

**- Information Memorandum -**  
Description, Terms and Conditions of Derivative Warrants

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<b><u>Offering Method</u></b>	Direct Listing
<b><u>Credit Rating</u></b>	A by TRIS Rating Co., Ltd.
<b><u>Registrar and Warrants Agent</u></b>	Thailand Securities Depository Co., Ltd.
<b><u>Exercise of DW</u></b>	Automatic Exercise
<b><u>Exercise Expenses charged by Issuer</u></b>	None(note: this excludes any exercise expense which may be charged by the broker of the holder)

**Delivery and Settlement Procedure**

DW shall be automatically exercised without notice being given to the holders if the Net Cash Settlement Amount is greater than zero. The Net Cash Settlement Amount can be calculated as follows.

**In case of Call DW**

Net Cash Settlement Amount = Cash Settlement Amount – Exercise Expense charged by Issuer

where Cash Settlement Amount = The greater of zero and (Settlement Price – Exercise Price) \* Exercise Ratio or Multiplier (as the case may be)

**In case of Put DW**

Net Cash Settlement Amount = Cash Settlement Amount – Exercise Expense charged by Issuer

where Cash Settlement Amount = The greater of zero and (Exercise Price – Settlement Price) \* Exercise Ratio or Multiplier (as the case may be)

If the Net Cash Settlement Amount is greater than zero, the Issuer will pay to the holders the Net Cash Settlement Amount according to the settlement procedure defined in Terms and Conditions. However, the holders can decline to exercise DW by instructing their broker according to each broker's procedure

In this regard, the Issuer will request SET to suspend the trading of DW for 3 business days consecutively until the Maturity Date (Including the Maturity Date) in order to determine the right to exercise DW of holder.

When Automatic Exercise occurs, the Issuer will proceed as follows,

- (1) If there is no Market Disruption Event, the Issuer will pay Net Cash Settlement Amount in cash to the holder's bank account or send a crossed cheque to the holder whose name is appeared on Automatic Exercise Date by registered mail within 5 business days following Automatic Exercise Date.
- (2) 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 Securities 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) The Issuer shall announce the fair value of Underlying Securities within 20 days subsequent to the end of the 30 days period after the Maturity Date;
  - 2.2) The Issuer shall use the fair value of the Underlying Securities calculated by an independent financial advisor approved by the SEC Office, which is made not more than 50 days before the date that the Issuer announces the fair value. The fair value of Underlying Securities shall be deemed to be the Settlement Price.

The Issuer will pay Net Cash Settlement (if any) to the holder's bank account or send a crossed cheque to the holder whose name appeared on Automatic Exercise Date by registered mail within 9 business days following the day that the Issuer announces the fair value or the Settlement Price, as the case may be.

**Adjustment of Exercise Ratio/Conversion Ratio and Exercise Price or Adjustment of Multiplier of Default (as the case may be)**

In case where underlying securities is stock

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

- (a) Issuance 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 in which the shareholders are precluded to subscribe for additional shares (the first day the SET posts the XR sign).

- (b) Stock dividend payment

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 in which the shareholders are precluded to receive stock dividend (the first day the SET posts the XD sign).

- (c) Cash dividend payment

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 in which the shareholders are precluded to receive cash dividend (the first 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 in which the split or the consolidation becomes effective in the SET.

- (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 majority of its assets; the Maturity Date of the Derivatives Warrants shall be brought forward to the Last Trading Day of the Underlying Securities. The Issuer shall immediately inform the details to the holders and disclose the details in accordance with the SET's Information Discloser 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 case 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 and 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.

#### In case where underlying asset is index

Issuer shall not adjust Exercise Price and Multiplier ("**Adjustment**") unless Issuer shall consider and, if necessary, make adjustment to Exercise Price and Multiplier fairly and shall not unfairly reduce holders' rights or benefits. The decision of Issuer shall be final. Then Issuer shall inform the details of any adjustment to the SET and to the SEC immediately

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

The following events shall be considered as an Event of Default:

- (a) The Issuer fails to settle the cash or Underlying Securities as stated under 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 on the holders' rights, and the failure continues over a period of 15 consecutive days after the 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 subject to seizure or attachment by creditors for over a period of 7 consecutive business days; or
- (d) The Issuer fails to pay a debt of not less than 300,000,000 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' rights 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 pursuant to a merger or consolidation where, according to the terms and conditions of such transaction, 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 of the Issuer or the application for the court's adjudication liquidating the Issuer under the relevant laws, or the dissolution pursuant to the legal order or resolution, or the seizure or attachment of the Issuer's assets pursuant to the court's adjudication or legal order, whereby such proceeding, adjudication, order or resolution has not been cancelled or revoked 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 whereby: (1) the Meeting may pass a resolution subjecting the Issuer to default and effectuating the exercise of right at the date of Meeting whereby the closing price of the Underlying Securities or the Underlying Index (as the case may be) on the date of Meeting is used as the Settlement Price. If the closing price of the Underlying Securities on the date of Meeting cannot be assigned, then the most recent closing price of the Underlying Securities prior to the date of Meeting shall be used as the Settlement Price. The Settlement Price will be compared to the Exercise Price for the calculation of 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 Securities or the Underlying Index (as the case may be) 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 Securities on the date of the event described in (e) or (f) cannot be assigned, then the most recent closing price of the Underlying Securities prior to the date of the event described in (e) or (f) shall be used as the Settlement Price. The Settlement Price will be compared to the Exercise Price for the calculation of the Cash Settlement amount for all unexercised Derivatives Warrants holders.

**Transfer Restriction**

No Restriction

**Market Maker Obligation**

When the Derivatives Warrants are accepted to be listed by the 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 the SET's monthly averaged trading hours. The Market Maker will not be required to provide bid and offer prices if:

- (1) there is a Market Disruption Event;

- (2) the SET temporarily prohibits trading of Underlying Securities or temporarily discontinues the calculation of the Underlying Index (as the case may be) and/or suspends trading of the Derivatives Warrants for any other reason;
- (3) the Market Maker does not hold enough the Derivatives Warrants to be able to perform its obligation;
- (4) The Derivatives Warrants price is lower than Baht 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) the issuer fails to satisfy its obligations as stated in the Event of Default specified in the Terms and Conditions;
- (8) If the Issuer does not be able to perform its obligations due to the impediment under the laws or notifications of the SEC, the Capital Market Supervisory Board or the SEC Office; or
- (9) the Market Maker does not perform its duty due to the occurrence of force majeure, including but not limited to, natural disaster, earthquake, fire, explosion, strike, labour disruption, accident, epidemic, storm, war, revolution, social disorder, lack of electricity, fuel, and labour, or any other circumstance beyond the Maker Maker's control; or
- (10) any other cases which the Market Maker will disclose via the SET.

**Guarantor**

No Guarantor

**Distribution of Derivative Warrants**

The issuer will distribute the amount of Derivative Warrants for at least 20 million baht or for not less than 50 percent of the listed Derivative Warrants, excluding the amount of Derivatives Warrants held by the Issuer and the Market Maker, within 3 months after the first trading date on the SET or within the Maturity Date, which is the earlier.

**Information of Issuer**

Paid Up Capital	Baht 1,067,500,000 (as of December 31, 2020)
Location of Issuer	6, 8–11/F Muang Thai - Phatra Office Tower 1 252/6 Ratchadepisek Road, Huaykwang Bangkok 10310 Tel. 0-2305-9000 Fax 0-2693-2631 Website <a href="https://securities.kkpfpg.com">https://securities.kkpfpg.com</a>

### **Type of Business and Nature of Operation**

The issuer has received approval from the Ministry of Finance to operate 6 types of securities businesses which are brokerage business, dealing business, underwriting business, investment advisory business, private fund management business and securities borrowing and lending. However, currently private fund management business has not been operating. In addition, the issuer has also received approval from the office of the Securities and Exchange Commission of Thailand (“**the SEC**”) to operate 2 types of derivative businesses which are derivative brokerage and derivative dealing. The issuer has become a member of Thailand Futures Exchange (TFEX) since April 28, 2006. Apart from the aforementioned businesses, the issuer has been registered as a Financial Advisor Type A with the Ministry of Finance, and financial advisor with the SEC. In present, core businesses of the issuer are 1.securities brokerage business 2.investment banking business 3.investment business and 4.derivatives brokerage business.

### **Financial Statement of Issuer**

Investors can download the latest annual financial statement of the Issuer from [www.set.or.th](http://www.set.or.th) or <https://securities.kkpfq.com>

### **Prepared by**

Kiatnakin Phatra Securities Public Company Limited

Investments in DW involves with certain risks. Investors should carefully study DW information and related risks before making the decision to invest in DW. All information of DW could be found in the Terms and Conditions of DW and the fact sheet of DW which is appendix of prospectus of such DW from [www.sec.or.th](http://www.sec.or.th).