

**NOTIFICATION OF THE BOARD OF GOVERNORS
OF THE STOCK EXCHANGE OF THAILAND**

**Re: Disclosure of Information and Other Acts of Listed Companies Concerning
the Connected Transactions, 2003**

By virtue of Clause 9 of the Regulations of the Stock Exchange of Thailand Re: Rules, Conditions and Procedures Governing the Disclosure of Information or any Act of a Listed Company dated September 15, 1995, the Board of Governors of the Stock Exchange of Thailand issues the following regulations:

1. This Notification shall come into force on December 15, 2003, with an exception of provision in Clause 15, which shall come into effect after six months following the date this Notification comes into effect.

2. The Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Act of Listed Companies Concerning the Connected Transactions, 2001 dated May 23, 2001, shall be repealed.

3. In this Notification:

“Exchange” means the Stock Exchange of Thailand

“Office” means the Office of the Securities and Exchange Commission

“Notification of the SEC” means the Notification of the Securities and Exchange Commission concerning submission and exemption from submission of the registration statement.

“listed company” means a company of which ordinary shares are listed on the Exchange

“subsidiary” means subsidiary company according to the Notification of the SEC

*“associated company” means associated company according to the Notification of the SEC.”

(*Added July 21, 2004)

“management” means management according to the Notification of the SEC

“controlling parties” means controlling parties according to the Notification of the SEC

*“major shareholder” means a shareholder who directly or indirectly holds shares in any juristic person in a total amount exceeding 10 per cent of the paid-up capital of that juristic person. Such shareholding shall also include the shares held by related persons.

(*Amended July 21, 2004)

“related persons” mean persons under Section 258 (1) through (7) of the Securities and Exchange Act, B.E. 2535.

*“close relatives” means persons related by blood or registration under law such as father, mother, spouses, sibling, children including spouses of the children.

*(*Amended September 17, 2004)*

“connected person” means the following:

(1) the management, major shareholders, controlling persons or persons to be nominated as the management or controlling persons of a listed company or a subsidiary company including related persons and close relatives of such persons.

(2) any juristic person having a major shareholder or a controlling person as the following persons of a listed company or a subsidiary:

(a) the management

(b) major shareholder

(c) controlling person

(d) person to be nominated as the management or a controlling person

(e) related persons and close relatives of persons from (a) to (d)

(3) any person whose behavior can be indicated as an acting person or under a major influence of persons from (1) to (2) when making decision, determining policy, handling management or operation; or other persons the Exchange deems as having the same manner.

“connected transaction” means any transaction between a listed company or a subsidiary company and the listed company’s connected persons; or any transaction between a subsidiary company and its connected persons.

*“general trading conditions” means trading conditions under which the price and the conditions are fair and do not cause misappropriation of benefits, including the trading conditions under which the price and the conditions are as follows:

(1) being the price and conditions which a listed company or a subsidiary receives from or offers to general persons;

(2) being the price and conditions which a connected person offers to general persons;

(3) being the price and conditions which a listed company can prove to be the price and conditions that an operator of similar business offers to general persons.

*(*Added July 21, 2004)*

*“normal business transaction” means trading transaction normally undertaken by a listed company or a subsidiary for the purpose of operating business.

(*Added July 21, 2004)

*“supporting normal business transaction” means trading transaction undertaken by the general businesses of similar nature to a listed company or a subsidiary for the purpose of supporting normal business transaction of their own company.”

(*Added July 21, 2004)

“offer and/or receipt of financial assistance” “receipt of financial assistance” “offer of financial assistance” means an offer or a receipt of financial assistance whether by receiving or extending loan, guarantee, providing asset as collateral including other similar manners.

“decision to enter into a transaction” means an entering into or a decision to enter into any contract or agreement, whether direct or indirect, in order to cause an acquisition or disposition of assets and/or rights to acquire or dispose of assets, leasing or renting asset, an offer or a receipt of service, an offer or a receipt of financial assistance and an issuance of new securities, including to create rights or waiver of such right to do the same.

“Audit Committee” means an Audit Committee under the Regulations of the Exchange Re: Qualifications and Scopes of Work of the Audit Committee.

“Financial Advisor” means financial advisor approved by the Office.

“Appraiser” means appraiser approved by the Office.

*“interest” means the receipt or loss of interest whether directly or indirectly from a decision to enter into a transaction of a listed company or a subsidiary.

(*Amended July 21, 2004)

“assets” means tangible or intangible objects owned by a person or a business and represented with value that can be disposed, distributed transferred.

“net tangible asset” means total assets deducted by intangible assets such as goodwill, deferred expenses before being deducted by liabilities and minority shareholders’ equity.

“net tangible asset value” means a book value of the net tangible asset of a listed company or a subsidiary company as disclosed in financial statement, as the case may be.

“securities “ means shares, warrants on shares or other securities which are convertible into shares.

“financial statement” means the latest financial statement or consolidated financial statement (if any) of a listed company which has already been audited or reviewed by auditor.

Section 1

General provisions

4. In case a listed company or a subsidiary company decides to enter into a connected transaction, which is deemed as a transaction as stipulated in the Regulations of the Exchange Re: Disclosure of Information and Act of Listed Companies Concerning the Acquisition and Disposition of Assets, the listed company shall comply with what is stated in such terms.

***5.** -
(*Repealed February 25, 2009.)

Section 2

Types of connected transactions

- *6.** Connected transactions can be divided into six categories as follows:
- (1) normal business transaction;
 - (2) supporting normal business transaction;
 - (3) transaction regarding rental or lease of immovable property of not exceeding 3 years;
 - (4) transaction relating to assets or service;
 - (5) transaction regarding offer or receipt of financial assistance;
 - (6) other connected transactions other than transaction in (1)-(5).

Rules, conditions and procedures regarding the disclosure of other connected transactions under (6) shall be in accordance with the Exchange's requirements.

(*Amended July 21, 2004)

***7.** Listed company may be exempted from the obligations under this Notification in the following connected transactions:

(1) Transaction between a listed company and a subsidiary having connected persons who are not a listed company holding no more than 10 per cent of the total shares with voting rights of the subsidiary in such subsidiary. The shareholding, however, must include shares held by related persons, and those connected persons must not be connected with the listed company and the subsidiary in other manner.

(2) Transaction between subsidiaries of which the shares are held by the same listed company and by connected persons who are not the listed company for no

more than 10 per cent of the subsidiaries' total shares with voting rights. The shareholding however must include shares held by related persons, and those connected persons must not connected with the subsidiary in other manner.

(3) Connected transaction which is an issuance of new securities by a listed company or a subsidiary to a connected person in any of the following manners:

(a) The securities is issued to a connected person with a purpose to re-transfer it to the third person who is not connected and based on the resolution of the Shareholders' Meeting which has authorized its power to the company's Board of Directors; and

(a.1) price of such issued securities must not be lower than the market price of the securities deducted by its issuance expenses. The market price of the securities means an average price of securities traded in the Exchange or the securities trading center on the day a decision to enter into a connected transaction is made. In case the securities is not traded in the Exchange or the securities trading center, a fair price determined by independent financial advisor shall apply; and

(a.2) the issuance of such securities does not increase a ratio of a connected person's interest in the issued securities as compared to his interest prior to the issuance of the securities.

(b) A connected person shall receive a securities based on his rights and in proportion to his shareholding as a shareholder.

(c) A connected person acts as an underwriter or a sub-underwriter of securities of a listed company or a subsidiary through an underwriting approach. The listed company, however, must clearly and fully disclose all rules and conditions of the underwriting or the underwriting during such period in a prospectus.

(d) The securities have been issued to connected persons according to a project of offering securities to employees or the management as approved by the Office.

(4) Transaction between a listed company or a subsidiary and a connected person that is a juristic person having a controlling person whom the listed company or the subsidiary as a shareholder of such juristic person has delegated to oversee such juristic person. The listed company or the subsidiary and the juristic person, however, must not connected with each other in other manner.

(5) Transaction that a listed company shall prove such transaction is fair and does not cause misappropriation of benefits.

*(*Amended July 21, 2004)*

Section 3

Action in case of connected transactions

8. As soon as a listed company or a subsidiary company decides to enter into a connected transaction under this Notification, the listed company must proceed according to the requirements stated in the table attached hereto and comply with the rules in Section 5.

9. A listed company shall disclose its connected transaction in its annual report based on the rules stipulated in the Notification of the Securities Exchange Commission (SEC) Re: Rules, Conditions and Procedures governing Disclosure of Information on Financial Status and Operating Result of Companies issuing Securities.

Section 4

Calculation of connected transaction value

10. A listed company shall assess a transaction value of an asset or a service based on a total return value paid or being paid or a book value or a market price value of such asset or service, whichever is higher.

11. A listed company shall assess a value of an offer or a receipt of financial assistance using the following criteria:

(1) In case a listed company or a subsidiary offers financial assistance to a connected person, calculation shall be made on the basis of a principal and an interest or a value of guarantee or a damage value which may incur to such listed company or subsidiary should the connected person cannot pay his debt.

Calculating of interest in paragraph one shall be made on the basis of an interest rate calculated from a connected person or an average interest expense of a listed company or a subsidiary, whichever is higher.

(2) In case a listed company or a subsidiary receives a financial assistance from a connected person, calculation shall be made on the basis of an interest value and/or a profit such listed company or subsidiary must pay to the connected person.

***11/1** In case a listed company or a subsidiary disposes of its investment in other company, which causes such other company to no longer be subsidiary or associated company of a listed company or a subsidiary, the listed company shall assess the value of such transaction by including the value of loan, value of guarantee and other obligations which such company still owes to the listed company or the subsidiary.

*(*Added July 21, 2004)*

12. In regard to an assessment of transaction value or net tangible asset value of a listed company, the Exchange may allow the listed company to apply figures under its financial statement already adjusted by figures of transactions incurred after the date of such financial statement up to the date a decision to enter into connected transaction, which has already been reviewed by listed company's auditor, is made.

13. When it appears that

(1) a listed company or a subsidiary possesses intangible assets for a material amount;

(2) a financial statement, upon which a review of connected transaction value is made, fails to show an actual business value of such listed company or subsidiary due to special characteristics of such business; or

(3) an auditor of a listed company or a subsidiary does not express his opinion to the financial statement, or does express his opinion but on a conditional basis in the financial statement;

the Exchange may change a transaction value or a net tangible asset value where it may or may not count a value of certain transactions under a financial statement as a value for comparison purpose.

***14.** The Exchange may combine several connected transactions as the same transaction if it appears that such transaction is intentionally segregated from each other in order to avoid any duty under this Notification.

The combination of connected transactions under the first paragraph shall include connected transactions taking place during six months prior to the day a decision to enter into transaction that is made by the same person or a related person or close relatives of such person, unless such connected transaction has already been approved by the Shareholders' Meeting.

*(*Amended July 21, 2004)*

Section 5

Procedures upon connected transaction

Part 1

Seeking the Board of Directors' approval and disclosure of decision to enter into transaction

***15.** -

*(*Repealed July 21, 2004)*

***16.** A listed company having duty to disclose its decision to enter into a connected transaction pursuant to the table attached hereto must prepare a report and immediately disclose the following information to the Exchange:

(1) Date, month, year when a decision to enter into a transaction is made and relevant parties.

(2) General explanation regarding nature of an asset, service and an offer or receipt of financial assistance relating to the decision to enter into a transaction. In case the asset under the transaction in whole or in part is the securities, name, type of business, nature of business, summary of financial status and operating result as well as financial statement of company which issues such securities must be identified.

(3) A total value and criteria used in determining a transaction's total value, a total return value, mode of payment either in cash or exchange of asset, conditions, interest rates, period of return payment, interest and collateral (if any).

(4) Name of connected persons, who are contractual parties, including titles of such connected persons in a listed company or their shareholding ratio in the listed company, circumstances which may indicate that they are controlling persons, as the case may be, including nature of relationship between connected persons who are corporate entity and the management, major shareholders, controlling persons, persons nominated as the management or controlling person in such corporate entity, as well as related persons or close relatives of persons having relationship with such corporate entity and name of such persons.

(5) Characteristics and scope of interests of connected persons when agreeing to enter into such connected transaction.

(6) In case of asset purchase and offer of financial assistance, financial sources and adequacy of capital flow shall be identified. In case of loan, conditions that may affect shareholders' right such as restriction of dividend payment shall be indicated.

(7) Statements which show that directors who have interests and/or directors who are connected persons will not attend the meeting and have no right to vote in the meeting, in case where the listed company has duty to seek approval to enter into a connected transaction from the Board of Directors.

(8) Opinions of the Board of Director concerning a decision to enter into a connected transaction, specifying the reasonableness and the highest benefit to the company comparing with a decision to enter into a transaction with an independent third party, in case where the listed company has duty to seek approval to enter into a connected transaction from the Board of Directors.

(9) Opinions of the company's Audit Committee and/or directors which are different from the opinions of the Board of Directors under (8).

For the purpose of protecting shareholders' interest or supervising listed company, the Exchange may order the listed company to disclose additional information as deemed necessary and appropriate.

*(*Amended July 21, 2004)*

***17.** A listed company, having duty to seek approval when entering a connected transaction from the Board of Directors according to the Table attached hereto, must do the following:

(1) Preclude directors who have interests in making decision to enter into connected transaction from attending the meeting and having voting rights at the meeting.

(2) Disclose a resolution with information according to Clause 16 to the Exchange.

*(*Amended July 21, 2004)*

Part 2

Seeking approval from the Shareholders' Meeting

***18.** A listed company having duty to organize the Shareholders' Meeting to seek approval for a decision to enter into a connected transaction must send its shareholders a notice to attend the Shareholders' Meeting no less than 14 days prior to the date of the Shareholders' Meeting, and must send the notice of the Shareholders' Meeting to the Exchange for its review of an adequacy of information therein in accordance with any of the following rules:

(1) send a notice to attend the Shareholders' Meeting to the Exchange at least five business days before sending it to the shareholders. The Exchange may order the listed company to disclose additional information as deemed necessary and appropriate.

A listed company will send a notice to attend the Shareholders' Meeting to its shareholders after five business days from the date the Exchange has duly received such notice, during which the Exchange does not require the listed company to inform additional information, or

(2) send a notice to attend the Shareholders' Meeting to the Exchange at the same time it is sent to the shareholders. The Exchange will review an adequacy of the information therein within five business day following the date the Exchange has duly received such notice and the Exchange may take any act including to order the listed company to disclose additional information for shareholders as deemed necessary and appropriate.

The listed company shall disclose the rule regarding sending notice to attend the Shareholders' Meeting under the first paragraph to the Exchange at the same time it

discloses the information when the Board of Directors passes a resolution on the date of the Shareholders' Meeting.

*(*Amended July 21, 2004)*

***19.** A listed company must send two copies of the notice to attend the Shareholders' Meeting to the Exchange and one copy to the Office concurrently.

*(*Amended July 21, 2004)*

***19/1** The Exchange may require a listed company to arrange persons to be in charge of supervising the Shareholders' Meetings in order to ensure that the listed company duly complies with the law on securities and exchange, the law on public limited companies, the regulations of the Exchange or the law related to the company's business in regard to shareholders' meetings.

The persons under the first paragraph mean the following persons:

- (1) auditor approved by the Office;
- (2) independent financial advisor; or
- (3) person designated by the Exchange based on the list of persons approved by the Office.

*(*Added July 21, 2004)*

***20.** The notice to attend the Shareholders' Meeting shall at least contain the following information:

- (1) Information stipulated in Clause 16.
- (2) The following information:
 - (a) Brief information concerning the company and its business operation;
 - (b) List of the management and list of the first 10 shareholders as at the date of close of share register book;
 - (c) Inter-transactions during the past year and present year until the latest quarter (if any);
 - (d) Summary of financial statements during the past 3 years and the present year until the latest quarter, as well as the explanation and analysis of financial condition and operating result in the past year and the present year until the latest quarter;
 - (e) Other information that may materially affect the decision of investors (if any).

(3) Statements indicating that connected persons and/or shareholders having interests shall have no right to vote whereby names and number of shares held by shareholders having no voting rights shall be indicated.

(4) Appraisal of asset price by an independent appraiser in case of acquisition or disposal of asset having fundamental significance in a form of asset value such as immovable property.

(5) Opinions of independent financial advisors in the following matters:

(a) Reasonableness and benefits of connected transactions to a listed company;

(b) Fairness of price and conditions of connected transactions;

(c) Whether shareholders resolve to agree or disagree with connected transactions together with supporting reasons.

An independent financial advisor's opinion meanwhile must contain minimum information as required by the Exchange and must be presented in a separate document from other information provided by a listed company, where rationale, important assumption and supporting factors of such opinion must be indicated.

(6) Proxy form with at least one name of a member of the Audit Committee being nominated as shareholder's proxy.

(7) Opinion of the Board of Directors about a decision to enter into a connected transaction specifying reasonableness and the highest benefit to the listed company comparing with a decision to enter into a transaction with independent third party.

(8) Opinions of the company's Audit Committee and/or directors which are different from the opinion of the Board of Directors under (7).

*(*Amended July 21, 2004)*

21. In case a listed company manages to show that a decision to enter into a connected transaction of the listed company or a subsidiary will clearly benefit the listed company while the company's Audit Committee has an opinion that the transaction is fair and reasonable, the Exchange may grant a relaxation by allowing the listed company not to submit an independent financial advisor's opinion in the notice to attend the Shareholders' Meeting.

22. A resolution of the Shareholders' Meeting to approve a decision to enter into a connected transaction hereunder must consist of at least three-fourths of the total votes of shareholders attending the meeting and having voting right, excluding interested shareholders' equity.

Section 6

Transitory Provisions

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(**Repealed February 25, 2009.*)

24. The Regulations of the Exchange Re: Rules, and Procedures and Disclosure of Connected Transactions of Listed Companies and the Regulations of the Exchange Re: Disclosure of Information and Act of Listed Company Concerning the Connected Transaction already enforced prior to the date this Notification comes into force shall remain applicable to the listed companies or subsidiaries upon any decision to enter into connected transactions that took place prior to the date this Notification comes into force.

Notified on this 19th day of November 2003.

(Signed) Vijit Supinit

(Mr. Vijit Supinit)
Chairman of the Board
The Stock Exchange of Thailand

Rationale of the Notification: The Exchange deems that a connected transaction may lead to a conflict of interest between a listed company and a connected person since the person may control a decision of such listed company and thus create a reasonable doubt whether the connected transaction indeed benefits the listed company and its shareholders in general or whether it will benefit the connected person. To ensure transparency when making a decision to enter into a connected transaction and to ensure that listed company has a means to eliminate the conflict of interest with reason, honesty, and integrity in a sound, ethical and independent framework, as well as to completely disclose all information a manner that corresponds with the principles of good corporate governance for the company's and shareholders' interests, it is appropriate to stipulate the rules, procedures and means to disclose listed companies' connected transactions for listed companies to comply with.

**Table Attached to the Notification of the Board of Governors of the Stock Exchange of Thailand
Re: Disclosure of Information and Act of Listed Companies Concerning the Connected Transactions (No. 2), 2004**

The procedures of listed companies when there is a connected transaction:

Types of connected transactions	Transaction value	Listed company's action		
		Disclose to the Exchange	Seeking the Board of Directors' approval	Seeking an approval from the Shareholders' Meeting
1. Normal business transaction or supporting normal business transaction 1.1 Normal business transaction with general trading conditions. 1.2 Supporting normal business transaction with general trading conditions whose value of consideration can be calculated from assets or underlying value.	} Unlimited transaction value	-	-	-
1.3 Supporting normal business transaction with general trading conditions whose value of consideration cannot be calculated from assets or underlying value.	≤ 1 million Baht or ≤ 0.03% of net tangible asset value, whichever is higher.	-	-	-
	> 1 million Baht but < 20 million Baht or > 0.03% but < 3% of the net tangible asset value, whichever is higher .	✓	-	-
	≥ 20 million Baht or ≥ 3 % of net tangible asset value, whichever is higher.	✓	✓	✓

Types of connected transactions	Transaction value	Listed company's action		
		Disclose to the Exchange	Seeking the Board of Directors' approval	Seeking an approval from the Shareholders' Meeting
1.4 Normal business transaction or supporting normal business transaction without general trading conditions	≤ 1 million Baht or ≤ 0.03% of net tangible asset value, whichever is higher	-	-	-
	> 1 million Baht but < 20 million Baht or >0.03% but <3% of the net tangible asset value, whichever is higher.	✓	✓	-
	≥ 20 million Baht or ≥ 3 % of net tangible asset value, whichever is higher.	✓	✓	✓
2. Transaction regarding rental or lease of immovable property of not exceeding 3 years without any indication that it is based on general trading conditions	≤ 1 million Baht or ≤ 0.03% of net tangible asset value, whichever is higher.	-	-	-
	> 1 million Baht but < 20 million Baht or >0.03% but <3% of the net tangible asset value, whichever is higher.	✓	-	-
	≥ 20 million Baht or ≥ 3 % of net tangible asset value, whichever is higher.	✓	✓	-
3. Transaction relating to assets or services.	≤ 1 million Baht or ≤ 0.03% of net tangible asset value, whichever is higher.	-	-	-
	> 1 million Baht but < 20 million Baht or >0.03% but <3% of the net tangible asset value, whichever is higher.	✓	✓	-
	≥ 20 million Baht or ≥ 3 % of net tangible asset value, whichever is higher.	✓	✓	✓

Types of connected transactions	Transaction value	Listed company's action		
		Disclose to the Exchange	Seeking the Board of Directors' approval	Seeking an approval from the Shareholders' Meeting
4. Grant or receipt of financial assistance 4.1 Listed company or subsidiary offering financial assistance to connected persons as follows <ul style="list-style-type: none"> ▪ Connected persons being natural person ▪ Connected persons being juristic entity which listed company or subsidiary, holding shares at a lower ratio than the ratio of shares held by other connected persons not being the listed company or subsidiary, as the case may be, in such entity. 	< 100 million Baht or < 3% of net asset tangible value, whichever is lower.	✓	✓	-
	≥ 100 million Baht or ≥ 3 % of net tangible asset value, whichever is lower.	✓	✓	✓ In case it is a transaction where a listed company or a subsidiary and connected persons jointly offer financial assistance to a juristic entity of which the shares are held by such listed company or subsidiary and connected persons based on the ratio they have an interest therein based on general trading conditions or even with better conditions, the listed company will be exempted from requesting for an approval from the Shareholders' Meeting for that transaction.

Types of connected transactions	Transaction value	Listed company's action		
		Disclose to the Exchange	Seeking the Board of Directors' approval	Seeking an approval from the Shareholders' Meeting
4.2 Grant or receipt of financial assistance other than those stated in 4.1	≤ 1 million Baht or ≤ 0.03% of net tangible asset value, whichever is higher.	-	-	-
	> 1 million Baht but < 20 million Baht or >0.03% but <3% of net tangible asset value, whichever is higher .	✓	✓	-
	≥ 20 million Baht or ≥ 3 % of net tangible asset value, whichever is higher.	✓	✓	✓ In case it is a transaction where a listed company or a subsidiary and connected persons jointly offer financial assistance to a juristic entity of which the shares are held by such listed company or subsidiary and connected persons based on the ratio they have an interest therein based on general trading conditions or even with better conditions, the listed company will be exempted from requesting for an approval from the Shareholders' Meeting for that transaction.

Note: ✓ means listed company having duty to act according to details in column marked with ✓
- means listed company not having any duty to act according to details in column marked with –

* The original table attached to this notification was repealed and replaced with this table by The Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Act of Listed Companies Concerning the Connected Transactions,(No.2) 2004 dated July 21, 2004