

Information Memorandum

Description, Terms and Conditions of Derivative Warrant

DERIVATIVE Put WARRANTS ON KASIKORNBANK PUBLIC COMPANY LIMITED ISSUED BY KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED LAST TRADING IN FEBRUARY 2016 #A (KBAN13P1602A)

<u>Listing Date</u>	As at 28 July 2015 (Trading Commencement on 28 July 2015)
<u>Type of Listed Securities</u>	Derivative Warrant (DW) 50,000,000 Units
<u>Issue Price</u>	Issue Price will be set by bid/offer of the automatic order matching system of SET
<u>Total Value</u>	50,000,000 Baht (By multiplying the total listed unit by the price of 1.00 Baht calculated using the Black-Scholes model which incorporated the closing price of underlying asset as of 22 July 2015)
<u>Term of DW</u>	28 July 2015 to 17 February 2016 Issuance Date, 28 July 2015 Last Trading Date, 11 February 2016 Maturity Date, 17 February 2016 Automatic Exercise Date, 17 February 2016
<u>Type of DW</u>	PUT Warrant / Non – Collateralized
<u>Underlying Assets</u>	Common Stocks of KASIKORNBANK PUBLIC COMPANY LIMITED (KBANK)
<u>Exercise Type</u>	European Style, the DW can be Exercised only on the Maturity Date
<u>Settlement Type</u>	Cash Settlement
<u>Exercise Ratio</u>	0.05882 (17 DW per 1 KBANK)
<u>Exercise Price</u>	170.00 Baht
<u>Settlement Price</u>	Closing Price of KBANK on Last Trading Date (11 February 2016)
<u>Offering Method</u>	Direct Listing
<u>Issuer</u>	KGI Securities (Thailand) PLC. (KGI)
<u>Credit Rating of Issuer</u>	BBB+ By TRIS Rating Co., Ltd.
<u>Registrar/DW Agent</u>	Thailand Securities Depository Co.,Ltd.
<u>Exercise of DW</u>	Automatic Exercise

Exercise Expense Charged by Issuer

- None - (note: this excludes any exercise expense which may be charged by the broker of the Holder)

Exercise Procedure

- 1 Any DW will automatically be exercised if the Net Cash Settlement Amount on the Automatic Exercise Date is greater than zero (without notice being given to the Holders). The Issuer will pay to the Holders the Net Cash Settlement Amount (if any).
- 2 The Holders can instruct their brokers not to exercise the DW.

Hence, the Issuer will request SET to suspend the sale and purchase trading of DW for 4 business days consecutively until Maturity Date ([commencing from 12,15-17 February 2016](#)).

Settlement Procedure

If Automatic Exercise occurs, Issuer will proceed as follows,

1. If there is no Market Disruption Event, the Issuer will pay the Net Cash Settlement to the Holder's bank account or issue a crossed cheque to the registered Holder on the Automatic Exercise Date and send the cheque by registered mail within 5 business days following Automatic Exercise Date
2. If there is a Market Disruption Event,
 - 2.1 If the Market Disruption Event occurs before or on the Last Trading Date and ends within 30 days after Last Trading Date, the Settlement Price shall be the Closing Price of the Underlying Asset on the first trading day after the Market Disruption Event ends.
 - 2.2 If the Market Disruption Event occurs on or before the Last Trading Date and ends not less than 30 days after Last Trading Date,
 - 1) The Issuer shall announce the Fair Value of the Underlying Asset within 20 days of 30 days after the Last Trading Date
 - 2) The Issuer shall use the Fair Value of the Underlying Asset calculated by a Financial Advisor approved by the SEC which is made not more than 50 days before the date that the Issuer informs the Fair Value. The Fair Value of Underlying Asset shall be deemed to be the Settlement Price.

The Issuer shall pay the Net Cash Settlement (if any) to the Holder's bank account or send a crossed cheque to the registered Holder on the Automatic Exercise Date and send by registered mail within 9 business days following the day that the Issuer determines the Fair Value or the Settlement Price.

The Issuer will announce the Book Closing Date 14 days prior to the Book Closing Date through the SET Information Disclosure System

Adjustment of Exercise Ratio and Exercise Price

The Issuer shall adjust the Exercise Price and/or the Exercise Ratio ("Adjustment") during the term of the DW if any of the following events occur:

- a) The Underlying Company offers to sell its newly issued ordinary shares to existing shareholders with the net price per ordinary shares lower than 100 percent of the closing price of ordinary shares of the Underlying Company on the last trading day before the first day the SET posts the XR sign. The adjustment of the exercise price and the exercise ratio shall be immediately effective from the day the shares go ex-rights, defined as the day the SET posts the XR sign in cases where the new shares are offered to existing shareholders;
- b) The Underlying Company pays out all or part of its dividends in the form of ordinary shares to its shareholders. The adjustment of the exercise price and the exercise ratio shall be immediately effective from the first day the shares go ex-dividend, defined as the day the SET posts the XD sign;
- c) The Underlying Company pays a cash dividend to its shareholders. The adjustment of the exercise price and the exercise ratio shall be immediately effective from the first day the shares go ex-dividend, defined as the day the SET posts the XD sign;
- d) The Underlying Company changes the par value of its shares as a result of a split or consolidation of its issued shares. The adjustment of the exercise price and the exercise ratio shall be immediately effective from the date that the change in par value takes place;
- e) Merger or Consolidation, if it is announced that the Underlying Company is to or may (1) merge or consolidate with or into any other corporation (including becoming, by agreement or otherwise, a subsidiary of or controlled by any person or corporation) except where the Underlying Company is the surviving

corporation in a merger or; (2) sell or transfer all or substantially all of its assets. The last trading day of ordinary shares of the Underlying Company will be the Maturity Date of DW. The Issuer shall announce the notification following the SET Information Discloser's regulation.

- f) The calculation of the adjustment of the exercise price and the exercise ratio in accordance with a) through e) are independent of each other. In cases where these events occur simultaneously, the calculation shall be conducted in the manner of a series as announced by the Underlying Company

If the exercise price or the exercise ratio in accordance with a) through e) after the adjustment change by less than 3 percent, the adjustment shall be postponed and will be included in the next calculation of the adjustment of the exercise price and/or the exercise ratio (if any)

- g) In all cases other than a) through e) the Issuer shall consider and if necessary make adjustment to the exercise price and/or exercise ratio fairly and shall not unfairly reduce the Holders' rights or benefits. The Issuer's decision shall be final and the Issuer shall inform the details of any adjustment to the SET and to the relevant regulators immediately.
- h) Where there are any relevant corporate or other events not mentioned in a) through e), the Issuer shall fairly consider and make adjustment to the exercise price and/or exercise ratio. There shall be no adjustment in any other case.

Events and Consequences of Default

- a) The Issuer significantly fails to settle the Underlying Assets as stated in the Terms and Conditions, and the failure continues for a period of not less than 7 days, except in any case where the failure is beyond the control of the Issuer; or
- b) The Issuer significantly fails to perform any of its obligations under the Terms and Conditions of DW and the failure continues over a period of 15 days after the Holder has notified the Issuer, requesting it to perform its obligations under the Terms and Conditions of DW; or
- c) All property or major properties of the Issuer are seized by a creditor and the seizure continues over a period of 7 days; or
- d) The Issuer fails to pay a debt of not less than 100,000,000 Baht or its equivalent in another currency. Where the failure is due to (1) The Issuer fails to pay a debt to a creditor within the specified time or (2) The debt becomes due before the original due date because an event of default has occurred.

Any of the above events of default must be significant in terms of the ability of the Issuer to pay its debts, and the failure must continue for at least 7 days; or
- e) The Annual General Meeting of the Issuer approves the dissolution of the company. Except in the case of the dissolution for the purpose of to a merger, where a continuing entity effectively assumes all of the DW obligations of the Issuer; or
- f) Upon initiation of proceeding on the business rehabilitation with the DW Issuer or requesting the Court of competent jurisdiction adjudging the DW Issuer to be bankrupt under the relevant laws or winding up, dissolution by order or any resolution of the DW Issuer under the law or by seizure of the DW Issuer's assets by judgment and by such proceeding, judgment, order or resolution has not been cancel or revoke within 60 days commencing from the initiation of such proceeding or order thereof.

If any of the events of default shown in a), b), c) or d) above occur, the Issuer must hold a Meeting of DW holders (The Meeting) in accordance with its obligations under the Terms and Conditions of the DW whereas;

- 1) The Meeting may approve the default of the Issuer. Hence, the DW shall be immediately exercised from the date of the Meeting whereby the closing price of the Underlying Assets on the date of the Meeting is used as the Settlement Price. If the closing price of the Underlying Assets on the date of the meeting cannot be assigned, then the most recent closing price of the Underlying Assets on the date of the meeting shall be used as the Settlement Price. The Cash Settlement amount shall be delivered to the holders of DW; or
- 2) The Meeting may approve other appropriate resolutions relating to the default.

If any of the events of default shown in e) or f) above occur, the Issuer shall immediately be considered to be in default. Hence, the DW shall be immediately exercised from the date of the event described in e) or f). The closing price of the Underlying Assets on the date of the event described in e) or f) shall be used as the Settlement Price. If the closing price of the Underlying Assets on the date of the event described in e) or f) cannot be assigned, then the most recent closing price of the Underlying Assets on the date of the event described in e) or f) shall be used as the Settlement Price. The Cash Settlement amount shall be delivered to the holders of DW.

Transfer Restriction

None

Market Maker

KGI

Market Maker Obligation

The Market Maker will provide bid and offer prices the spread between which is not more than 10 ticks and at a minimum quantity of not less than 50,000 units for not less than 80% of SET trading hours. The Market Maker will not be required to provide bid and offer prices if

1. There is Market Disruption Event
2. SET temporarily prohibits trading of KBANK and/or DW for any reason
3. The Market Maker does not hold enough DW to perform its obligation
4. The DW price is lower than 0.05 baht
5. 14 Business Days or less before the Maturity date
6. Other events that the market is reasonably considered to be abnormal
7. In case of event of default under the Terms and Conditions
8. Other cases which the Market Maker will disclose via the SET

Distribution of DW

The Issuer will distribute the amount of DW for at least 20 million baht or for not less than 50 percent of the listed DW, excluded the amount of DW held by the Issuer and Market Maker, within 3 months after the first trading date or within 27 October 2015.

Information of Issuer

Paid Up Capital

1,991,763,130 Baht as of 31 December 2011

Location of Issuer

173 Asia Centre Building, 8th, 9th, 10th, 11th Floor, South Sathorn Road, Thungmahamek sub-district, Sathorn district, Bangkok, 10120
Tel 02 658 8888 Fax 02 658 8012
Website www.kgieworld.co.th , www.thaiwarrant.com

Type of Business and Nature of Operation

- 1) Securities Broking Business
- 2) Securities Dealer Business
- 3) Investment Banking Business
- 4) Fixed Income Business
- 5) Private Repo Business
- 6) Selling Agent of Unit Trust Business

- 7) Futures Business
- 8) Securities Borrowing and Lending Business
- 9) OTC Derivative Business
- 10) Derivative Warrants Business

Financial Statement of Issuer

Investors can download latest Financial Statement of Issuer from
www.set.or.th or www.kgiworld.co.th

Prepared by

KGI Securities (Thailand) PLC. (KGI)

Any investment in DW carries with its certain risks. Investor should carefully read the Terms and Conditions of DW, which is attachment of DW Filing documents (69-DW-Base, 69-DW-Supplement and 69 -DW-Feature) from www.sec.or.th and www.thaiwarrant.com. Please refer to Thai version for full details.

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(Mr. Wei Chang Fang)
Chief Operating Officer

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(Mrs. Suchada Sodthibhaphkul)
Managing Director