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Notification of the Securities and Exchange Commission

No. KorChor. 13/2547

**Re: Application for an Approval and Approval for the Offering of Warrants
on Newly Issued Share and Underlying Shares**

By virtue of Section 14 and Section 35 of the Securities and Exchange Act, B.E. 2535 (1992), the Securities and Exchange Commission hereby issues the following regulations:

Clause 1. This Notification shall come into force as from the 16 March 2004.

Clause 2. The following shall be repealed:

(1) The Notification of the Securities and Exchange Commission Re: Rules, Conditions and Procedures on Application for an Approval for the Offering of Newly Issued Securities in the Category of Warrants and Underlying Shares or Debentures and the Approval dated 30 October 1992.

(2) The Notification of the Securities and Exchange Commission No. KorChor. 19/2538 Re: The Amendment of Rules, Conditions and Procedures on Application for an Approval for the Offering of Newly Issued Securities in the Category of Warrants and Underlying Shares or Debentures and the Approval dated 6 October 1995.

(3) The Notification of the Securities and Exchange Commission No. KorChor. 28/2538 Re: The Amendment of Rules, Conditions and Procedures on Application for an Approval for the Offering of Newly Issued Securities in the Category of Warrants and Underlying Shares or Debentures and the Approval (No. 2) dated 22 December 1995.

(4) The Notification of the Securities and Exchange Commission No. KorChor. 27/2539 Re: The Amendment of Rules, Conditions and Procedures on Application for an Approval for the Offering of Newly Issued Securities in the Category of Warrants and Underlying Shares or Debentures and the Approval (No. 3) dated 8 November 1996.

(5) The Notification of the Securities and Exchange Commission No. KorChor. 8/2541 Re: The Amendment of Rules, Conditions and Procedures on Application for an Approval for the Offering of Newly Issued Securities in the Category of Warrants and Underlying Shares or Debentures and the Approval (No. 4) dated 16 February 1998.

(6) The Notification of the Securities and Exchange Commission No. KorChor. 27/2541 Re: The Amendment of Rules, Conditions and Procedures on Application for an Approval for the Offering of Newly Issued Securities in the Category of Warrants and Underlying Shares or Debentures and the Approval (No. 5) dated 11 June 1998.

(7) The Notification of the Securities and Exchange Commission No. KorChor. 22/2543 Re: The Amendment of Rules, Conditions and Procedures on Application for an Approval for the Offering of Newly Issued Securities in the Category of Warrants and Underlying Shares or Debentures and the Approval (No. 6) dated 4 June 2000.

(8) The Notification of the Securities and Exchange Commission No. KorChor. 8/2546 Re: The Amendment of Rules, Conditions and Procedures on Application for an Approval for the Offering of Newly Issued Securities in the Category of Warrants and Underlying Shares or Debentures and the Approval (No. 7) dated 11 July 2003.

Clause 3. In this Notification:

(1) “Subsidiary” and “investor in the category of institution or having particular characteristic” shall have the same meanings as definitions of those terms specified in the Notification of the Securities and Exchange Commission governing Filing and Exemption of Filing of Registration Statement for Securities Offering;

(2) “Warrants” means a certificate representing the right to buy shares;

(3) “Underlying share” means newly issued shares which are provided for the exercising of right of warrants;

(4) “Company” means a company applying for an approval on offering of warrants and underlying share;

(5) “Terms and conditions” means provisions on right and duty of the company issuing warrant and of warrants holders;

(6) “Office” means the Office of the Securities and Exchange Commission.

Clause 4. Application for an approval for the offering of newly issued warrants and underlying shares to the public shall be in accordance with rules, conditions and procedures as specified in Chapter 1.

Application for an approval for the offering of newly issued warrants and underlying shares to a specific group of persons shall be in accordance with rules, conditions and procedures as specified in Chapter 2.

In the case where it is the offering of newly issued warrants for the company's shareholders in proportion of share holding, but the persons exercising the warrants may not be shareholders of the company, such offering of newly issued warrant and underlying shares shall be subject to this Notification.

Clause 5. In considering whether any application has characteristic in accordance with rules, conditions and procedures as specified in this Notification, the Office shall have the following powers:

(1) in the case where a company or an offering of warrants and underlying shares have characteristics or form in accordance with rules and conditions which may be permitted under this Notification, but there is a fact which may be considered that an actual objective or substance of such offering of warrant and underlying shares is to avoid the implementation of provisions under the law relating to the securities and exchange or this Notification, the Office may not grant an approval for the offering of warrant and underlying shares as submitted application, provided that, the Office shall inform the company about the reason of consideration apparently.

(2) in the case where it is in any of the following characteristics, the Office shall exempt the rule under this Notification to apply in considering on application, or the conditions under this Notification shall not apply to such offering of warrant and underlying shares by considering of the appropriateness and sufficiency of details for decision making and investor protected measurements, provided that, the Office may also specify condition for the company to carry out or refrain from the implementation:

(a) the benefits from the implementation under the rule or condition to be exempted is not valuable with cost of the company, and there is a definite fact which may be considered that such rule or condition has no significant impact to the consideration for an approval in such case;

(b) the company having a limitation under any other laws which makes the company be unable to perform in accordance with the rule or condition to be exempted;

(c) the company having other sufficient measures which can be replaced the implementation under the rule or condition to be exempted.

CHAPTER 1
Application for an Approval and Approval for the Offering of
Warrants on Newly Issued Share and Underlying Shares to the Public

Part 1

Rules for Approval

Clause 6. A company purposes to offer newly issued warrant and underlying shares to the public shall submit, by jointly prepared with the financial advisors in the approved list of the Office, an application to the Office as form attached hereto together with document evidences as specified by the Office, and shall pay for filing fee in the amount of 50,000 Baht per each application.

A company having duties under Section 56 or Section 199 in connection with Section 56 which submits an application for approval of offering of share warrants with the following characteristics not require to appoint a financial advisor to jointly prepare such application for approval:

(1) it is an offering for sale to existing shareholders in proportion of the holding, even a person who is exercising such warrants may not be a shareholder of the company;

(2) the first day of exercising of right shall be one year after the date of issuance of such warrants;

(3) no calling for payment of such warrants from shareholders.

Clause 7. In the case where the Office has a necessity to visit the business or any other places of the company or its subsidiaries located out of the area of Bangkok or vicinities, the company shall be responsible for expenses on lodging rent and traveling cost occurred from such visiting under the rules as specified by the Office.

Clause 8. The Office shall notify the result of consideration within forty-five days from the date of receipt of the application together with the correct and complete document evidences.

In considering an application, the Office shall have the power to notify the company in writing to come to the Office for giving additional statement or submit additional document evidences within the period specified by the Office. In the case where the company does not come to give additional statement or submit additional document evidences within specified period, it shall be deemed that the company does not intend to apply for approval for the offering of warrants and underlying shares.

Clause 9. A company which may be approved to offer newly issued warrants and underlying shares under this Chapter shall be in accordance with the following rules:

(1) being a public limited company established under the Thai law;
(2) having complete qualifications as specified in the notification of the Securities and Exchange Commission relating to the application for an approval and approval for the offering of newly issued shares as specified in the part applied to the offering of newly issued share to the public;

(3) warrants which will be issued and offered shall have the following characteristics:

(a) provisions of warrants shall not be contrary to or inconsistent with the characteristics specified under Clause 10;

(b) having underlying shares in the amount of not exceeding the proportion specified in Clause 11, except for the offering of warrants and underlying shares as the company is necessary to receive financial assistance or restructure of debt, or the company is given a waiver from the Office due to the necessity and appropriateness, and it shall be for the purpose of the interest of the company and shareholders as a whole;

(c) issuing under the terms and conditions in accordance with Clause 12.

(4) having sufficient shareholders protection which may be affected from the offering of warrant and underlying shares of the company (dilution effect). Such protection must be comply with Clause 13, and the resolution of the shareholders' meeting which related to such case shall be not exceeding one year prior to the date of submission of application to the Office.

Clause 10. Newly issued warrants shall have the following characteristics:

(1) having a definite validity term of not exceeding ten years as from the date of issuance of warrant;

(2) having underlying shares which are newly issued by the company;

(3) determining definite exercise price and exercise ratio;

(4) having the period for expression of intention to exercise the warrants for the last time of not less than fifteen days prior to the date of exercising.

Clause 11. The number of underlying shares of newly issued warrant applying for approval of offering in this time adding up to the number of underlying shares which the company provides for convertible debentures or warrants in any other times shall not be exceeding fifty percent of the total number of shares sold of the company.

The calculation of the number of shares under the first paragraph shall be under the rules as follows:

(1) the total number of shares sold of the company shall include the number of shares which the company will offer for sale together with newly issued warrant in this time (if any).

(2) the number of underlying shares which the company provides for convertible debenture or warrant shall not include the number of underlying shares under the notification of the Securities and Exchange Commission relating to offering of newly issued securities to the directors and employees.

Clause 12. The terms and conditions of warrant shall contain at least the following particulars:

(1) details of warrants in which at least specify the validity term, price, exercise ratio and method of exercising the warrant;

(2) circumstance, condition and procedure in amending the provisions of warrants;

(3) compensation which warrants holders will further receive in the case where the company is unable to provide underlying shares, such compensation shall not be lower than the different fraction between the market price of company's shares which are the same type of underlying shares on the date of exercising of right and the price for buying underlying shares of the warrant.

(4) protection to warrants holders shall contain at least the following provisions:

(a) in case of call warrant which have provisions that the company can call for the warrants holders to exercise the rights before the period specified in the warrants, such provisions shall:

1. be fairness and apparent, and circumstance of calling for exercising of right before the period specified may not refer to circumstance or act being in control by any person;

2. determine the company to call for the exercising of right when the specified circumstance is occurred;

3. have sufficient measures to make subsequent warrants holders know such provisions.

(b) circumstance and condition in adjusting the right of warrants for the protection of benefits which warrants holders may receive after exercising of right of warrants not to be decreased, including the calculation method,

provided that circumstance of adjustment of right shall mean the following cases:

1. Upon the changing of par value of the company's shares due to merging or splitting of shares;

2. When the company offers any newly issued share at the price lower than the market price at the time of such offering of shares, or in the period prior to such offering of shares, and it is calculated by the method specified in the terms and conditions;

3. When the company offers convertible debentures or newly issued warrant and price of the underlying shares are lower than market price at the time of such offering of convertible debenture or warrants, or in the period prior to such offering of convertible debentures or warrants, and it is calculated by the method specified in the terms and conditions;

4. When the company pay dividends, in whole or in part, by issuing newly shares to the shareholders;

5. When the company pays dividends in cash which exceeding the rate specified in the terms and conditions;

6. When any other case similar to 1. to 5. occurred and making benefits of the warrants holders after exercising the warrants may decrease.

The provisions of the first paragraph (4) (b) shall not apply to specific circumstances under 1. to 6. which are given a waiver from the Office, and it can indicate that there will be sufficient measures to inform investors who may be affected by non adjustment of right before decision making that the company may not adjust the exercise ratio or the exercise price due to such circumstance.

Clause 13. A company shall, at least, perform the following in order to protect and maintain the right of shareholders who may be affected from the offering of warrants and underlying shares of the company (dilution effect):

(1) preparing the notice to call shareholders' meeting for approval of issuance of warrants and underlying shares to indicate at least the following details;

(a) basic information relating to warrant, such as expected exercise price or exercise ratio, period and termination of exercising of right and circumstances in issuing underlying shares in relating to the amending of the exercising of right, etc.

(b) effects to shareholders of the company (dilution effect) if all warrants are completely exercised, and it shall at least specify effect to the market price of shares (price dilution), effect to proportion of profit, and effect to the voting right of existing shareholders (control dilution).

(c) method in allocating of warrants.

(d) other information relating to the protection of shareholders as notified by the Office.

(2) having certain resolution of the shareholders' meeting of shareholders of the company for the issuance of underlying shares which are sufficient for exercise the warrants;

(3) offering to shareholders whose names listed in a shareholders register on the specified date which shall be the date after the date of receipt of an approval from the Office under this Notification (in case of offering of warrants to the shareholders of the company in proportion with share holding).

(4) complying with the rules relating to the offering of newly issued shares at price lower than the market price under the notification of Securities and Exchange Commission relating to the application for approval and approval for the offering of newly issued shares (in case of offering of warrants which the exercise price is lower than the market price and the company shall comply with the additional provisions under such notification).

Clause 14. After receiving an approval for offering of newly issued warrants under this Chapter, it shall be deemed that a company also receives an approval for offering of underlying shares.

Clause 15. In the case where an amendment of provisions of warrants is an adjustment of right of warrants under Clause 12 (4) (b), a company may adjust exercise price and exercise ratio of warrants or adjust exercise price together with issuing newly issued warrants instead of adjustment of exercise ratio.

In carrying out under the first paragraph, if the company require to issue additional underlying shares, it shall be deemed that the company receives an approval for offering of such underlying shares upon completion of submission of resolution of the shareholder's meeting which approved the issuance of additional shares of the adjustment to the Office.

Part 2

Conditions upon Approval

Clause 16. A company receiving approval under this Chapter shall complete the offering of securities within the following periods:

(1) Offering for sale of newly issued warrants within six months as from the date the Office notify the result of approval, or within the period given a waiver from the Office which is not exceeding twelve months as from the date the Office notify the result of approval, provided that, in considering of such waiver, the Office may request the company to submit additional information or documents;

(2) Sell underlying shares within validity period of exercising of right of warrants.

Upon the termination of period specified under the first paragraph, it shall be deemed that the approval of the Office is terminated.

Clause 17. After offering of warrants, the company which receives approval under this Chapter shall not extend the validity period of warrants and change the exercise price and exercise ratio unless it is under circumstances specified in Clause 12 (4) (b).

Clause 18. The amendment of provisions of warrants after offering shall be in accordance with the terms and conditions, and shall not be contrary to or inconsistent with the provisions under this Notification, provided that the company shall notify such amendment in writing to the Office within fifteen days as from the date of amendment.

Clause 19. In the case where it is appeared to the Office that, after granting an approval for offering of newly issued warrants and underlying shares, there is an amendment causing any characteristics inconsistent with the rules on approval, and the company is unable to correct such characteristics so as to be in accordance with such rules within the period of time specified by the Office, the Office shall have the power to notify the company to restrain the offering of newly issued warrants, following the notification it shall be deemed that the approval for offering of newly issued warrants in the part of non-offering or non-subscriber and underlying shares of such warrants shall be terminated.

CHAPTER 2

Offering of Warrants on Newly Issued Share and Underlying Shares to Specific Group of Persons

Part 1

Rules for Approval

Clause 20. An offering of newly issued warrants and underlying shares to specific group of persons means the offering having any of following characteristics:

(1) an offering to specific investors that cause to have warrants holders in every class of warrant issued by the company in the amount of not exceeding thirty-five persons at any time;

(2) an offering to institution investors or particular investors .

The number of investors under (1) shall not be counted with the portion offered to the investors under (2).

Clause 21. A company intends to offer newly issued warrants and underlying shares to specific group of persons shall submit an application to the Office in the form together with document evidences as specified by the Office, and shall pay for filing fee in the amount of 10,000 Baht per each application.

In considering an application under this Chapter, the Office shall notify the result of consideration within seven days from the date of receipt of the application together with the correct and complete document evidences, in case where the Office does not notify the result of such consideration within such period, it shall be deemed that the company receives approval on the next business day from the due date.

Clause 22. A company which may be granting an approval for offering of newly issued warrants and underlying shares under this Chapter shall be in accordance with the following rules:

(1) being a public limited company established under the Thai law;

(2) register the transfer restrictions of warrant to be offered which indicates that the company shall not accept the registration of transfer of warrant in whichever, if such transfer may make such warrants offering at that time fail to maintain the characteristics under Clause 20 (1) or (2) except for the transfer by heir.

(3) warrants which will be issued or offered shall have characteristics as specified in Clause 9 (3), Clause 10 (1), (2) and (3), Clause 11 and clause 12 (1) and (2) *mutatis mutandis*, and in the case where the warrants having provisions relating to circumstances and conditions in adjusting of right of warrants, such circumstances and conditions shall be in accordance with Clause 12 (4) (b) *mutatis mutandis*.

(4) having sufficient shareholders protection in accordance with Clause 9 (4) and Clause 13 (1), (2) and (4) *mutatis mutandis*.

Clause 23. After receiving approval for offering of newly issued warrants under this Chapter, it shall be deemed that the company also receives approval for offering of underlying shares, provided that the provisions of Clause 15 shall apply *mutatis mutandis*.

Part 2
Conditions upon Approval

Clause 24. The provisions of Clause 16, Clause 17, Clause 18 and Clause 19 shall apply to the offering of warrants and underlying shares permitted under this Chapter *mutatis mutandis*.

Clause 25. In offering of newly issued warrants and underlying shares under this Chapter, if the company arrange to distribute the offering documents, such documents shall have the same content specifying the transfer restrictions of warrants as registered with the Office.

Clause 26. The advertisement of offering of newly issued warrants and underlying shares of the company which receives approval for offering of newly issued warrants and underlying shares under this Chapter shall be prohibited. If there will be the distribution of offering documents, the company shall distribute only to persons having characteristic or amount within the scope specified in Clause 20 (1) or (2) as permitted.

Clause 27. Newly issued warrants to be offered under this Chapter shall be warrants specifying name of holder, and shall also have content specifying the transfer restrictions of such warrant.

Clause 28. In the case where there is any person intending to register the transfer of warrants, the company shall examine the correctness of such transfer of warrants, if it is appeared that the transfer is contrary to the transfer restrictions registered with the Office, the company shall not register such transfer except for the transfer by heir.

In the case where the company appoint the registrar of warrants, the company shall inform the registrar to perform in compliance with rules as specified in the first paragraph.

CHAPTER 3
Transitional Provisions

Clause 29. A company receiving approval for offering of newly issued warrants and underlying shares to the public under the notification of the Securities and Exchange Commission Re: Rules, Conditions and Procedures on Application for Approval for Offering of Newly Issued Securities in the Category of Warrant and Underlying Share or Debentures and the Approval dated 30 October 1992 shall complete the offering of warrants permitted under such notification within the period of time and conditions as specified in such notification.

Clause 30. The provisions relating to the delivery of notice to call shareholders' meeting, details in such notice and resolution of the meeting of shareholders under the notification of Securities and Exchange Commission Re: Rules, Conditions and Procedures on Application for Approval for Offering of Newly Issued Securities in the Category of Warrants and underlying Shares or Debentures and the Approval dated 30 October 1992 shall apply to the application and resolution of the meeting of shareholders submitted to the Office for offering of warrants and underlying shares under Chapter 1 or Chapter 2 of this Notification within sixty days as from the day this Notification comes into force, if such resolution of the shareholders' meeting approved in the time of not exceeding one year prior to the date of submission of application.

In the case where the offering of warrants under the application for approval submitted to the Office under the first paragraph is the offering to shareholders in proportion with share holding, and the day determining to be the date of closing the shareholders register having the right to receive such warrants is the day prior to the date this Notification comes into force, the provisions relating to the number of underlying shares under the notification of Securities and Exchange Commission under the first paragraph shall apply to the application for approval, but the provisions of Clause 13 (3) shall not apply to such case.

Notified this 27th Day of December 2002.

Suchat Jaovisidha
(Captain Suchat Jaovisidha)
Minister of Finance
Chairman of the Securities and Exchange Commission