Thai Rayon Public Company Limited (“the Company”) would like to explain its financial statement for the year ended 30 September 2009 in comparison with the year ended 30 September 2008. The details of financial statements are set out in the attached note.

1. **Profit and Loss for the year ended 30 September 2009 in comparison with the year ending 30 September 2008**

   The Company has recorded a net profit for the year ended in Baht 463 Million compared to last year Baht 2,233 Million, a decrease of Baht 1,771 Million or 79% on account of following reasons. The significant changes are as follows:

   1) Sales revenues decreased by 30% or Baht 2,659 Million due to decrease in sales volume by 11% and selling price by 22%.

   2) Export incentive decreased by 37% or Baht 35 Million due to lower export sales volume by 19% and lower sales price by 23%.

   3) Interest income decreased by 71% or Baht 57 Million mainly due to decrease in interest rate and decrease in surplus funds due to lower profits.

   4) Dividend income decreased by 21% or Baht 2 Million due to lower dividend income from investment.

   5) Others income – others increased by 65% or Baht 4 Million due to foreign exchange gain of Baht 5 Million during the year which is included in other income.

   6) Company’s foreign exchange loss decreased by 131 % or Baht 21 Million compared to last year mainly due to fluctuation of Thai Baht against US Dollar.

   7) Cost of sales decreased by 22% or Baht 1,539 Million mainly due to decrease in sales volume by 11% and reduction in main raw-materials (per ton of fiber) cost by 24%. However, depreciation cost increased by 147% per ton of fibre due to full year operations of new line no. 5 and addition of line no.6 and reduced capacity utilization.

   8) Selling expenses decreased by 54% or Baht 180 Million due to decrease in sales volume and decrease in outbound logistics cost following lower fuel prices and reduced shipping freights.

   9) Management benefit expenses increased by 42% or Baht 8 Million due to increase in management personnel upon promotion and annual increment.
10) Share of income from investments accounted for under equity method decreased by 106% or Baht 1,073 Million compared to last year due to decrease in profits of the associated companies mainly on account of global economic slowdown.

11) Finance cost decreased by 68% or Baht 3 Million compared to last year due to decrease in short term borrowings.

12) Corporate Income tax decreased by 86% or Baht 305 Million due to decrease in profits and lower taxable profits on account of profits from BOI promoted operations.

As per reasons mentioned above, the earnings per share for the year 2009 are Baht 2.29 compared to Baht 11.08 in last year.

2. Balance Sheet as of 30 September 2009 in comparison with as of 30 September 2008

The major changes are as below:

1) Cash & cash equivalents increased by 157% or Baht 697 Million mainly due to classification of current investments under cash & cash equivalents on account of less maturity period.

2) Current investments decreased by 100% or Baht 310 Million due to classification of the same under cash and cash equivalent on account of less maturity period.

3) Trade account receivable to unrelated parties increased by 19% or Baht 96 Million and to related parties increased by 15% or Baht 74 Million mainly due to higher sales in last quarter.

4) Inventories decreased by 34% or Baht 470 Million mainly due to reduction in inventory of raw-material volume and prices.

5) Input tax refundable decreased by 82% or Baht 76 Million due to lower export sales, reduced purchases and receipt of arrear refund.

6) Interest receivable decreased by 85% or Baht 6 Million due to lower interest rate and reduction in deposits.

7) Dividend receivable decreased by 100% or Baht 9 Million as accrued dividend was received within the year.

8) Other current assets decreased by 24% or Baht 5 Million due to decrease in incentive bonds in hand at the year end.

9) Other long-term investments increased by 36% or Baht 403 Million mainly due to unrealized gain from fair value of investment in available-for-sale securities of Baht 270 Million and additional investment of Baht 142 Million in related companies.

10) Trade accounts payable to unrelated parties decreased by 40% or Baht 172 Million due to decrease in inventory and prices of materials and Trade accounts payable to related parties increased by 92% or Baht 57 Million due to increase in payable for materials at year end.

11) Corporate income tax payable decreased by 100% or Baht 64 Million due to lower profits and tax free profits earned from promoted business.
12) Other current liabilities –others decreased by 68% or Baht 32 Million mainly due to payment of outstanding liabilities at the year end.

13) Other non-current liabilities increased by 41% or Baht 5 Million due to increase in deposits.

14) Revaluation surplus on changes in value of investments increased by 79% or Baht 270 Million due to change in the fair value of investment as on balance sheet date.

Shareholders’ equity for the year 2009 amounted to Baht 15,321 Million, an increase by 3% or Baht 445 Million compared to last year. This was due to addition of profits for the year 2009.

Please be informed accordingly.

Yours faithfully,
For THAI RAYON PUBLIC COMPANY LIMITED

Mr. P.K. Sipani
Joint President (Finance & Commercial)