

Information Memorandum
Description, Term and Condition of Derivative Warrants

<u>Offering Method</u>	Direct Listing
<u>Credit Rating</u>	AA by TRIS Rating Co., Ltd.
<u>Registrar and Warrants Agent</u>	Thailand Securities Depository Co., Ltd.
<u>Exercise of Warrants</u>	Cash Settlement
<u>Exercise Expenses charged by Issuer</u>	None

Exercise Procedure

- (a) The Cash Settlement Amount is the cash amount per unit
- (b) In the case that the Underlying Asset of Derivative Warrants is a stock ("Stock DW"), The Cash Settlement Amount can be calculated from the difference between Settlement Price and Exercise Price multiply by Exercise Ratio as illustrated below.

Derivative Call Warrants which Settlement Price is greater than Exercise Price
The Cash Settlement Amount = (Settlement Price - Exercise Price) x Exercise Ratio

Derivative Put Warrants which Settlement Price is lower than Exercise Price
The Cash Settlement Amount = (Exercise Price - Settlement Price) x Exercise Ratio

- (c) In the case that the Underlying Asset of Derivative Warrants is an index ("Index DW"), The Cash Settlement Amount can be calculated from the difference between Settlement Price and Exercise Price multiply by Multiplier as illustrated below.

Derivative Call Warrants which Settlement Price is greater than Exercise Price
The Cash Settlement Amount = (Settlement Price - Exercise Price) x Multiplier

Derivative Put Warrants which Settlement Price is lower than Exercise Price
The Cash Settlement Amount = (Exercise Price - Settlement Price) x Multiplier

- (d) The Net Cash Settlement Amount is Cash Settlement Amount deducted by Exercise Expense.
- (e) 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 holders. The issuer shall pay Net Cash Settlement Amount to the holders as stated in the term of DW.
- (f) Holders can deny the exercise of DW by informing their broker. Then the holders need to follow the procedure of their broker.
- (g) 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.

Settlement Procedure

When Automatic Exercise occurs, Issuer will proceed as follows,

- (a) If there is no Market Disruption Event, Issuer will pay Net Cash Settlement Amount in cash to holders' bank account or issue a crossed cheque to the registered holder on Automatic Exercise Date and send the cheque by registered mail within 5 business days following Automatic Exercise Date.
- (b) In case of Market Disruption Event,
 - 1) If Market Disruption Event occurs before or on Last Trading Date and ends within 30 days after Last Trading Date, Settlement Price shall be the closing price of the Underlying Asset on the first trading day after the Market Disruption Event ends.
 - 2) If Market Disruption Event occurs before or on Last Trading Date and ends not less than 30 days after the Last Trading Date,
 - 2.1) Issuer shall announce the fair value of Underlying Asset within 20 days of 30 days after Maturity Date.
 - 2.2) 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 Issuer informs the fair Value. The fair value of Underlying Asset shall be deemed to be Settlement Price.

Issuer will pay Net Cash Settlement (if any) to holders' 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.

Adjustment of Exercise Ratio/Conversion Ratio and Exercise Price (Stock DW)

Issuer shall adjust Exercise Price and Exercise Ratio ("Adjustment") through the term of DW 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 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 first 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 first 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 issued 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 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.

The holders shall remain their rights under the Terms and Conditions; and the Issuer shall perform any of its obligations under the Terms and Conditions and shall proceed with any conduct that protects the interest of the holders.

(f) The calculation of the adjustment of Exercise Price and Exercise Ratio in accordance with (a) through (e) are independent of each other and shall be conducted in accordance with the chronology of events which happened since the Issue date till the Last Trading Date. 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) where the holders' rights and benefits are in jeopardy, the Issuer shall consider and, if necessary, make the Adjustment to Exercise Price and/or Exercise Ratio fairly without deteriorating the holders' rights or benefits. The decision of the Issuer shall be final. In this regard, 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 those stated in (a) through (e) or other cases where the Issuer sees as appropriate, there shall be no Adjustment in any other case.

Adjustment of Multiplier and Exercise Price (Index DW)

Issuer shall not adjust the Multiplier and Exercise Price of Index DW, except that there are the reasonable event occurs that causes material impact to the holders. Issuer will consider using a reasonable and fair method to adjust the Multiplier and/or Exercise Price. Such immediate adjustment will not cause any inferiority but to reduce the impact and damage from such events. This adjustment is to include the adjustment date of the Multiplier and/or Exercise Price and effective date.

Issuer will notify the holders according to the rule and method of SET and other relevant regulators.

Event and Consequences of default

The following events are considered as Event of Default:

- (a) Issuer fails to deliver or receive cash, underlying as stated under the Terms and Conditions of DW and the failure persists over a period of 7 consecutive days (except in any case where the failure arises from the delay or disruption of the payment system or securities settlement system).
- (b) 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 holder has made the written notification to Issuer, requesting it to perform its obligations under the Terms and Conditions of DW.
- (c) All properties or major properties of Issuer are seized by creditors or those properties are in the process of being seized over a period of 7 consecutive days.

- (d) Issuer fails to pay a debt of not less than 100,000,000 Baht or its equivalent in another currency as (1) 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 DW and the failure persists over a period of 7 consecutive days.
- (e) The Annual General Meeting of Issuer approves the dissolution of the company except the dissolution for purposes pursuant to a merger, consolidation, amalgamation or restructuring where a continuing entity effectively assumes all DW related obligations of Issuer.
- (f) Final decree or order is made or issued by a court of competent jurisdiction adjudging Issuer to be bankrupt or insolvent, or approving a petition seeking with respect to the Issuer a decree of commencement of rehabilitation procedure or adjustment under the bankruptcy laws of Thailand, or for the winding-up, dissolution or liquidation of the Issuer, or approving the confiscation of the issuer, and such decree or order is not withdrawn within 60 days from the day the decree or order is made.

If any of the Event of Default shown in (a), (b), (c) or (d) occurs, Issuer must hold a Meeting of DW holders ("Meeting") in accordance with its obligations under the Terms and Conditions of the DW whereas;

- (1) The Meeting may approve the default of Issuer. Hence, the DW 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 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 Event of Default shown in (e) or (f) occurs, 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 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 Cash Settlement Amount shall be delivered to the holders of DW.

Transfer Restriction No

Market Maker Obligation

In the case where DW is listed in SET, 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 20,000 units for not less than 80% of SET trading hours. The Market Maker will not be required to provide bid and offer prices if

- (a) There is Market Disruption Event
- (b) The SET temporarily prohibits trading of Underlying Asset or temporarily discontinues calculating the Underlying Index and/or suspends trading of the DW for any reason.
- (c) The Market Maker does not hold enough DW to fulfill its duty.
- (d) The DW price is lower than 0.05 baht.
- (e) It is 14 Business Days or less before the Maturity date.
- (f) Other events that the market is reasonably considered to be abnormal.
- (g) The Issuer fails to satisfy its obligations as stated in Event of Default.
- (h) Other cases which the Market Maker will disclose via the SET.

Distribution of Derivative Warrants

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 Issuer and Market Maker, within 3 months after the first trading date or within the maturity date depending on which date is earlier.

Information of Issuer

Paid Up Capital 2,159,981,840 baht as of 29 November 2013 (lasted increasing paid up capital)

Location of Issuer 29/F Silom Complex Building
191 Silom road, Silom, Bangrak, Bangkok, 10500
Tel 02-618-1000, 02-231-3777
Fax 02-618-1001
Website www.bualuang.co.th, www.blswarrant.com

Type of Business and Nature of Operation

1. Securities brokerage business
2. Derivatives brokerage business
3. Investment banking business
4. Derivative warrant business
5. Selling agent business
6. Fixed income trading business
7. Securities borrowing and lending business
8. Arbitrage investment business
9. Structured note business

Financial Statement of Issuer

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

Prepared by Bualuang Securities Public Company Limited

Any investment in DW carries with its certain risks, investors should carefully study DW information and related risk before making the decision to invest in DW. All information of DW can be found in the Term and Conditions of DW, which is the attachment of DW prospectus from www.sec.or.th. Please refer to Thai version for full details.