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Notification of the Capital Market Supervisory Board

No. TorNor. 10/2553

Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems

(No.2)

By virtue of Section 16/6 of the Securities and Exchange Act B.E. 2535 (1992), as amended by the Securities and Exchange Act (No. 4) B.E. 2551 (2008), and Section 117 of the Securities and Exchange Act B.E. 2535 (1992) which contain certain provisions in relation to restriction of rights and liberties of persons which Section 29, in conjunction with Section 33, Section 34, Section 41, Section 43, Section 44 and Section 64 of the Constitution of the Kingdom of Thailand, so permits by virtue of law, the Capital Market Supervisory Board hereby issues the following regulations:

Clause 1. The provision under Clause 25 of the Notification of the Capital Market Supervisory Board No. TorNor. 22/2552 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems dated 4 June 2009 shall be repealed and replaced with the following provision:

“Clause 25. In respect of the reduction of mutual fund’s registered capital, the management company is allowed to reduce the number of investment units and make payments to unitholders in the form of cash or other assets pursuant to the rules stipulated by Clause 25/1 and Clause 25/2, as the case may be.”

Clause 2. The following provisions shall be added as Clause 25/1 and Clause 25/2 of the Notification of the Capital Market Supervisory Board No. TorNor. 22/2552 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems dated 4 June 2009:

“Clause 25/1. To reduce the registered capital and make cash payment to unitholders, the management company shall reduce the number of investment units, in proportion to the holding of each unitholder, and make payment to unitholders whose name appears on the register book as of the closing date. In this regard, the

value of the investment unit shall be based on the net asset value of the mutual fund as of the closing date.

Upon completion of the procedure under the first paragraph, the management company shall submit registration of capital reduction to the SEC Office within five business days via the form provided on the SEC Office's website. The registration form shall be signed by the director authorized to sign on behalf of the company and in case of proxy the authorized person must hold the position of departmental director or higher or any other equivalent position called otherwise who is responsible for the line of work relating to the establishment of such fund.

In cases where the scheme stipulates that the capital reduction shall obtain a resolution from unitholders, the management company shall proceed as follows:

(1) disseminate a notice calling for unitholders' meeting or a letter requesting a resolution from unitholders shall at least contain the information as follows:

(a) the amount of the registered capital and the number of investment units of each unitholder to be reduced;

(b) the plan for capital reduction, the management company's opinion on the reasons and necessity of the reduction including the effects on unitholders and the net asset value subsequent to the reduction; and

(c) the book closing date;

(2) obtain a resolution of the majority of unitholders holding in aggregate more than one half of the total investment units sold.

Clause 25/2. To reduce the registered capital and make payment to unitholders, in full or in part, with other assets other than cash, the management company shall obtain the unanimous vote of every unitholder, and reduce the number of investment units as well as transfer assets or make any cash payment (if any) to unitholders thereafter.

Upon completion of the procedure under the first paragraph, the management company shall submit the registration of capital reduction to the SEC Office within five business days via the form provided on the SEC Office's website. The registration form shall be signed by the director authorized to sign on behalf of the company and in case of proxy, the authorized person must hold the position of departmental director or higher, or any other equivalent position called otherwise who is responsible for the line of work relating to the establishment of such fund.

In obtaining a resolution from unitholders according to the first paragraph, a notice calling for unitholders' meeting or a letter requesting a resolution from unitholders shall at least contain the information as follows:

- (1) the amount of the registered capital and the number of investment units of each unitholder to be reduced;
- (2) the plan for the capital reduction, the management company's opinion on the reasons and necessity of the reduction including the effect to unitholders and the net asset value subsequent to the reduction; and
- (3) the assets to be transferred, the list of unitholders entitled to receive the assets, the price of such assets including the acquired price, the price according to the appraisal report made not more than six months before the date of reduction, and the transferred price;
- (4) the amount of money to be paid, and the list of unitholders entitled to receive payment (if any);
- (5) the book closing date."

Clause 3. The provision under Clause 30 of the Notification of the Capital Market Supervisory Board No. TorNor. 22/2552 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems dated 4 June 2009 shall be repealed and replaced with the following provision:

"Clause 30. In cases where the management company has acquired any assets in which the mutual funds are not allowed to invest or possess prior to 1 March 2006 by way of repayment of debts, foreclosure of mortgaged property, or purchase from public auction, the management company shall dispose of the said assets so acquired as soon as the first opportunity arises by taking into account the best interest of unitholders but in any case no later than 31 December 2010."

Clause 4. Form 117-Lor3 attached to the Notification of the Capital Market Supervisory Board No. TorNor. 22/2552 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems dated 4 June 2009 shall be repealed.

Clause 5. In case of the mutual funds engaged in capital reduction proceedings prior to the effective date of this Notification, the management company shall be allowed to comply with the provision under Clause 25 of the Notification of the Capital Market Supervisory Board No. TorNor. 22/2552 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems dated 4 June 2009 prior to the amendment to this Notification until completion of such capital reduction.

(Translation)

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Clause 6. This Notification shall come into force as from 15 March 2010.

Notified this 15th day of March 2010.

- Signature -

(Thirachai Phuvanatanarubala)
Secretary-General
Office of the Securities and Exchange Commission Chairman
Capital Market Supervisory Board

Remark: The rationale for issuing this Notification are to: 1) revise the rule on the capital reduction of the mutual funds from which unitholders may receive payment in the form of money or other assets other than cash, and 2) extend the deadline for disposal of assets acquired before 1 March 2006 by way of repayment of debts, foreclosure of mortgaged property, or purchase from public auction.