

August 11, 2022

**Subject :** Notification of the renewal of the Audit Committee and approval for a conversion of debt to equity of Latex Systems Public Company Limited

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

**Attachments :** Information Concerning Acquisition of Assets and Connected Transaction

The Board of Directors' Meeting No.4/2022 of Thai Rubber Latex Group Public Company Limited ("the Company") held on August 8, 2022 has resolved as follows:

**1. The renewal of the Audit Committee to replace expired directors.**

- Mr. Surabhon Kwunchaithunya                      Audit Committee  
Effective since August 11, 2022

**2. Approval for a conversion of debt to equity of Latex Systems Public Company Limited**

According to the resolution of the Board meeting, the Board approved the Company to enter into the transaction of conversion of loan at the amount of not over than Baht 111,110,000 (one hundred eleven million one hundred and ten thousand) to newly issued ordinary shares of Latex Systems Public Company Limited not exceeding 222,220,000 (two hundred twenty-two million two hundred and twenty thousand) shares at the price of Baht 0.50 (Satang 50) per share which equivalent to the total price of not over than Baht 111,110,000 (one hundred eleven million one hundred and ten thousand). Please refer to Information Concerning Acquisition of Assets and Connected Transaction for further information.

Please be informed accordingly,

Truly yours,

(Mr. Pattarapol Wongsasuthikul)  
Chief Executive Officer

## Form to Report on Names of Members and Scope of Work of the Audit Committee

The Board of Directors meeting of Thai Rubber Latex Group Public Company Limited No.4/2565 held on 11 August 2022 resolved the meeting's resolutions in the following manners:

~~Appointment of the audit committee~~/Renewal for the term of audit committee:

Chairman of the audit committee       Member of the audit committee

As follows:

1. Mr.Surabhon Kwunchaithunya

, the ~~appointment~~/renewal of which shall take an effect as of 11 August 2022

Determination/Change in the scope of duties and responsibilities of the audit committee with the following details:

-

....., the determination/change of which shall take an effect as of .....-.....

The audit committee is consisted of:

1. Chairman of the audit committee    Mr. Yayong Tawarorit    remaining term in office 1 year(s) 6 month(s)
2. Member of the audit committee    Dr. Sompop Rangubtook    remaining term in office 9 month(s)
3. Member of the audit committee    Mr. Surabhon Kwunchaithunya    remaining term in office 2 year(s)

Secretary of the audit committee : Mr. Prawit Waraprateep

Enclosed hereto is 1 copies of the certificate and biography of the audit committee. The audit committee number(s) 1, 3 has/have adequate expertise and experience to review creditability of the financial reports.

The audit committee of the company has the scope of duties and responsibilities to the Board of Director on the following matters:

### **1. The Internal Control and Internal Audit**

1. To Review that the company has accurate, complete, reliable financial reports and adequate information disclosure.

2. To Review that the company has an internal control system. The risk management system and the internal audit system are adequate, appropriate and effective

3. To Review ensure compliance with the good corporate governance policy and business ethics appropriately and effectively.

4. To Review that the company to comply with the law on securities and exchange, regulations of the Stock Exchange . Or laws related to the company's business

5. To Consider the appointment of an auditor and terminate the company's auditor and propose the auditor's remuneration

6. To Considering the connected transactions in accordance with the laws and regulations of the Stock Exchange of Thailand to ensure that they are reasonable and beneficial to the Company.

7. To Supervise that the performance of the internal audit department at the policy level. And the operation of the internal audit By considering approving the card rules Independence Including the scope and audit plan of the internal audit department

8. To Consider the appointment, transfer and termination of the head of the Internal Audit Department. Including jointly assessing the performance of the head of the internal audit department and approving the remuneration of the internal audit staff. As considered by Chief Executive of the Company

9. To Consider and review the audit results and recommendations of both the auditor and the internal audit department. Including following up to ensure The management has proceeded sufficiently with the said recommendation. Effective And within a reasonable time

10. The audit committee can invite executives. Or employees of related companies to report Or present information to attend meetings or submit documents as deemed relevant and necessary

11. The audit committee can seek advice from outside advisers. Or professional experts regarding the performance of the audit The company is responsible for expenses according to the company's regulations.

12. To Review and amend the Audit Committee Charter at least once a year. Or as necessary to be up to date and suitable to the environment of the organization and present to the Board of Directors for approval.

13. To prepare the report of the Audit Committee. Which contains information And the opinion of the audit committee in various fields Disclosed in the annual report of the company The said report must be signed by the Chairman of the Audit Committee.

14. To perform any other tasks as assigned by the Board of Directors with the approval of the audit committee. In this regard, management has a duty to report or present relevant information and documents to the Audit Committee in order to support the operations of the Audit Committee to achieve its assigned duties.

## **2. The Financial Statement Reports and Disclosure of Information**

1. The Audit Committee organizes or calls a meeting as it deems appropriate. At least four times a year and have the power to call additional meetings as needed. And the quorum consists of not less than half of the audit committee

2. All directors should attend every meeting. Unless there is a necessity, the chairman of the audit committee should be informed at least 3 days in advance.

3. The Chairman of the Audit Committee shall preside over the meeting in the event that the Chairman of the Audit Committee is not present at the meeting or is in a necessary task. The Audit Committee members present at the meeting shall elect one of their members to be the chairman of the meeting.

4. The Specific meetings with management or internal auditors or auditors Must be provided regularly At least once a year

5. The Inspect can be done by holding a majority. The Audit Committee who has any interest in the matter considered. Must not participate in expressing opinions and voting on such matters If the votes are equal, the chairperson of the meeting shall have an additional vote as a casting vote.

6. Deliver the meeting invitation not less than 7 days before the meeting. Unless necessary or urgent Can notify the meeting by other methods or set the meeting date earlier The Secretary of the Audit Committee shall record the minutes of the meeting.

### **3. The Auditor**

1. To consider the selection or discharge, an offer of remuneration, and a proposal to appoint a person who has independence in order to be the Company's auditor.

2. To attend the meeting with an auditor, without the presence of the Management Team, at least one time per year.

3. To recommend that an auditor review or check necessary and important transactions during the Company's account audits.

### **4. The Compliance with stipulations and the Law**

1. To Check that the Company complies with the law, regulations of the Stock Exchange of Thailand, or rules and regulations of the public agencies.

2. To review evidence when raising doubts about any transactions or actions which may violate the law, or regulations of the Stock Exchange of Thailand, or rules and regulations of the public agencies which may affect the Company's financial status and operational performance significantly.

### **5. The Risk Management**

To review the risk management system

### **6. The Regulation of Performance of the Subsidiaries and Associated Companies**

To cooperate with the Audit Committee of the subsidiaries and associates companies, and request that the Internal Audit Division provides summarized reports on results of auditing the business of every subsidiary and associated company for the Audit Committee's acknowledgement.

### **7. The Corporate Governance**

To regulate and review the internal control related to the Good Corporate Governance and measures against corruption.

**8. The Recruitment of a Specialist**

In case of necessity, the Audit Committee may recommend that the Board of Directors hire or recruit a specialist to work together

**9. Other Responsibilities**

Other missions as assigned by the Board of Directors.

**The company hereby certifies that**

1. The qualifications of the aforementioned members meet all the requirements of the Stock Exchange of Thailand; and

2. The scope of duties and responsibilities of the audit committee as stated above meet all the requirements of the Stock Exchange of Thailand

Signed ..... Director and Chief Executive Office  
(Mr.Pattarapol Wongsasuthikul)

Signed ..... Director  
(Mr.Prawit Waraprateep)

### Information Concerning Acquisition of Assets and Connected Transaction

According to the resolution of the Board of Directors of Thai-Rubber Latex Corporation (Thailand) Public Company Limited (“Company” or “TRUBB”) No. 4/2565 on 11 August 2022, the Board of Directors passed a resolution to purchase shares of Latex Systems Public Company Limited (“LS”). Currently, the Company is holding 18% of the issued and paid-up shares of LS, **as its subsidiary**. The Company is planning to enter into a transaction of converting loan under the promissory note to ordinary shares of LS at the amount not exceeding 222,220,000 (two hundred twenty-two million, two hundred and twenty thousand) shares at total price of not exceeding Baht 111,110,000 (one hundred eleven million, one hundred and ten thousand). This transaction is considered as an acquisition of assets under the Notification of the Capital Market Supervisory Board No. TorChor 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets 2004 (collectively “Notifications on Asset Acquisition and Disposal”), Connected Transactions according to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions 2003 (collectively “Notifications on Connected Transactions”). After the transaction, the Company will hold not more than 52% of the issued and paid-up shares of LS as detailed below;

#### 1. Date of entering into transaction

Upon the approval from the Board of Directors Meeting and Extraordinary General Meeting of Shareholders of LS which will be held within September 2022, the transaction is expected to be completed by the third quarter of 2022.

#### 2. The parties involved

TRUBB and LS have a group of connected persons as detailed below;

TRUBB	LS	Relationship
Mr. Vorathep Wongsasuthikul <ul style="list-style-type: none"> <li>● Chairman of the board of directors</li> <li>● Chairman of the executive director</li> </ul>	Mrs. Patumporn Trivisvavet <ul style="list-style-type: none"> <li>● Managing Director</li> <li>● Shareholder 10%</li> </ul>	Mr. Vorathep Wongsasuthikul's daughter
	Ms. Chalongkwan Wongsasuthikul <ul style="list-style-type: none"> <li>● Shareholder 2.09%</li> </ul>	Mr. Vorathep Wongsasuthikul's daughter
	Mr. Pattarapol Wongsasuthikul <ul style="list-style-type: none"> <li>● Shareholder 2.09%</li> </ul>	Mr. Vorathep Wongsasuthikul's son
	Mrs. Thippawan Suttathipkul <ul style="list-style-type: none"> <li>● Shareholder 3%</li> </ul>	Mr. Vorathep Wongsasuthikul's wife

	Mr. Kowit Wongsasuthikul ● Shareholder 1.99%	Mr. Vorathep Wongsasuthikul's son
Mr. Paiboon Worrapratheep ● Vice chairman of the Board of Directors	Ms. Ummarut Limwannawong ● Shareholder 10%	Mr. Prawit Worrapratheep's wife and Mr. Paiboon Worrapratheep's daughter in law
Mr. Prawit Worrapratheep ● Director		
Mr. Pasitpol Temrittikulchai ● Director	Mrs. Nuanruedee Krittayanukool ● Shareholder 8%	Mrs. Nuanruedee Krittayanukool's son and TRUBB's director

### 3. General information of transaction

LS financial situation has been adversely affected by the rubber beds and pillows market fluctuation, the trade war in China, and the COVID-19 Pandemic. Based on LS financial statement as of **June 30, 2022**, LS has total liabilities at Baht **955,165,071**. TRUBB is the only one large creditor of LS. According to the promissory note, LS owes TRUBB Baht 166,000,000 at annual rate of 4%, **representing 17% of total liabilities. The remainder are short-term loans from banks of approximately 325 million baht or 34% and long-term loans from banks of approximately 350 million baht or 37 %**. Therefore, it is necessary for LS to restructure its debt in order to reduce the outstanding amount and pay dividend shortly.

The conversion of debt to equity would help reducing long-term debt liability and interest liability at the amount of baht 6,640,000 per year. In addition, it would increase the business liquidity, the ability to compete in rubber beds and pillows industry, and the ability to pay dividend. In this transaction, TRUBB, LS's large creditor, is planning to convert loan at the amount of Baht 111,110,000 (one hundred eleven million, one hundred, and ten thousand) to newly issued ordinary shares not exceeding 222,220,000 (two hundred twenty-two million, two hundred and twenty thousand) shares at the price of Baht 0.50 (Satang 50) per share which equivalent to the total price of Baht 111,110,000 (one hundred eleven million, one hundred and ten thousand).



#### 4. Acquisition of assets information

This transaction is considered as an acquisition of assets under the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets 2004 (collectively, the “Notifications on Asset Acquisition and Disposal”) with the transaction size of 1.16 which is the maximum transaction size calculated on the basis of net profit based on the consolidated financial statements of the Company on June 30, 2022 and the financial statements of LS ended of June 30, 2022 with the criteria of the value of the transaction size as the following details;

Calculation Criteria	Formula in Calculation	Calculated Item Size
1. Net Tangible Asset – NTA	$\frac{\text{NTA of the Entering Business} \times \text{Proportion of Shares} \times 100}{\text{NTA of Listed Companies}}$	Cannot be calculated (Since the NTA of LS is negative)
2. Net Profit from Operation	$\frac{\text{Net profit from operation of the company that will buy or sell} \times \text{Proportion of shares} \times 100}{\text{Net income from normal operations of listed companies}}$	Cannot be calculated (Since LS has a net loss from operations)
3. Total Value of Consideration	$\frac{\text{Paid or Received Amount in Proportion} \times 100}{\text{Total Assets of Listed Companies}}$	1.16
4. Criteria of Value of Shares Issued for Assets Payment	$\frac{\text{Number of Shares Issued for Assets Payment} \times 100}{\text{Number of Issued and Paid-up Shares of Listed Company}}$	Cannot be calculated (Since there are no shares issued to pay for the assets)

Since the calculated transaction size is less than 15%, which does not qualify to disclose the report. However, this transaction will be made with the connected persons. Therefore, it is considered a connected transaction with the calculated size of 2.99% of net tangible assets (NTA), based on the consolidated financial statements of the Company as of June 30, 2022. This transaction is considered a medium size transaction relating to assets or services. The Company is required to obtain an approval from the Board of Directors and disclose information to the Stock Exchange of Thailand.

## 5. Acquisition of assets information

### 5.1 Business information

Company name: Latex Systems Public Company Limited

Address: 79/2 Moo 1, Hom Sin, Bang Pakong, Chachoengsao Province

Nature of Business: purchase, sell, manufacture, and export rubber and synthetic fiber pillows and beds.

### 5.2 Board of Directors of LS

1. Mrs. Pathumporn Trivisavavet
2. Mr. Suthee Techaprapasaeng
3. Mr. Prasert Leelabanyong
4. Mr. Thiwat Sirichaitawin
5. Mrs. Aree Lila

### 5.3 Shareholding structure

Shareholders List before and after the entering into the transaction

Shareholders' name	Before entering into the transaction		After entering into the transaction	
	Shares number	Shares number	Shares number	Ratio (%)
Thai Rubber Latex Group Public Company Limited	57,162,188	18.00	279,382,188	51.758
Mr. Prasert Leelabanyong	121,617,028	38.30	121,617,028	22.531
Mrs. Pathumporn Trivisavavet	31,756,032	10.00	31,756,032	5.883
Ms. Amonrat Limwannawong	31,756,032	10.00	31,756,032	5.883
Mrs. Nuanruedee Kittayanukool	25,406,304	8.00	25,406,304	4.707
Mrs. Rattana Taechapanggam	12,281,808	3.87	12,281,808	2.275
Mrs. Thiphawan Suthathipkun	9,524,592	3.00	9,524,592	1.765
Ms. Chalengkwan Wongsasuthikul	6,634,320	2.09	6,634,320	1.229
Mr. Pattarapol Wongsasuthikul	6,634,320	2.09	6,634,320	1.229
Mr. Kowit Wongsasutthikul	6,334,944	1.99	6,334,944	1.174
Ms. Chanisara Sriherunrusmee	3,174,864	1.00	3,174,864	0.588
Ms. Suphawan Sriherunrusmee	3,174,864	1.00	3,174,864	0.588
Mrs. Sukanya Sirichaitawin	2,110,416	0.66	2,110,416	0.391
<b>Total</b>	<b>317,567,712</b>	<b>100.00</b>	<b>539,787,712</b>	<b>100.00</b>

## 5.4 Conclusion of financial position

Statement of financial position	30 June 2022	31 December 2021	31 December 2020	31 December 2019
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	6,666,135	3,818,689	1,403,234	53,074
Trade accounts receivable	12,801,108	14,089,564	18,165,605	132,732,462
Inventories	23,646,631	35,830,405	75,874,546	205,098,705
Value Added Tax receivable	14,106,497	38,113,089	37,432,603	36,628,593
Other current assets	12,407,871	17,057,778	17,461,625	19,018,792
<b>Total current assets</b>	<b>56,295,972</b>	<b>108,909,525</b>	<b>150,337,613</b>	<b>393,531,626</b>
<b>Non-current assets</b>				
Property, plant and equipment	618,289,479	637,577,278	707,251,622	719,689,804
Goodwill	-	-	-	6,875,748
Intangible assets	70,541	181,604	472,452	2,227,596
Other non-current assets other than goodwill	1,418,629	1,360,708	3,734,830	4,588,309
<b>Total non-current assets</b>	<b>619,778,649</b>	<b>639,119,590</b>	<b>711,458,904</b>	<b>733,381,457</b>
<b>Total assets</b>	<b>676,074,621</b>	<b>748,029,115</b>	<b>861,796,517</b>	<b>1,126,913,083</b>
<b>Liabilities and shareholders' equity (deficit)</b>				
<b>Current liabilities</b>				
Bank overdrafts and short-term loans	324,640,000	329,127,659	301,960,000	339,257,365
Short-term loan from related party	-	-	166,000,000	-
Trade and other current payables	82,143,629	84,908,133	84,693,379	230,241,024
Accrued expenses	283,069	957,326	1,207,330	2,309,493
Current portion of long-term loans	-	-	53,000,000	133,600,000
Current portion of lease liabilities	-	731,230	8,085,887	1,241,503
Other current liabilities	262,922	354,524	300,684	498,730
<b>Total current liabilities</b>	<b>407,329,620</b>	<b>416,078,872</b>	<b>615,247,280</b>	<b>707,148,115</b>
<b>Non-current liabilities</b>				
Long-term loans	516,179,335	350,179,335	297,179,335	216,437,175
Long-term loans from related party	-	166,000,000	-	-
Finance lease liabilities	278,125	25,174	6,880,709	1,846,888
Non-current provisions for employee benefits	9,094,205	11,082,835	9,446,386	10,321,828
Deferred tax liabilities	22,283,788	22,283,788	15,875,336	1,358,639
<b>Total non-current liabilities</b>	<b>547,835,452</b>	<b>549,571,132</b>	<b>329,381,766</b>	<b>229,964,530</b>

Total liabilities	955,165,072	965,650,004	944,629,046	937,112,645
Equity				
Share capital				
Authorized share capital (450,000,000 ordinary shares, par value at Baht at 0.5 per share)	225,000,000	225,000,000	225,000,000	225,000,000
Issued and paid-up share capital (317,567,712 ordinary shares, par value at Baht at 0.5 per share)	158,783,856	158,783,856	158,783,856	158,783,856
Share premium				
Share premium on ordinary shares	11,899,509	11,899,509	11,899,509	11,899,509
Retained earnings (deficit)				
Appropriated				
Legal reserve	13,627,624	13,627,623	13,627,623	13,627,623
Deficit	(516,679,430)	(455,320,173)	(329,244,122)	(5,788,290)
Other components of equity (deficit)	53,277,991	53,388,296	62,100,605	11,277,740
Total equity (deficit)	(279,090,451)	(217,620,889)	(82,832,529)	189,800,438
Total liabilities and equity (deficit)	676,074,621	748,029,115	861,796,517	1,126,913,083

## 5.5 Summary of operating results

List	30 June 2022	31 December 2021	31 December 2020	31 December 2019
<b>Statement of comprehensive income</b>				
Revenues from sales	11,889,684	227,316,870	249,114,087	585,075,232
Other incomes	308,404	14,985,405	3,226,659	20,601,388
Total revenue	12,198,088	242,302,275	252,340,746	605,676,620
Total expenses	12,312,132	340,362,494	547,570,627	853,209,061
Loss before income tax	(10,706,486)	(128,379,909)	(324,748,595)	(270,691,669)
Loss for the year	(10,706,486)	(134,788,360)	(325,938,827)	(270,143,694)

## 6. Value of acquired assets

The assets that the Company will acquire include:

New ordinary shares of LS not exceeding 222,220,000 shares, or equivalent to not exceeding Baht 111,110,000, representing not over than 52 of the registered shares of 539,787,712 shares (after completion of the registered capital increase) of the said Company. The paid-up capital is Baht 269 million.

**7. Criterion for purchase price determination**

The Company determines the share price derived from the debt-to-equity conversion from; 1. Loan debt under the promissory note **on demand** made on July 21, 2021 at the amount of Baht 166,000,000, at the annual rate of 4% which is the market rate; and 2. LS shares at a par value of Baht 0.50 per share under the debt to equity conversion scheme.

**8. Expected benefits**

LS's approach to debt restructuring by converting debt to equity would help reducing long-term debt and interest burdens for more than Baht 6,640,000 per year. It also help increasing liquidity of the business as well as the ability to compete in the industry of cushions, pillows, and latex or synthetic mattresses, making it possible to pay dividends to shareholders in the near future.

**9. Source of fund used to purchase assets**

The company does not need capital to enter the transaction because it is a debt-to-equity conversion transaction in accordance with the ministerial regulations, prescribing rules, and procedures for the issuance of shares for repayment of debt and the debt-to-equity conversion for the company's debt restructuring 2001.

**10. Terms of entering the transaction**

The transaction must be approved by the shareholders' meeting from LS first, which will be arranged within September 2022 in order to be able to enter into such transaction. It is estimated that the transaction will be completed within the third quarter of 2022.

**11. Nature and Scope of Interests of Related Persons**

TRUBB and LS have a relationship as detailed in Clause 2. Therefore, the transaction is considered as connected transactions. The calculated transaction size is equal to **2.99%** of net tangible assets (NTA) based on the Company's consolidated financial statements, ended on **June 30, 2022**, which is considered as medium size transaction relating to assets or services. The Board of Directors must approve the transaction and disclose information to the Stock Exchange of Thailand.

## 12. Directors' conflict of interests

The directors who have conflict of interest in this transaction are;

Name List	Position
Mr. Vorathep Wongsasuthikul	Chairman of the board of directors, Chairman of the executive director
Mr. Paiboon Worrapatheep	Vice chairman of the board of directors
Mr. Pattarapol Wongsasuthikul	CEO, Director
Mr. Prawit Worrapatheep	Director
Ms. Chalengkwan Wongsasuthikul	Director, Company secretary
Mr.Pasitpol Temrittikulchai	Director

The directors that mentioned above **attended the meeting** but did not vote on this agenda at the Board of Directors Meeting No. 4/2022

## 13. Opinions from the Board of Directors regarding the entering the transaction

Board of Directors' Meeting **with the opinions of the Audit Committee and the Board of Directors of the Company** considered that the aforementioned transaction by the Company is reasonable and beneficial for the Company including its shareholders since LS debt-to-equity conversion will reduce long-term debt and interest burdens at the amount of more than Baht 6,640,000 per year. It also adds liquidity to the business, as well as increase the competitiveness in the industry of cushions, pillows, and latex or synthetic mattresses. In addition, LS will be able to pay dividends to shareholders in the near future. The Company as a shareholder will benefit as a major shareholder

Therefore, the Board of Directors resolved to approve the debt to equity conversion transaction by Join the project by converting a loan in the amount of Baht not over than 111,110,000 (one hundred eleven million one hundred and ten thousand) into equity by allocating not more than 222,220,000 ordinary shares (two hundred twenty-two million, two hundred and twenty thousand shares) with an offering price of Baht 0.50 per share, **according to the par value of the subsidiary as in line with laws**, totaling not over than Baht 111,110,000 (one hundred and eleven million, one hundred and ten thousand).

## 14. Opinions from Audit Committee and/or Directors which are different from the Board of Director's

-N/A-