

(F 53-4)

## Capital Increase Report Form

### Thai Rubber Latex Corporation (Thailand) Public Company Limited

Date 10 November 2017

We, Thai Rubber Latex Corporation (Thailand) Public Company Limited, hereby report on the resolution of board of directors meeting No. 7/2017, held on 10 November 2017 at 10.30 am to 12.00 am, relating to a capital decrease, capital increase and share allotment as follows:

#### 1. Capital decrease

The Board of Directors' Meeting has a resolution to approve the reduction of the company's registered capital from 749,607,657.00 Baht to 681,479,688.00 Baht by eliminating unsubscribed shares totaling 68,127,969 shares at the par value of 1.00 Baht, totaling 68,127,969 Baht.

#### 2. Capital increase

The board meeting has a resolution to approve the increment of the company's registered capital from 681,479,688.00 Baht to not exceeding 1,881,479,688 Baht by issuing not exceeding 1,200,000,000 ordinary shares with a par value of 1.00 Baht each, totaling not exceeding 1,200,000,000 Baht. Details of the each type of capital increase are:-

Type of capital increase	Type of share	Number of shares (shares)	Par value (Baht/share)	Total (Baht)
<input checked="" type="checkbox"/> Specifying the purpose of utilizing proceeds	Ordinary Preferred	Not exceeding 1,200,000,000	1.00	Not exceeding 1,200,000,000
<input type="checkbox"/> General mandate	Ordinary Preferred			

#### 3. Allotment of new shares:

##### 3.1 If specifying the purpose of utilizing proceeds

Alloted to	Number of shares (shares)	Ratio (old:new)	Sale price (Baht/share)	Subscription and payment period	Remark
<b>3.2 I</b> Private Placement - Thai Rubber Latex Group Company Limited ("THAITEK")	Not exceeding 1,200,000,000		1.00	The Executive Committee or the authorized by The Executive Committee.	Please see remark

##### 3.2 In case of the unsubscribed shares exceed oversubscription portion

No exceed oversubscription portion according to the Board of Directors has a resolution to approve the allocation of the newly-issued ordinary shares totaling not exceeding 1,200,000,000 shares of the Company under the private placement.

### **Remark**

The Board of Directors' Meeting No. 7/2017, held on 10 November 2017 has a resolution to purpose to the Extraordinary General Meeting of Shareholders No. 1/2017 to approve the allocation of the newly-issued ordinary shares, totaling not exceeding 1,200,000,000 shares with a par value of 1.00 Baht per share under the private placement according to the Notification of the Capital Market Supervisory Board No. TorChor. 72/2015 Re: re: Permission for Listed Companies to Offer Newly-issued Shares to Private Placement, dated 28<sup>th</sup> October 2015, and the amendments ("Notification TorChor. 72/2015") by allotting to THAITEX with a par value of 1.00 Baht per share, totaling not exceeding 1,200,000,000 Baht. In this regard, THAITEX will transfer the entire business including all investment in TRLG Shanghai, totaling 555,500 US Dollars or 55 percent of all investment as a consideration of the newly-issued ordinary shares of the Company allotting to THAITEX instead of cash. The details of the issuance of the newly ordinary shares under the private placement as payment for the acquisition of the entire business transfer of THAITEX, which is in consistent with the conditions and details in relation to the acquisition of the entire business transfer transaction and the allocation of newly-issued ordinary shares, are disclosed in the Information Memorandum concerning the Issuance and Offering of the Newly-issued Ordinary Shares through Private Placement.

The pricing of the said newly issued ordinary shares to THAITEX with a discount at 52.15 is considered an allocation of newly issued ordinary shares to a specific person under the private placement scheme which has been stipulated the fixed price at the offering price with a discount more than 10 percent of market price pursuant to the Notification TorJor. 72/2558. In this regard, such allocation is required approval from the shareholders' meeting by affirmative votes of not less than three-fourths of the total votes of the shareholders who attend the meeting and are eligible to vote and there must be no any shareholders at total 10 percent of the total votes of the shareholders who attend the meeting and eligible to veto the offering price of newly issued ordinary shares, together with the permission of the SEC for such allocation and offering newly issued- ordinary shares in advance before the allocation and offering of the newly issued ordinary shares of the Company to the proposed buyer.

In addition, the offering price with a discount is less than 90 percent of market price. The market price means the weighted average method of the Company's shares on 7 consecutive business days prior to the date on which the Board of Directors resolves to propose that Extraordinary General Meeting of Shareholders No. 1/2017. In this regard, the buyer agrees to not sell the newly-issued shares within 1 year from the date which those shares will be traded on the Stock Exchange in accordance with Notification of the Stock Exchange of Thailand Re: Rules, Conditions, and Procedures Governing the Listing of Ordinary or Preferred Shares Issued for Capital Increase B.E. 2558 (amendments)

In this respect, THAITEX is the subsidiary company and held 99% of total shares by the company, the issuance of the Company's newly ordinary shares to THAITEX is not considered as connected transactions pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2008 Re: Rules on Connected Transactions, dated 31<sup>th</sup> August 2008, and Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure and Other Acts of Listed Companies on Connected Transactions, B.E. 2546 (2003), dated 19<sup>th</sup> November 2003.

In this regard, the Executive Committee or person(s) entrusted by the Executive Committee shall have the power to consider the other matter which involve the allocation of newly-issued ordinary shares including but not limited to:

- (1) Determining the subscription period, condition and other detail relating to allocate the offering of the capital increase ordinary shares;
- (2) Negotiation, entering into, execution the agreement and relevant documents including any procedures which related the said allocation.
- (3) Undertaking and signed on any application for approval, waiver and evidence necessary and related to the allotment of the capital increase ordinary shares, including contacting and submitting such applications for approval or waiver, document or evidence to government agencies or relevant authorities and the listing of the capital increase ordinary shares on the Stock Exchange of Thailand; and taking any action necessary and appropriation relating to the allotment of such capital increase ordinary shares in all respects.

#### **4. Schedule for a shareholders' meeting to approve the capital increase/allotment**

The Extraordinary General Meeting of Shareholders No. 1/2017 is scheduled to be held on 13 December 2017 at 9.00 am, at Dusit Princess Hotel, Srinakarin by stipulating the shareholders who is entitled for attending in this Extraordinary General Meeting of Shareholders (Record Date) on November 24, 2017

#### **5. Approval of the capital increase/share allotment by relevant governmental agency and conditions thereto (if any)**

- (1) The Company will request a waiver and a permission to offer the newly issued ordinary shares through private placement with the Stock Exchange of Thailand. Accordingly, the newly issued ordinary shares could not be offered to its subsidiaries pursuant to the Notification TorChor. 72/2015 and constitutes a temporary cross- shareholding which against the status of Listed Companies according to the regulations under the Notification of the Stock Exchange of Thailand Re: Listing of Ordinary or Preferred Shares Issued as Listed Securities B.E. 2558 (2015) and Notification of the Capital Market Supervisory Board No. TorChor. 39/2016 Re: Application for and Approval of offer for sale of Newly Issued Share. Moreover, to ask for a permission with the Stock Exchange of Thailand to offer newly-issued ordinary shares with a discount which is considered as private offering with distinct offering price determination with the discount exceeding 10 percent of the market price according to the Notification TorChor. 72/2015.
- (2) The Company will propose to the Extraordinary General Meeting of Shareholders to approve the acquisition of entire business of THAITEX and the capital increase and the allocation of newly issued ordinary shares under the private placement.
- (3) The Company will register the capital increase and amendment of Memorandum of Association and paid-up capital with Department of Business Development, and the Ministry of Commerce
- (4) The Company will request the permission with the Stock Exchange of Thailand for listing the said newly issued ordinary shares to be listed securities.

#### **6. Objectives of the capital increase and plans for utilizing proceeds received from the capital increase**

The allocation of the newly-issued ordinary shares in an amount of not exceeding 1,200,000,000 shares with a par value of Baht 1 per shares under the private placement is calculated the total value not exceeding Baht 1,200,000,000. It is the objective for a consideration of entire business transfer of THAITEX. As a result of completed business transfer, THAITEX is still a subsidiary of the

Company and the majority shareholder who holds shares at 63.8 percent of the paid-up capital of the Company. However, the issuance of newly issued ordinary shares is only the procedure of acquisition of entire business transfer so as to granting the tax incentive pursuant to Royal Decree issued under the Revenue Code Governing the Exemption from Revenue Tax (No. 542) B.E. 2555 and ministerial regulation No. 291 (B.E. 2555) issued under the Revenue Code Governing the Exemption for Revenue Tax and Notification of the Director-General of Revenue subject: Rules, procedures, and conditions for amalgamation or entire business transfer of a public limited company or a limited company for the exemption of revenue taxes (No.3) dated 19 October 2555 (“**Regulation of EBT for Tax Exemption**”). After the EBT is investigated by Revenue Department, the Company will decrease its registered capital on only proportion of THAITEX.

**7. Benefits which the Company will receive from the capital increase/share allotment**

The offering of the newly-issued ordinary shares of the Company (Private Placement) to THAITEX will be a consideration of entire business transfer of THAITEX. The Company will acquire THAITEX’s business which will affect the reduction of cost and related party transaction and this will increase the efficiency of manufacturing latex. The Company expects that after the business restructuring and the potential a massive demand of latex, the Company will have more profit in the future.

**8. Benefits which shareholders will receive from the capital increase/decrease share allotment**

THAITEX receives the shares from the allocation of the share under the private placement as a payment for business transfer. THAITEX will not be entitle to receive dividend from the Company and no right to vote in EGM meeting because the capital will decrease to the number of shareholder before the increase of the capital, 681,479,688 shares.

**9. Other details necessary for shareholders to approve the capital increase/share allotment**

The Notification of the Stock Exchange of Thailand Re: Listing of Ordinary or Preferred Shares Issued as Listed Securities B.E. 2558 has stipulated that in case, the offering price is lower than 90 percent of market price of the Company’s shares before the SET accept and register the share to become listed securities that can be trade in SET. The Company must stipulated that the shares which will be held by THAITEX do not sell within one year from the date those shares trading in the exchange. After the date of those share trading in the exchange in 6 months completely, the investor can sell one by one the restriction shares at 25 percent of total restriction shares.

**10. Schedule of action if the board of directors passes a resolution approving the capital increase or allotment of new shares**

No.	Procedures of the capital increase	Date/Month/Year
1	Board of Directors approves the reduction and increase capital and the allotment of new shares	10 November 2017
2	The Record date for the right to attend the meeting EGM No. 1/2017 (Record Date)	24 November 2017
3	Extraordinary General Meeting No.1/2017	13 December 2017
4	The Record date for the right to subscribe and paid up for newly issued ordinary share (Private Placement)	Within 3 months after the date of the EGM's approval of the issuance of new ordinary shares to private placement. The Company estimated the allotment of private placement share to be within 29 December 2017
5	Registration of capital increase with Ministry Commerce	Within 14 days after the Rights Offering subscription finish and the allotment of private placement share is finish.

The Company hereby certifies that the information contained in this report form is true and complete in all respects.

Signed \_\_\_\_\_ Authorized director  
(Mr. Vorathep Wongsasuthikul)

Position Chief Executive Officer

Signed \_\_\_\_\_ Authorized director  
(Mr. Paiboon Waraprateep)

Position Vice Chairman