

## Information Memorandum

### Description, Term and Condition of Derivative Warrants

<b><u>Offering Method</u></b>	Direct Listing
<b><u>Credit Rating</u></b>	AA (tha) by Fitch Ratings (Thailand) Co., Ltd.
<b><u>Registrar and Warrants Agent</u></b>	Thailand Securities Depository Co., Ltd.
<b><u>Exercise of Warrants</u></b>	Automatic Exercise

**Exercise Expense charged by Issuer** - None -

### **Delivery and Settlement Procedure**

1. The Cash Settlement Amount is the cash amount per unit, which is calculated from the difference between Settlement Price and Exercise Price multiplied by Exercise Ratio or according to the condition specified in the Term and Condition document.  
  
**Call DW :**           Cash Settlement Amount = (Settlement Price – Exercise Price) x Exercise Ratio  
  
**Put DW :**           Cash Settlement Amount = (Exercise Price – Settlement Price) x Exercise Ratio
2. The Net Cash Settlement Amount is Cash Settlement Amount deducted by Exercise Expense (if any).
3. On the Exercise Date, if The Net Cash Settlement Amount is greater than zero, DW will be automatically exercised without notice being given to the DW holders. The issuer shall pay Net Cash Settlement Amount to the DW holders as stated in the 1.3 (c) of Section 3.1 in the Term and Condition document.
4. DW holders can deny the exercise of DW by informing their broker. Then the DW holders need to follow the procedure of their broker.
5. Issuer will request SET to suspend the sale and purchase trading of DW for 3 business days before Maturity Date (including Maturity Date) in order to determine the right to exercise DW of holder.

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

6. If the Last Trading Date is not a business day, the Last Trading Date will be the prior business day before the original Last Trading Date.
7. In the cases:
  - (1) If the Maturity Date is not a business day, the Maturity Date will be the next business day after the original Maturity Date.
  - (2) If any events affect that the difference between the Last Trading Date and the Maturity Date become less than three (3) business days, the Maturity Date will be postponed so that the difference is three (3) business days. Issuer do not have to pay any interest or additional fee for the postponement.
8. Unless specified otherwise, the DW Exercise is Automatic Exercise.
9. DW holders will receive the Net Cash Settlement if the Net Cash Settlement after any Exercise Expense is more than zero, according to the Term and Condition.
10. In case of Automatic Exercise, 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,
    - 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) If the Market Disruption Event occurs on or before the Last Trading Date and ends not within 30 days after Last Trading Date,
      - 2.1 The Issuer shall announce the Fair Value of the Underlying Asset within 50 days after the Last Trading Date.
      - 2.2 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 will 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, as the case may be.

11. Any Market Disruption Events are not considered as Exercise Suspension of DW holders and not considered as Event of Default according to the Term and Condition. Issuer do not have to pay any interest or additional fee for these events and Issuer will publicize the information of these events according to SET policies.
12. In the Event of Default, Issuer agrees to pay interest using the default interest rate specified in Section 1 of Term and Condition by calculating the Net Cash Settlement from the Payment Date to the date that Issuer pay the Net Cash Settlement to DW holders.

#### **Adjustment of Exercise Ratio/Conversion Ratio and Exercise Price**

The Issuer shall adjust Exercise Price and Exercise Ratio ("Adjustment") through the term of the Derivatives Warrants when any of the following events occur:

- a) Issuing of new ordinary shares to existing shareholders

The Underlying Company offers to sell its new ordinary shares to existing shareholders, in which the net price per share of the new ordinary shares is less than 100% of the closing price of the last business day prior to the day the SET posts the XR sign. The Adjustment of Exercise Price and 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) Stock dividend

The Underlying Company pays out all or part of its dividend in the form of ordinary shares to its shareholders. The Adjustment of Exercise Price and Exercise Ratio shall be immediately effective from the day the shares go ex-dividend, defined as the day the SET posts the XD sign;

- c) Cash dividend

The Underlying Company pays out cash dividend to its shareholders. The Adjustment of Exercise Price and Exercise Ratio shall be immediately effective from the day the shares go ex-dividend, defined as the day the SET posts the XD sign;

- d) Stock split or reverse stock split

The Underlying Company changes the par value of its shares as a result of a split or consolidation of its ordinary shares. The Adjustment of Exercise Price and Exercise Ratio shall be immediately effective from the date that the change in par value takes place;

- e) Merger and acquisition

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 major of its assets. The Last Trading Day of the Underlying Asset will be the Maturity Date of the Derivatives Warrants. The Issuer shall immediately inform the details to the holders and disclose the details in accordance with the SET's Information Discloser Regulation.

- f) In case that the events occur during the issuance date and the last trading date, the calculation of the Adjustment of Exercise Price and Exercise Ratio in accordance with a) through e) are independent of each other. In cases where these events simultaneously occur, the calculation shall be conducted in the manner of series announced by the Underlying Company.

The calculation of the Adjustment of Exercise Price will be rounded to the nearest 3 decimal points. The calculation of the Adjustment of Exercise Ratio will be rounded to the nearest 5 decimal points.

- g) In all cases other than a) through e), the Issuer shall consider and, if necessary, make the Adjustment to Exercise Price and/or Exercise Ratio fairly and shall not unfairly reduce holders' rights or benefits. The decision of the Issuer shall be final. Then, the Issuer shall disclose the details of any Adjustment in accordance with the SET's Information Discloser Regulation and the relevant institutes' regulations.
- h) Except stated in a) through e) or other cases where the Issuer sees as appropriate, there shall be no Adjustment in any other case.

#### **Event and Consequences of default**

The following events are considered as Event of Default:

- a) The Issuer fails to settle the cash or Underlying Asset as stated under part 3 of the Terms and Conditions and the failure persists over a period of 7 consecutive business days, except in any case where the failure arises from the delay or disruption of the payment system or securities settlement system.; or
- b) The Issuer fails to perform any of its obligations under the Terms and Conditions, which have significant negative impact to the holder's right, and the failure continues over a period of 15 consecutive days after holder has made the written notification to the Issuer, requesting it to perform its obligations under the Terms and Conditions.; or
- c) All or major assets of the Issuer are seized by creditors or those assets are in the process of being seized over a period of 7 consecutive business days.; or

- d) The Issuer fails to pay a debt of not less than 100,000,000 Baht or its equivalent in another currency as 1) the Issuer does not pay such debt within the existing due date or within the extended due date allowed by creditors or 2) creditors prematurely call to pay such debt according to the creditors' right on the event of default in related contractual agreement. However, such failure must have significant negative impact on the Issuer's ability to repay the debt regarding the Derivatives Warrants and the failure persists over a period of 7 consecutive business days.; or
- e) The Annual General Meeting of the Issuer approves the dissolution of the company except the dissolution for purposes pursuant to a merger or consolidation where a continuing entity effectively assumes all of the Derivatives Warrants related obligations of the Issuer.; or
- f) Upon initiation of proceeding on the business rehabilitation with the Issuer or requesting the Court of competent jurisdiction adjudging the Issuer to be bankrupt under the relevant laws or winding-up, dissolution by order or any resolution of the Issuer or by seizure or process of being seized of the Issuer's assets by judgment under the law and 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 Event of Default shown in a), b), c) or d) occurs, the Issuer must hold a Meeting of the holders ("Meeting") in accordance with its obligations under the Terms and Conditions whereas;

- 1) The Meeting may approve the default of the Issuer. Hence, the Derivatives Warrants shall be immediately exercised from the date of Meeting whereby the closing price of the Underlying Asset on the date of Meeting is used as the Settlement Price. If the closing price of the Underlying Asset on the date of Meeting cannot be assigned, then the most recent closing price of the Underlying Asset on the date of Meeting shall be used as the Settlement Price. The Settlement Price will be used to compare to the Exercise Price to calculate the Cash Settlement amount for all unexercised Derivatives Warrants holders.; or
- 2) The Meeting may approve other appropriate resolutions relating to the default.

If any of the Event of Default shown in e) or f) occurs, the Issuer shall immediately be considered to be in default. Hence, the Derivatives Warrants shall be immediately exercised from the date of the event described in e) or f). The closing price of the Underlying Asset 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 Asset on the date of the event described in e) or f) cannot be assigned, then the most recent closing price of the Underlying Asset on the date of the event described in e) or f) shall be used as the Settlement Price. The Settlement Price will be used to compare to the Exercise Price to calculate the Cash Settlement amount for all unexercised Derivatives Warrants holders.

**Transfer Restriction**

No Restriction

### **Market Maker Obligation**

In the case that DW has been registered as the listed securities on SET exchange. The Market Maker will provide bid and offer prices with the spread, volume, minimum volume, and the SET trading hours according to the terms defined in Terms and Conditions. The Market Maker will not be required to provide bid and offer prices if

1. There is a Market Disruption Event.
2. The SET suspends trading of Underlying Asset and/or suspends trading of the Derivatives Warrants for any reason.
3. The Market Maker does not hold enough Derivatives Warrants to be able to perform its obligation.
4. The Derivatives Warrants price is lower than the price specified in Part 1 of Terms and Conditions (Market Making Condition).
5. 14 Business Days or less before the Maturity date.
6. When the SET is reasonably considered to be abnormal volatile.
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 Derivative Warrants**

The Issuer will distribute the amount of the Derivatives Warrants for not less than 20 million Baht or for not less than 50 percent of the listed Derivatives Warrants, excluded the amount of the Derivatives Warrants held by the Market Maker, and inform the SET within 3 months after the first trading date whichever time comes first

### **Information of Issuer**

#### **Paid Up Capital**

4,500,000,000 Baht as at [31 October 2017](#).

#### **Location of Issuer**

127 Gaysorn Tower 14th-16th Floor Ratchadamri Road, Lumpini,  
Pathumwan, Bangkok, 10330  
Tel. 0-2009-8888 Fax. 0-2009-8889  
Website [www.yuanta.co.th](http://www.yuanta.co.th)

#### **Accounting Auditor**

PricewaterhouseCoopers ABAS Ltd. Company  
15th Floor, Bangkok City Tower  
179/74-80 South Sathorn Road  
Sathorn Bangkok, 10120  
Thailand  
Auditor:

Mrs. Unakorn Phruithithada CPA Reg No. 3257 and/or

Miss Sakuna Yamsakul CPA Reg No. 4906 and/or

Miss Sinsiri Thangsombat CPA Reg No. 7352

**Accounting Period**

1 January – 31 December

**Type of Business and Nature of Operation**

Operate Businesses which are authorized by Thailand Ministry of Finance and Securities and Exchange Commission, Thailand (SEC). The Company acquires 7 business licenses, which are:

- 1) Securities Brokerage Business
- 2) Derivatives Brokerage Business
- 3) Securities Dealing Business
- 4) Dealing of Debt Securities Business
- 5) Securities Underwriting Business
- 6) Investment Advisory Services Business
- 7) Securities Borrowing and Lending Business

**Shareholder** as of 12 March 2018

No	Name	No. of Shares	% Shares
1	Yuanta Securities Asia Financial Services Limited	449,999,998	100
2	Mr. Tai-Yuan Tai	1	0
3	Mr. Wen Ching Hsu	1	0

**Board of Directors** as of 12 March 2018

No	Name	Position
1	Mr. Ronald Anthony Ooi Thean Yat	Chairman of the board / Chairman of the Audit Committee / Independent Director
2	Mr. Tai-Yuan Tai	Director / Audit Committee / Independent Director
3	Mr. Chi-Chang Chen	Director
4	Mrs. Ai Khim Tay	Director
5	Mr. Pei-San Tan	Director
6	Mr. Ong Cheow Kheng	Director
7	Mrs. Boonporn Boriboonsongsilp	Director
8	Mr. Pusit Kaewmongkolsri	Director
9	Mr. Charnsak Thanataecha	Director
10	Mr. Feng-Hsiang Kuo	Director

**Financial Statement of Issuer**

Investors can download latest financial status and of the Issuer from [www.sec.or.th](http://www.sec.or.th), [www.set.or.th](http://www.set.or.th), or [www.yuanta.co.th](http://www.yuanta.co.th)

**Prepared by**

Yuanta Securities (Thailand) Co., Ltd.

Any investment in the Derivatives Warrants carries with its certain risks, investors should carefully study the Derivatives Warrants information and related risk before making the decision to invest in the Derivatives Warrants. All information of the Derivatives Warrants can be found in the Term and Conditions, which is the attachment of the Derivatives Warrants prospectus (Base, Supplement, and Feature), from [www.sec.or.th](http://www.sec.or.th). Please refer to Thai version for full details.