(Translation)

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Notification of the Office of Securities and Exchange Commission
No. OrThor. 6/2549
Re: Guidelines for Preparing a Risk Disclosure Statement
for Futures Trading.

Clause 21 of the Notification of the Office of Securities and Exchange Commission No. KorThor. 65/2547 Re: Rules for Derivatives Business Operation for a Licensed Derivatives Broker dated 22 December 2004 require derivatives broker to prepare a risk disclosure statement for futures trading that contain the minimum aspect of disclosure prescribed by the SEC Office. Hence, for the purpose of providing the derivatives broker with guideline for preparing a risk disclosure statement for futures trading, the SEC Office hereby issues the following notification;

Clause 1. In this Notification,

"derivatives broker" means a juristic person licensed to undertake derivatives business operation in the category of derivatives broker;

"futures" means a contract trading on the derivatives exchange with any one or more of the following characteristics:

(1) a contract in which a party is obliged to deliver the goods in the amount specified in the contract to the other party at a given time in the future, and the other party, in turn, is obliged to make payment for such goods at a price specified in the contract;

(2) a contract in which a party receives payment from or is obliged to make payment to the other party in the amount equivalent to that calculated from the difference between the price or value of goods or variable specified in the contract and the price or value of such goods or variable prevailing at a given time or any interval in the future as specified in the contract;

"derivatives exchange" means the derivatives exchange licensed from the Securities and Exchange Commission.

Clause 2. When disclosing risk associated with futures trading, the derivatives broker must prepare a risk disclosure statement that contain the minimum aspect of disclosure as set out under the guideline attached hereto.

Clause 3. This Notification shall come into force as from 1 April 2005.

Notified this 23th Day of November 2004.

Thirachai Phuvanatnaranubala
(Mr. Thirachai Phuvanatnaranubala)
Secretary-General
The Office of the Securities and Exchange Commission

(Translation)

Risk Disclosure Statement for Futures Trading.

Date………………………..

The …………..…………………….. company, a derivatives broker, hereby certifies that Mr./Mrs./Miss…………………………. who works for the company has explained to the customer, Mr./Mrs./Miss/Entity ……………………….. of the risk involved in futures trading before opening an account or operating the derivatives business for the customer on the following matters:

1. The characteristics of futures

Futures is a contract where both the buyer and seller have an obligation to comply with the agreement in the contract. Therefore, if the contract is not closed out before the settlement date, the seller is obliged to deliver the goods to the buyer while the buyer is obliged to make payment to the seller (physical delivery) or any party shall be paid or shall pay to the other party in the amount which is equivalent to the difference between the price or value of goods or variable specified in the contract and the price or value of such goods or variable prevailing at a given time in the future (cash settlement);

2. Investment in futures has high risk.

Futures trading is a high risk investment where investor may face unlimited loss. Hence, before deciding to trade in futures, the investor should comprehensively study the contract specification, i.e. category or type of underlying assets or variables, contract size/unit/multiplier, minimum price movement, daily price limit, last trading day, settlement day, settlement method and setting price, etc.. Moreover, investor should consider the suitability of such investment with the investor owns investment objective and financial.

3. Risk of loss beyond initial margin

Investing in future contract require investor to deposit certain asset with the derivatives broker for securing the fulfillment of futures contract by the investor. However, the amount of assets placed as an initial margin is minimal when compared to the value of derivatives contract. Keeping this in mind when there is a significant change in market price of the future contract investor can make large amount of profit in short space of time, and vice versa, he or she may make a large amount of lose in that time which can be over the initial margin placed with the derivatives broker.

4. Risk from futures position being closed out and the responsibility for any loss that may arise.

When an investor has a futures position, the derivatives broker will mark to market the futures position of investor at least once at the end of each business day in order to realize the profit or loss from derivatives position everyday. If mark to market went against investor position, the initial margin will decreases by that amount. When the initial margin becomes lower than the maintenance margin, the derivatives broker will require the investor to fill the initial margin up to the original amount within the specific period of time. If the investor is unable to do so, the derivatives broker will close out the derivatives position of the investor. However the investor will still be responsible for any loss that may arise from such action.

Similar risk may arise if the investor has a derivatives position, whether in his/her name or in the name of other person, where the position exceed the amount impose by the derivatives exchange, and the investor fails to close out the derivatives position as notified by the derivatives broker.

5. Risk from being unable to close out derivatives position

If an investor is unable to close out the derivatives position before the settlement date, whether due to market lack of liquidity or the derivatives exchange withholds the futures trading or due to any other reasons, the investor may lose from the derivatives position remaining until the settlement date.

(Translation)

6. Risk from being unable to proceed with the order of futures trading of an investor for loss limitation

The derivatives broker may be unable to proceed with the order of any kind of futures trading of an investor which has an objective to limit potential loss of futures trading such as the stop loss or stop limit order, etc., due to the unfavorable market condition for matching such trading order.

(signed)…….……………………authorized person
(……………………)
For and on behalf of the ....Company

I, (Mr./Mrs./Miss) …...…………… Company, have already been explained on the risk involving in futures trading as specified above by the... company, in the capacity of my derivatives broker.

(signed)……………...................client/authorized person

(.........................………)

For and on behalf of the ....Company
(In case of juristic person)