	31,500,000		31,500,000		-		-	
Total	41,600,000		41,600,000		9,100,000		9,100,000	
Less: Allowance for impairment	(41,600,000)		(41,600,000)		(9,100,000)		(9,100,000)	
Other long-term investments - net	-		-		-		-	

13. Property, plant and equipment

(Unit: Baht)

Consolidated financial statements								
	Revaluation basis			Cost basis				Total
	Land and land improvement	Buildings and building improvement	Machinery	Office equipment	Vehicles	Other fixed assets	Assets in progress	
Cost/Revalued amount:								
31 December 2008	309,857,406	804,673,954	810,869,919	305,451,320	57,658,117	90,348,059	67,631,867	2,446,490,642
Acquisitions	45,917,821	7,955,865	3,617,575	13,880,865	7,401,046	-	104,944,888	183,718,060
Disposals	(187,713)	-	-	(3,069,977)	(4,067,748)	-	(552,444)	(7,877,882)
Transfer in (out)	12,197,470	(7,843,359)	3,538,784	-	-	-	(7,892,895)	-
31 December 2009	367,784,984	804,786,460	818,026,278	316,262,208	60,991,415	90,348,059	164,131,416	2,622,330,820
Accumulated depreciation:								
31 December 2008	-	336,025,574	470,682,737	237,463,142	48,903,759	61,345,478	-	1,154,420,690
Depreciation for the year	-	30,932,944	27,724,273	22,955,357	3,994,515	5,325,542	-	90,932,631
Depreciation on revalued portion	187,713	37,915,576	21,748,400	-	-	-	-	59,851,689
Depreciation - disposals	(187,713)	-	-	(1,833,614)	(2,836,144)	-	-	(4,857,471)
31 December 2009	-	404,874,094	520,155,410	258,584,885	50,062,130	66,671,020	-	1,300,347,539
Allowance for impairments loss:								
31 December 2008	46,035,500	19,436,253	36,269	-	-	-	-	65,508,022
Decrease during the year	(187,713)	-	-	-	-	-	-	(187,713)
31 December 2009	45,847,787	19,436,253	36,269	-	-	-	-	65,320,309
Net book value:								
31 December 2008	263,821,906	449,212,127	340,150,913	67,988,178	8,754,358	29,002,581	67,631,867	1,226,561,930
31 December 2009	321,937,197	380,476,113	297,834,599	57,677,323	10,929,285	23,677,039	164,131,416	1,256,662,972
Depreciation for the year								
2008 (Baht 66.4 million included in manufacturing cost, and the balance included in selling and administrative expenses)								90,876,599
2009 (Baht 68.1 million included in manufacturing cost, and the balance included in selling and administrative expenses)								90,932,631

(Unit: Baht)

	Separate financial statements							
	Revaluation basis			Cost basis				Total
	Land and land improvement	Buildings and building improvement	Machinery	Office equipment	Vehicles	Other fixed assets	Assets in progress	
Cost/Revalued amount:								
31 December 2008	146,977,819	181,486,910	102,174,573	56,301,770	25,814,209	18,430,947	15,901,209	547,087,437
Acquisitions	-	7,341,000	-	1,922,489	-	-	2,928,452	12,191,941
Disposals	-	-	(88,000)	(5,000)	(474,100)	-	(7,528,440)	(8,095,540)
31 December 2009	146,977,819	188,827,910	102,086,573	58,219,259	25,340,109	18,430,947	11,301,221	551,183,838
Accumulated depreciation:								
31 December 2008	-	66,319,605	62,429,702	49,680,712	23,537,293	11,562,717	-	213,530,029
Depreciation for the year	-	8,716,623	4,477,256	2,762,547	1,440,910	1,253,000	-	18,650,336
Depreciation on revalued portion	-	2,673,456	3,876,638	-	-	-	-	6,550,094
Depreciation - disposals	-	-	(88,000)	(5,000)	(474,100)	-	-	(567,100)
31 December 2009	-	77,709,684	70,695,596	52,438,259	24,504,103	12,815,717	-	238,163,359
Allowance for impairment loss								
31 December 2008	30,177,719	2,351,486	-	-	-	-	-	32,529,205
31 December 2009	30,177,719	2,351,486	-	-	-	-	-	32,529,205
Net book value:								
31 December 2008	116,800,100	112,815,819	39,744,871	6,621,058	2,276,916	6,868,230	15,901,209	301,028,203
31 December 2009	116,800,100	108,766,740	31,390,977	5,781,000	836,006	5,615,230	11,301,221	280,491,274
Depreciation for the year								
2008 (Baht 2.0 million included in manufacturing cost, and the balance included in selling and administrative expenses)								19,253,170
2009 (Baht 2.1 million included in manufacturing cost, and the balance included in selling and administrative expenses)								18,650,336

The Company and its subsidiaries arranged for the independent professional valuers to appraise the value of certain assets in 2007 on an asset-by-asset basis. The basis of the revaluations was as follows:

- Land was revalued using the market approach.
- Buildings and machinery were revalued using the depreciated replacement cost approach.

The Company and its subsidiaries has recorded the revaluation increase in respect of land, buildings and machinery as "Surplus on revaluation of assets" in the shareholders' equity and the revaluation decrease in respect of land and buildings is included in allowance for impairment loss of assets.

The revaluation surplus can neither be offset against deficit nor be used for dividend payment.

Breakdown of property, plant and equipment carried on the revaluation basis and their accumulated depreciation is as follows:

(Unit: Baht)

Consolidated financial statements						
	2009			2008		
	Land and land improvement	Buildings and building improvement	Machinery	Land and land improvement	Buildings and building improvement	Machinery
Original cost	257,694,259	581,887,167	629,527,940	199,766,681	581,774,661	622,371,581
Surplus from revaluation	110,090,725	222,899,293	188,498,338	110,090,725	222,899,293	188,498,338
Revalued amount	<u>367,784,984</u>	<u>804,786,460</u>	<u>818,026,278</u>	<u>309,857,406</u>	<u>804,673,954</u>	<u>810,869,919</u>
Accumulated depreciation on original cost	-	328,108,333	459,297,480	-	297,175,389	444,103,207
Accumulated depreciation on surplus from revaluation	187,713	76,765,762	60,857,930	(187,713)	38,850,185	26,579,530
Adjustment	<u>(187,713)</u>	<u>-</u>	<u>-</u>	<u>187,713</u>	<u>-</u>	<u>-</u>
Accumulated depreciation on revalued amount	<u>-</u>	<u>404,874,095</u>	<u>520,155,410</u>	<u>-</u>	<u>336,025,574</u>	<u>470,682,737</u>

(Unit: Baht)

Separate financial statements						
	2009			2008		
	Land and land improvement	Buildings and building improvement	Machinery	Land and land improvement	Buildings and building improvement	Machinery
Original cost	97,592,389	153,582,295	77,490,487	97,592,389	146,241,295	77,578,487
Surplus from revaluation	49,385,430	35,245,615	24,596,086	49,385,430	35,245,615	24,596,086
Revalued amount	<u>146,977,819</u>	<u>188,827,910</u>	<u>102,086,573</u>	<u>146,977,819</u>	<u>181,486,910</u>	<u>102,174,573</u>
Accumulated depreciation on original cost	-	72,354,862	62,928,891	-	63,638,239	58,539,635
Accumulated depreciation on surplus from revaluation	-	5,354,822	7,766,705	-	2,681,366	3,890,067
Accumulated depreciation on revalued amount	<u>-</u>	<u>77,709,684</u>	<u>70,695,596</u>	<u>-</u>	<u>66,319,605</u>	<u>62,429,702</u>

In October 2006, the Federation of Accounting Professions issued Notification No. 25/2549 allowing entities which carry their property, plant and equipment at revalued amounts to calculate depreciation to be charged to the income statements based on the historical costs of the assets instead of on the revalued amounts. The Company and its subsidiaries have decided to follow the notification. However, had the depreciation changed been calculated based on the revalued amounts net income attributable to equity holders of the parent and earnings per share would have been changed to the following:

	Consolidated financial statements		Separate financial statements	
	<u>2009</u>	<u>2008</u> (Restated)	<u>2009</u>	<u>2008</u> (Restated)
Net income (loss) (Baht)	60,270,123	(177,512,354)	169,403,951	(96,915,461)
Basic earnings (loss) per share (Baht per share)	2.21	(6.51)	6.21	(3.55)

As at 31 December 2009, the subsidiaries have vehicles acquired under hire-purchase and financial lease agreements, with net book value amounting to Baht 4.20 million (2008: Baht 5.99 million).

As at 31 December 2009, certain plant and equipment items have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 566.41 million (2008: 420.56 million) (the Company only: Baht 144.85 million, 2008: 94.10 million).

The Company and its subsidiaries have pledged their assets with the net book value of approximately Baht 830.77 million (2008: 856.52 million) as collateral to secure their bank overdrafts, trust receipts, short-term and long-term loans (the Company only: Baht 237.51 million, 2008: 243.46 million).

14. Land possessory rights

	(Unit: Baht)	
	Consolidated financial statements	Separate financial statements
Cost		
31 December 2008	140,916,481	6,270,000
Increase	5,560,087	-
Transfer to land	(5,560,087)	-
31 December 2009	140,916,481	6,270,000
Allowance for impairment loss		
31 December 2008	3,140,500	3,140,500
31 December 2009	3,140,500	3,140,500
Net book value		
31 December 2008	137,775,981	3,129,500
31 December 2009	137,775,981	3,129,500

These represent possessory rights of the Company and a subsidiary on approximately 12,439 rai of land (2008: 12,439 rai) (the Company only: 49 rai, 2008: 49 rai). The Company and its subsidiary are currently in the process of acquiring legal documentation of ownership.

15. Rubber plantation development costs

	(Unit: Baht)	
	Consolidated financial statements	
	2009	2008
Rubber plantation development costs	108,083,527	40,047,012
Increase	70,629,199	71,335,396
Decrease	(6,632,061)	(3,298,881)
Net book value	172,080,665	108,083,527

16. Bank overdrafts and short-term loans from financial institutions

Bank overdrafts and short-term loans from financial institutions as at 31 December 2009 and 2008 consist of:

		(Unit: Baht)			
	Interest rate	Consolidated financial statements		Separate financial statements	
	(percent per annum)	2009	2008	2009	2008
Bank overdrafts	MOR	8,766,168	21,777,891	3,828,354	3,965,707
Short-term loans from financial institutions	2.00 - 5.77	2,749,985,000	2,087,123,000	1,303,754,000	729,229,000
Trust receipts	2.85	9,701,102	2,806,592	-	-
Total bank overdrafts and short-term loans					
from financial institutions		2,768,452,270	2,111,707,483	1,307,582,354	733,194,707

Bank overdrafts and short-term loans from financial institutions of the Company and certain subsidiaries are secured by the mortgage of their land and premises thereon, plants and machineries, and are guaranteed by the Company and certain subsidiaries.

17. Long-term loans

Long-term loans of the Company and its subsidiaries are loans from local commercial banks as summarised below.

		(Unit: Baht)	
		Consolidated	Separate
		financial statements	financial statements
		<u>2009</u>	<u>2008</u>
		<u>2009</u>	<u>2008</u>
17.1 Long-term loans of the Company			
a)	Long-term loan of Baht 45 million subject to interest at the Minimum Loan Rate less fixed rate per annum for first two years and subject to interest at the Minimum Loan Rate per annum for last three years and payable in 72 equal monthly installments commencing November 2004.	-	8,250,000
b)	Long-term loan of Baht 120 million (total credit facility of Baht 300 million), with a grace period of 24 months, subject to interest at THBFIX plus 1.75 percent per annum and payable commencing May 2009 to January 2014.	102,000,000	120,000,000
c)	Long-term loan of Baht 130 million (total credit facility of Baht 300 million), with grace period of 17 months, subject to interest at THBFIX plus 1.75 percent per annum and payable commencing September 2009 to March 2013.	120,250,000	130,000,000
d)	Long-term loan of Baht 300 million subject to interest at THBFIX plus 1.10 percent per annum and repayable within 36 months by November 2010.	300,000,000	300,000,000
e)	Long-term loan of Baht 30 million subject to interest at MLR minus 1.75 percent per annum and repayable in 24 equal monthly installments commencing May 2008.	-	20,376,363
Total long-term loans of the Company		522,250,000	578,626,363

		(Unit: Baht)	
		Consolidated	Separate
		financial statements	financial statements
		<u>2009</u>	<u>2008</u>
		<u>2009</u>	<u>2008</u>
17.2 Long-term loans of the subsidiaries			
Thai Rubber Latex Group Co., Ltd.			
a) Long-term loan of Baht 53.2 million subject to interest at Minimum Loan Rate per annum and repayable in 50 equal monthly installments commencing November 2005.	-	11,047,341	-
Total long-term loans of the subsidiaries	-	11,047,341	-
Total long-term loans	522,250,000	589,673,704	522,250,000
Less: Current portion	(522,250,000)	(584,634,132)	(522,250,000)
Total long-term loans - net of current portion	-	5,039,572	-

Long-term loans of the Company and its subsidiaries are secured by the mortgage of the Company's and the subsidiaries' land and premises thereon, plants and machineries, and are guaranteed by the Company and the subsidiaries.

The loan agreements stipulate certain covenants and restrictions imposed by the lenders, including maintaining certain financial ratios. As at 31 December 2009 and 2008, the Company could not maintain certain financial ratios as required under the loan agreements. However, the Company had classified these loans as current portion under current liabilities in the balance sheets as at 31 December 2009 and 2008.

18. Finance leases and hire-purchase payable

	(Unit: Baht)	
	Consolidated financial statements	
	2009	2008
Finance leases and hire-purchase payable	1,874,688	3,090,493
Less: Deferred interest expenses	(118,230)	(289,114)
Total	1,756,458	2,801,379
Less: Portion due within one year	(1,508,167)	(2,056,393)
Finance leases and hire-purchase payable - net of current portion	248,291	744,986

The subsidiaries entered into the finance lease and hire-purchase agreements with leasing companies for rental of the vehicles for use in their operations, whereby they are committed to pay rental fee on a monthly basis. The terms of the agreements are generally between 1 and 3 years. Financial lease and hire-purchase agreements are non-cancelable.

As at 31 December 2009, future minimum lease payments required under the finance lease and hire-purchase agreements were as follows:

	(Unit: Baht)		
	Consolidated financial statements		
	Less than 1 year	1 - 3 years	Total
Future minimum lease payments	1,596,596	278,092	1,874,688
Deferred interest expenses	(88,429)	(29,801)	(118,230)
Present value of future minimum lease payments	1,508,167	248,291	1,756,458

The financial leases payable are guaranteed by the directors of the Company.

19. Statutory reserve

Pursuant to section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net income, after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of its registered share capital. The statutory reserve is not available for dividend distribution.

During 2009, the Company appropriated Baht 7.44 million as statutory reserve. The appropriation of statutory reserve will later be proposed for approval in the Annual General Meeting of the Company's shareholders.

20. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Raw materials and consumables				
used	4,442,841,858	4,663,948,174	311,794,872	409,268,112
Purchases of finished goods	2,763,139,213	3,116,404,804	3,803,782,837	4,527,064,327
Changes in inventories of finished				
goods and work in process	(276,831,723)	153,611,575	55,705,918	(6,247,180)
Salary and wages and other				
employee benefits	251,966,701	219,899,273	20,309,555	18,919,114
Loss from diminution in value of				
inventories (reversal)	(197,976,291)	196,976,291	(85,273,002)	85,273,002
Depreciation	90,932,631	90,876,599	18,650,336	19,253,170
Amortisation expenses	17,911,288	6,265,514	1,889,802	1,571,944
Doubtful accounts	46,130,429	2,072,004	60,772,785	3,644,623
Loss from impairment of				
investments	-	-	-	9,220,000
Loss on exchange	-	-	3,024,396	6,268,628
Rental expenses	8,149,262	2,489,092	1,474,696	1,192,366

21. Corporate income tax

Corporate income tax for the year 2009 and 2008 of the Company and its subsidiaries is calculated on net income after adjustments for BOI promotional privileges (if any), expenses disallowable for tax computation purposes, and tax losses brought forward from previous years.

The Company is not liable to corporate income tax for the year 2009 as expenses allowable for tax computation purposes of the Company exceeded its net income and the Company had tax loss brought forward from previous year.

22. Promotional privileges

The Board of Investment has granted the Company and certain subsidiaries various tax privileges under the Investment Promotion Act of B.E. 2520 for the manufacture of latex, skim crepe, skim block, and latex products. Subject to certain imposed conditions set out in each promotional certificate, the privileges granted include the following:

- a) Exemption from payment of corporate income tax for a period of three to eight years commencing as from the date of first earning operating income.
- b) Exemption from income tax on dividends paid from the income derived from the promoted operations throughout the period in which the corporate income tax is exempted.
- c) Reduction of corporate income tax on net income at the rate of fifty percent of the normal rate for a period of five years after the tax exemption period ends.
- d) Permission to double-deduct transportation, electricity and water expenses for tax purposes, for a period of ten years commencing as from the date of first earning operating income.
- e) An allowance of five percent of the increment in export income over that of the preceding year deductible from taxable income for a period of ten years commencing as from the date of first earning operating income. However, export income in that year may not be less than the average export income for the previous three years, with the exception of the first two years of operation (only for the Company and certain subsidiaries).

Revenues of the Company and its subsidiaries for the years ended 31 December 2009 and 2008 segregated between promoted operations and non-promoted operations are as follows:

	(Unit: Million Baht)					
	Consolidated financial statements					
	Promoted operations		Non-promoted operations		Total	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Sales and service income						
Domestic	168	907	7,191	2,511	7,359	3,418
Export	209	940	346	4,567	555	5,507
Total	<u>377</u>	<u>1,847</u>	<u>7,537</u>	<u>7,078</u>	<u>7,914</u>	<u>8,925</u>
	(Unit: Million Baht)					
	Separate financial statements					
	Promoted operations		Non-promoted operations		Total	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Sales						
Domestic sales	-	-	2,490	2,426	2,490	2,426
Export sales	-	-	1,808	2,739	1,808	2,739
Total	<u>-</u>	<u>-</u>	<u>4,298</u>	<u>5,165</u>	<u>4,298</u>	<u>5,165</u>

23. Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing net income (loss) for the year by the weighted average number of ordinary shares in issue during the year.

24. Financial information by segment

The Company's and its subsidiaries' business operations involve two principal segments, which are the manufacture and sale of latex concentrated and prevulcanized latex, and the manufacture of latex products. These operations are carried out only in Thailand.

Financial information by segment of the Company and its subsidiaries as at and for the years ended 31 December 2009 and 2008 are summarised below.

(Unit: Million Baht)

	Consolidated income statements for the years ended 31 December											
	Concentrated and prevulcanized latex		Latex products		Others		Total		Eliminated transactions		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Sales and service income												
Subsidiaries	2,560	2,179	-	-	-	-	2,560	2,179	(2,560)	(2,179)	-	-
Other companies	6,444	8,107	1,452	798	18	20	7,914	8,925	-	-	7,914	8,925
Total revenues	9,004	10,286	1,452	798	18	20	10,474	11,104	(2,560)	(2,179)	7,914	8,925
Segment income (loss)	488	386	247	17	12	10	747	413	(3)	4	744	417
Unallocated income and expenses:												
Other income							79	133	(15)	(17)	64	116
Selling expenses							(247)	(273)	-	-	(247)	(273)
Administrative expenses							(219)	(187)	-	3	(219)	(184)
Other expenses							(89)	(5)	-	-	(89)	(5)
Share of income (loss) from investments in associates							257	(102)	(258)	101	(1)	(1)
Financial cost							(141)	(200)	8	13	(133)	(187)
Corporate income tax							(1)	(1)	-	-	(1)	(1)
Loss in respect of minority interest							-	-	1	3	1	3
Net income (loss)							386	(222)	(267)	107	119	(115)

(Unit: Million Baht)

Consolidated balance sheets as at 31 December												
	Concentrated and prevulcanized latex		Latex products		Others		Total		Eliminated transactions		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Property, plant and equipment - net	766	844	347	285	144	97	1,257	1,226	-	-	1,257	1,226
Unallocated assets							5,771	4,650	(2,412)	(2,096)	3,359	2,554
Total assets							7,028	5,876	(2,412)	(2,096)	4,616	3,780

Transfer prices between business segments are as set out in Note 7 to the financial statements.

25. Provident fund

The Company, together with certain subsidiaries, and their employees, have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company or the subsidiaries contribute to the fund monthly at the rate of 5 percent of basic salary. The funds, which are managed by Krungthai Thai Asset Management Public Company Limited, will be paid to the employees in accordance with the rules of the funds.

During the year 2009, the Company and its subsidiaries contributed Baht 3.9 million and the Company contributed Baht 0.3 million (2008: Baht 3.8 million and Baht 0.3 million, respectively) to the funds.

26. Forward sales contracts

It is the Company's and its subsidiaries' policy with many customers to sell concentrated latex products under forward sales contracts. Some productions are trading under such forward contracts.

27. Dividend paid

Dividends declared in the year 2009 consist of the following:

			(Unit: Baht)	
Dividends	Approved by	Type of shares	Total dividends	Dividend per share
<u>The subsidiaries</u>				
<u>Thai Rubber Latex Group Co., Ltd.</u>				
Interim dividends for 2009	The meeting of the board of directors on 14 December 2009	Ordinary shares, fully paid up	3,000,000	0.75
		Ordinary shares, 52.5 percent paid up	37,800,000	0.39
Total dividends paid in 2009			<u>40,800,000</u>	
<u>World Flex Public Co., Ltd.</u>				
Interim dividends for 2009	The meeting of the board of directors on 14 December 2009	Ordinary shares	57,750,000	0.75
Total dividends paid in 2009			<u>57,750,000</u>	

28. Commitments and contingent liabilities

28.1 Commitments

As at 31 December 2009, the Company and its subsidiaries had the following outstanding commitments:

- Commitments in respect of uncalled portion of investments in subsidiaries and associates of Baht 532.5 million (2008: Baht 540.0 million).
- The Company had outstanding commitments of approximately Baht 0.6 million (2008: Baht 0.1 million) in respect of the rental of space for storage of latex.
- Three subsidiaries had outstanding commitments of approximately Baht 1.7 million, in respect of the office rental and the house rental for staffs.
- A subsidiary entered into a service agreement with a legal consultant of the Company in respect of land purchase for rubber plantation in the northern area, whereby service fees will be charged at the rates stipulated in the agreement.
- The Company and three subsidiaries entered into consulting agreements, from which the Company and the subsidiaries will receive consulting services in respect of their business operations, and shall pay consulting fee at Baht 476,750 per month (2008: Baht 751,000 per month).
- A subsidiary had registered with the People's Republic of China to set up a corporate office for a period of 20 years from 9 January 2006 to 8 January 2026.
- The Company entered into the purchase agreements with two local companies to purchase latex, at quantity and price specified in the agreements.
- A subsidiary has outstanding commitment with respect to rubber purchasing and planting agreements with the individuals for planting of rubber in the northern area, with total value of Baht 23.2 million (2008: Baht 22.4 million).
- The subsidiary entered into an agreement with a group of para rubber planter state enterprises in respect of the distribution of benefits from the harvesting of the field latex as stipulated in the agreement which is for a period of 35 years or until the end of the useful life of the para rubber trees.

28.2 Bank guarantees

As at 31 December 2009, there were outstanding bank guarantees of approximately Baht 10.79 million (the Company only: Baht 2.53 million) issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of their businesses. These included letters of guarantee amounting to Baht 0.50 million to guarantee payments due to creditors (the Company only: Baht 0.30 million), Baht 10.29 million to guarantee electricity use, among others (the Company only: Baht 2.23 million).

28.3 Corporate guarantees

The Company and its subsidiaries have issued letters of guarantee to banks and financial institutions to secure credit facilities granted by the banks and financial institutions to each party as follows:

Guarantees	Guarantors									
	Thai Rubber Latex Corporation (Thailand) Public Co., Ltd.				Thai Rubber Latex Group Co., Ltd.				Thai Rubber City Co., Ltd.	
	31 December 2009		31 December 2008		31 December 2009		31 December 2008		31 December 2009	31 December 2008
	Million Baht	Million USD	Million Baht	Million USD	Million Baht	Million USD	Million Baht	Million USD	Million Baht	Million Baht
Thai Rubber Latex Corporation (Thailand) Public Co., Ltd.	-	-	-	-	1,955.98	27.30	1,769.80	27.30	222.25	250.00
World Flex Public Co., Ltd.	306.69	9.00	305.99	7.60	-	-	-	-	-	-
Thai Rubber Latex Group Co., Ltd.	2,531.55	7.00	3,022.42	7.00	-	-	-	-	-	-
Total	2,838.24	16.00	3,328.41	14.60	1,955.98	27.30	1,769.80	27.30	222.25	250.00

28.4 Contingent liabilities

A subsidiary received a notice from the Department of Special Investigation (DSI) alleging that the subsidiary encroached on approximately 900 rai of the National Reserve land for rubber planting. The management of the Company and the subsidiary refuse the allegation and have explained that the Company's procedures for acquiring land for planting accord with legal processes, and the land possessory rights were legally acquired. The case is currently under the consideration of the DSI in which the management believe that the final outcome will not result in significant loss to the Company and the subsidiary.

29. Financial instruments

29.1 Financial risk management

The Company's and its subsidiaries's financial instruments, as defined under Thai Accounting Standard No. 32 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, loans, investments, and short-term and long-term borrowings. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable and loans. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentration of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of accounts receivable and loans as stated in the balance sheet.

Interest rate risk

The Company and its subsidiaries are exposed to interest rate risk relates primarily to its cash at banks, bank overdrafts and borrowings which carry interest. However, since most of the Company's and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2009 classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

	Fixed interest	Floating	Non-interest		
	rates 1-5 years	interest rate	bearing	Total	Interest rate
					(percent per annum)
	(Million Baht)				
Financial assets					
Cash and cash equivalents	-	104	23	127	0.25
Trade accounts receivable	-	-	1,326	1,326	-
Short-term loans and advances	-	75	-	75	5.27 - 5.64
	-	179	1,349	1,528	
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	-	2,768	-	2,768	3.40, MOR
Trade accounts payable	-	-	221	221	-
Long-term loans	522	-	-	522	7.50
Finance lease and hire-purchase payable	2	-	-	2	2.85, 4.00
	524	2,768	221	3,513	

The Company entered into interest rate swap agreements to manage risk associated with the financial liabilities carrying floating interest. The details of long-term loans from financial institutions are set out in Note 17.1 b), c) and d) to the financial statements. The details of the interest rate swap agreements outstanding as at 31 December 2009 are as follows:

- The Company entered into an interest rate swap agreement with a local bank for the period from 15 November 2007 to 15 November 2012 by which the Company agreed to swap the interest rate of Baht 120 million loan from a floating interest rate, THBFIX plus 1.75 percent per annum as stipulated in the loan agreement, to a fixed interest rate at 7.50 percent per annum.
- The Company entered into an interest rate swap agreement with a local bank for the period from 15 November 2007 to 15 November 2010 by which the Company agreed to swap the interest rate of Baht 300 million loan from a floating interest rate, THBFIX plus 1.10 percent per annum as stipulated in the loan agreement, to a floating interest rate at 5.75 percent per annum.

- c) The Company entered into an interest rate swap agreement with a local bank for the period from 31 January 2008 to 31 January 2014 by which the Company agreed to swap the interest rate of Baht 130 million loan from a floating interest rate, THBFIX plus 1.75 percent per annum as stipulated in the loan agreement, to a fixed interest rate at 7.50 percent per annum.

Foreign currency risk

The Company's and its subsidiaries's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company and its subsidiaries seek to reduce this risk by entering into forward exchange contracts when they consider appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2009, the Company and its subsidiaries had significant foreign currency-denominated assets and liabilities as follows:

	Consolidated financial statement			Separate financial statement			
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
	RMB	RM	USD	JPY	RMB	USD	JPY
Foreign currency-denominated assets	21,763	12,478	12,875	33,202	25	7,379	33,202
Foreign currency-denominated liabilities	(12,605)	-	(1,038)	-	-	-	-
Net foreign currency-denominated assets	9,158	12,478	11,837	33,202	25	7,379	33,202
Average exchange rate as at 31 December 2009 (Baht per unit of foreign currency)	4.8929	9.5013	33.3688	0.3590	4.8526	33.2207	0.3590

As at 31 December 2009, the Company and its subsidiaries had entered into the following forward exchange contracts with the commercial banks to hedge exchange rate risk in the future of accounts receivable and accounts payable denominated in foreign currencies.

- a) The Company and its subsidiaries had entered into the forward exchange contracts to buy USD 380.76 at the forward rate of Baht 34.0300 per USD 1. The contracts are due on 16 March 2010.
- b) The Company and its subsidiaries had entered into the forward exchange contracts to sell USD 30.297 million at the forward rate of Baht 33.1224 - 34.2149 per USD 1. The contracts are due between 6 January 2010 and 30 June 2010 (the Company only: USD 13.090 million at the forward rate of Baht 33.1619 - 33.4889 per USD 1, due between 14 January 2010 and 21 June 2010).

29.2 Fair value of financial instruments

Since the majority of the Company's and the subsidiaries' financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the balance sheets.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

Fair value of derivatives as at 31 December 2009 is as follows:

	(Unit: Million Baht)	
	Notional amount	Fair value
		Gain (loss)
Derivatives		
Forward exchange contracts	1,012.15	2.799
Interest rate swap contracts	572.25	(29.761)

30. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financing structure and preserves the ability to continue its business as a going concern.

According to the balance sheet as at 31 December 2009, the Group's debt-to-equity ratio was 3.9:1 (2008: 3.3:1) and the Company's was 2.9:1 (2008: 2.9:1).

31. Subsequent events

On 1 March 2010, the meeting of the board of directors' of the Company No. 2/2010 passed a resolution approving the payment of dividend for 2009 to the Company's shareholders at Baht 2.00 per share or a total dividend of Baht 54.53 million.

The payment of dividend will later be proposed for approval in the Annual General Meeting of the Company's shareholders.

32. Approval of financial statements

These financial statements were authorised for issue by the board of directors of the Company on 1 March 2010

9. Report from the Audit Committee

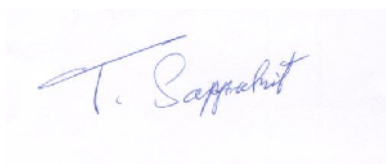
Audit Committee's Report

In the fiscal year 2009, the Audit Committees have performed with total responsibility in compliance with the approval of the Board of Directors. The Audit Committee is composed of 3 directors, who are expertise in field of finance& accounting and organizational management, namely:

Mr. Tiwa	Sappakit	Audit Committee Chairman
Mr. Erwin	Muller	Audit Committee
Mr. Krisn	Saritdeechaikul	Audit Committee

The Audit Committee have taken care of administrative management process, as well as doing and disclosing the financial report, internal audit, internal control, compliance of rules& regulations and other related laws. The Audit Committee has audited, evaluates result and reported to the company's Board of Directors regularly which could be summarized as follows:

1. During 2009 s, audit committees hold meeting to trace and approve financial statement proposal.
2. To consider the financial report and to review the financials creditability including in the quarterly report, and annual report in respect of accounting policy, and financial information disclosure, to assure the accordance with the Accounting Standard, the Security and Exchange Commission, the Stock Exchange of Thailand's notification and other related laws, to make benefit to investors or financial report user for making investment decision. The committees already reviewed the quarterly financial report, the annual report of the company and the consolidated financial report in every quarter and also invite the auditor to attend the Shareholder General Meeting every time so that shareholders could ask questions about the financial report.
3. To consider, select and propose the appointment and compensation of the company's auditor to the board of director and to get approval from shareholders in the annual general meeting.
4. To consider the annual audit report of the internal audit department, and at the same time suggest guidelines so that the company's operation would be transparent, fair, correct, follow with the company's rules& regulations, and follow with the way of company's committees, vision, mission, strategy, in order to generate efficiency in the operation and increase economics value for the highest securities of shareholders.
5. To invite the high-level of Management to attend the meeting of the Audit Committee to give the information and answer about the management, and also to invite the auditors to attend one meeting without management of company.



(Mr. Tiwa Sappakit)
Chairman of Auditing Committee
Thai Rubber Latex Corporation (Thailand) Public Company Limited