

REGULATIONS OF THE STOCK EXCHANGE OF THAILAND

Re : Trading, Clearing and Settlement of Securities in the Exchange (No. 2), 1999

Whereas it is deemed appropriate to establish the rules and procedures for trading of securities by assigning the trading system to compute the opening price and the closing price by method of call market at any particular random time during the period before the opening and the closure of trading in order to eliminate the chance of price manipulation and to ensure stability of the opening price and the closing price of securities, as well as to establish the rules governing supervision of members in the trading of securities in the name of either their own company or their related company in the capacity of broker or agent of customers so as to ensure transparency and prevent a conflict of interest in such securities trading.

By virtue of the second paragraph (9) and (12) of Section 170 of the Securities and Exchange Act B.E. 2535, the Board of Governors of the Stock Exchange of Thailand hereby issues the following regulations:

1. This Regulations shall come into force on September 6, 1999.

2. The Regulations of the Stock Exchange of Thailand Re: Regulations relating to Trading, Clearing and Settlement of Listed Securities (No. 1), 1999 dated March 19, 1999, shall be repealed.

3. In these Regulations:

“Exchange” means the Stock Exchange of Thailand.

“Member” means a member of the Exchange.

“Board of Governors” means the Board of Governors of the Exchange.

“President” means the President of the Exchange.

“securities” means listed securities.

“trading order” means purchase order or sale order for securities on the Exchange.

“underlying shares” means shares related to rights on warrants or derivative warrants.

“bid or offer” means a bid to purchase or an offer to sell securities on the Exchange.

“trading” means purchase or sale of securities on the Exchange.

“trading system” means the computer system used in the trading as provided by the Exchange.

“board” means one part of the trading system as designated by the Board of Governors for use in trading.

“board lot” means trading units, each containing a total amount of securities as determined by the Exchange.

“odd lot” means the amount of securities which is less than a board lot.

“big lot trade” means trading of securities in a single undivided amount with a trading volume or trading value of not less than the trading volume or trading value as prescribed by the Exchange.

“main board” means the board used in the trading by board lots.

“odd lot board” means the board used in trading by odd lots.

*“special board” -
(* Repealed November 13, 2003)

“big lot board” means the board used in big lot trading.

“foreign board” means the board used in the trading of securities whereby the holder of securities according to the securities holder register is an alien.

“spread” means the range of increase or decrease of the trading price of each securities as determined by the Exchange.

“open for daily trading” means to be opened for trading through the trading system during the daily business hours for each session of trading.

“customers” means a person who assigns a Member to act as a broker or an agent for trading securities on his or her behalf ;

“authorized officer” means an employee of a Member who is licensed by the Exchange to be a member’s agent to trade through the trading system.

*“debt instruments” means treasury notes, bonds, debentures, convertible debentures, short-term debentures, debentures under a securitization scheme, warrants on debentures or any other securities similar thereto;
(*Added September 13, 2005)

CHAPTER 1

Securities Trading

4. Trading of Securities in the Exchange shall be made through the trading system.

The Exchange shall prescribe the rules, conditions and procedures for trading through the trading system as necessary and to the extent not contrary to or inconsistent with these Regulations.

5. In the case of doubt or problem concerning trading through the trading system under these Regulations, the President shall be empowered to make any decisions and issue orders.

6. Trading through the trading system shall be carried out by a Member.

The Exchange shall designate a personal identification number for each Member in trading through the trading system.

7. In order to provide liquidity for trading of securities, the Exchange may require one or more Members to oversee trading on the main board to ensure liquidity of securities trading under the rules, conditions and procedures prescribed by the Exchange.

8. A person who trades through the trading system for and on behalf of a Member shall be licensed by the Exchange as an authorized officer of such Member.

Registration and removal of an authorized officer, qualifications, rights and duties of and disciplinary action against an authorized officer shall be in accordance with the rules and procedures prescribed by the Exchange.

A Member shall oversee and supervise its Authorized Officer to ensure that they strictly comply with the rules and procedures prescribed by the Exchange under the second paragraph and under these Regulations.

***9.** The boards used in the trading are as follows:

- (1) main board
- (2) odd lot board
- (3) big lot board
- (4) foreign board
- (5) other boards as prescribed by the Board.

(Amended November 13, 2003)*

10. Trading through the trading system shall be made on Monday through Friday during the daily business hours for trading which shall be divided into the following two sessions:

(1) first session, the trading system is opened for trading at any time from 9.55 a.m. to 10.00 a.m. and closed at 12.30 p.m.

(2) second session, the trading system is opened for trading at any time from 2.25 p.m. to 2.30 p.m. and closed at anytime from 4.35 p.m. to 4.40 p.m., except trading on the odd lot board which is closed for trading at 4.30 p.m.

The trading system chooses the opening time or closing time for trading from the time under the first paragraph by random method.

11. The Exchange may authorize trading through the trading system to take place beyond the daily business hours according to the rules, conditions and procedures prescribed by the Exchange.

In the case of disruption caused by the equipment used in the trading system or the Member's computer equipment used in the operation of trading through the trading system which results in trading being unable to be carried on in the usual manner, the

Exchange may temporarily change the daily business hours for trading as deemed appropriate.

In order for the trading be carried on properly or in order to protect the interests of investors, the Board of Governors may temporarily change the daily business hours for the trading of any particular or all securities as deemed appropriate.

12. Trading holidays shall be:

- (1) Weekly holidays being, i.e., Saturdays and Sundays
- (2) Holidays as prescribed by the Exchange in each year.

13. Trading on a Board shall take effect when the trading system can match the bid with an offer, unless otherwise prescribed by the Exchange.

The trading according to the first paragraph shall constitute a contract binding upon the bidder and offeror of the securities as at the time recorded in the trading record kept by the Exchange under Clause 17.

14. A Member may change or cancel its trading on the board upon the consent of the Member who is the other party to the transaction and upon approval by the Exchange under the rules, conditions and procedures prescribed by the Exchange.

In the case of a disruption which renders the clearing and settlement of securities traded impossible or if the trading by a Member may seriously damage the interests of investors or the overall trading by Members, the Board of Governors may order a change or cancellation of such trading on the Board.

15. In the case that the SET Index changes within the authorized scale, the trading system shall suspend all tradings in the following cases and for the following period:

(1) In the case where the SET Index in any day decreases by ten percent of the SET Index on the immediately preceding trading day, the trading system shall suspend for thirty minutes.

(2) In the case where the SET Index in any day decreases by twenty percent of the SET Index on the immediately preceding trading day, the trading system shall suspend for one hour.

In the event that the remaining time for trading in the relevant session is shorter than the period prescribed in (1) or (2), as the case may be, the trading system shall suspend for such remaining time in the session until the succeeding session.

16. The Exchange may prescribe conditions to be complied with by the Members concerning the use of computer programs, place of installation and connection of the Member's computer equipment used in the operation of trading through the trading system and persons authorized to enter into such place.

17. The Exchange will keep a complete record of trading through the trading system with a computer system for a period deemed appropriate by the Exchange.

In the event that a Member requests an evidence of its any trading transactions, the Exchange shall issue a written confirmation of such trading transaction in the form and according to the procedures prescribed by the Exchange.

18. A Member shall cause its customers to be bound by and comply with these Regulations and relevant notifications of the Exchange.

CHAPTER 2

Trading on the Main Board

19. The provisions of this Chapter shall apply to Trading on the Main Board.

20. The trading shall be made by recording by the Member of the bids or offers into the trading system in order that the trading system can match the bid with the offer. (Automated Order Matching: AOM)

The Exchange shall prescribe the details of the bids or offers and the conditions of bids or offers for use in trading as deemed appropriate.

***21.** A bid or an offer shall be made in board lot, with the total amount of securities and total value for each bid or offer being not more than that prescribed by the Exchange.

*(*Amended June 26, 2007)*

22. The price for each bid or offer shall be within the spread as prescribed by the Exchange.

***23.** In case of shares or investment units traded in the Exchange on the first day, the bid or offer price of shares or investment units in same day shall be increased at the maximum not more than 3 times of the initial public offering price of such securities or decreased at the minimum 0.5 time of the initial public offering price of such securities.

The bid or offer price of securities in each day, except for the bid or offer price of securities under the first paragraph, may be increased at the maximum or decreased at the minimum not more than 30 percent of the last trading price on the immediately preceding trading day, except for the bid or offer price of securities under the third paragraph.

The bid or offer price of transferable subscription rights or warrants on shares in each day may be increased at the maximum or decreased at the minimum not more than the difference between the highest price and the lowest price of the relevant shares on the same day multiplied by the amount of rights to purchase the shares arising from the exercise of one such subscription or warrant, as the case may be.

****** In case where the change in the bid or offer price is calculated in accordance with the second and the third paragraph and such price is increased or decreased by less than 1 price spread, the bid or offer price can be increased at the maximum or decreased at the minimum of 1 price spread.

*(*Amended November 18, 2008)*

***Added April 30, 2009)*

24. The provisions of Clause 23 shall not apply to the trading of securities in the following cases:

(1) Trading of derivative warrants.

*(2) Trading of other securities except shares or investment units in the Exchange on the first day;

*(*Amended November 18, 2008)*

(3) Where there is no trading of such securities for a consecutive period of more than 15 business days;

(4) Trading of such securities on the first day on which the Exchange announces that the bid price or offer price shall not include dividends, interest, right to subscribe for new shares or other rights arising from holding of such securities;

(5) Trading of such securities on the first day on which the Exchange announces that trading according to the par value which is changed from the original par value can be made.

*(6) When the Exchange considers that there has been an occurrence which may cause the price of any securities to change drastically or the application of the highest or lowest price under the second paragraph, the third paragraph, and the fourth paragraph of Clause 23 may cause the trading of such securities to become impractical as announced by the Exchange on a case-by-case basis.

*(*Amended April 30, 2009)*

The bid or offer price of securities under (3) (4) (5) and (6) may be increased or, as the case may be, decreased at not more than that prescribed by the Exchange.

25. In the case where a Member trades at a price higher or lower than the permissible highest or lowest price calculated under Clause 23 or 24, such Member shall be deemed to have traded at such permissible highest or lowest price.

26. A bid or offer made prior to the commencement time of daily trading for calculating an opening price within period prescribed by the Exchange may be made only in case of the unconditional bid and specific price, whereby the trading shall be made through the trading system at the beginning of the daily trading at the price called the opening price as follows:

(1) The price which yields the highest volume of trading upon the opening time for daily trading of that day.

(2) In cases where the price under (1) is more than one in number, the price closest to the last trading price of the preceding trading day shall be used.

(3) In the case where the prices under (2), is two in number the higher price shall be used.

27. A bid or offer made prior to the closure time of the second session of daily trading for calculating an closing price within period prescribed by the Exchange may be made only in case of the unconditional bid and specific price, whereby the trading shall be

made through the trading system at the closure time of the second session of daily trading at the price called closing price as follows:

(1) The price which yields the highest volume of trading upon the closure time for daily trading of that day.

(2) In cases where the price under (1) is more than one in number, the price closest to the last trading price of the preceding trading day shall be used.

(3) In the case where the prices under (2), is two in number the higher price shall be used.

28. In order to facilitate the trading under Clause 26 and 27, the bids or offers shall be arranged in the following order:

(1) The bid of securities

(a) The bid of securities made at a price higher than the opening price shall be ranked the first. If there is more than one such bid price, the higher bid price shall be ranked the first. If there are more than one bid at the same price, the bid which appears on the board first shall be ranked the first.

(b) The bid of securities made at the same price as the opening price shall be ranked the second. If there are more than one bid, the bid which appears on the board first shall be ranked the first.

(2) The offer of securities

(a) The offer of securities made at a price lower than the opening price shall be ranked the first. If there is more than one such offer price, the lower offer price shall be ranked the first. If there are more than one offer at the same price, the offer which appears on the board first shall be ranked the first.

(b) The offer of securities made at the same price as the opening price shall be ranked the second. If there is more than one offer, the offer which appears on the board first shall be ranked the first.

29. For the purpose of reference, the Exchange will regard the closing price of securities as computed under Clause 27 on any day as the closing price of securities on the said day. If the closing price under Clause 27 cannot be computed, the last trading price of such day will be deemed the closing price of such securities.

30. The trading at the opening of trading must be carried out at the highest bid price or the lowest offer price appearing on the board, except the trading under Clause 25, Clause 26 and Clause 27.

The bid and offer after the opening of trading shall be carried out by the trading system in order of the price and time of the bid and offer.

The order of the bid or offer for the purpose of trading under the second paragraph shall be arranged as follows:

(1) The bid of securities made at a price higher than other bids shall be ranked the first. If there is more than one bid at the same price, the bid which appears on the board first shall be ranked the first.

(2) The offer of securities made at a price lower than other offers shall be ranked the first. If there is more than one offer at the same price, the offer which appears on the board first shall be ranked the first.

In the case where the bids or offers made at the same price are both conditional and unconditional, the unconditional bids or offers shall be ranked the first.

31. Every bid or offer shall be a definite offer binding upon the Member making the bid or offer, unless a change or cancellation of such bid or offer is made under Clause 32.

32. A member may only change or cancel its bid or offer on the board before the trading takes effect under Clause 13 and such change or cancellation shall be made through the trading system.

The change of a member's bid or offer under the first paragraph may be made only in respect of the following particulars:

- (1) Account number
- (2) Type of purchaser or seller
- (3) The amount of securities offered for purchase or sale from time to time according to the automatic bid or offer from time to time (publish volume); and
- (4) Other particulars as prescribed by the Exchange.

CHAPTER 3

Trading on Other Boards

33. Trading on the board other than the main board may be made in the following manner:

(1) The Member records the bid or offer into the trading system in order that the trading system can match the bid with the offer. (Automated Order Matching: AOM); or

(2) The Member records the trading into the trading system. (Put-through: PT)

The rules, conditions and procedures for trading on the other boards under the first paragraph shall be prescribed by the Exchange.

CHAPTER 4

Price, Clearing and Settlement

34. All bid or offer prices shall include dividends, interest, right to subscribe for new shares or other rights arising from holding of the securities to be conferred by the securities issuer or conferred prior to the transfer of ownership in the securities, unless otherwise provided by the Exchange.

35. In the clearing and settlement of securities between Members, the Member shall use the services for the clearing and settlement of securities provided by the clearing house.

Where the Member has agreed to take the services of the clearing house, the Member must comply with any relevant regulations or procedures of the clearing house. If any Member contravenes or fails to comply with them, the Member must accept to comply with the punishment measures prescribed by the clearing house.

In the case where such Member does not consent to comply with the punishment measures prescribed by the clearing house according to the second paragraph, the Board of Governors may punish such Member as deemed appropriate.

The “clearing house” under this Clause and Clause 36 means a limited company established by the Exchange and which operates as a center for providing services of clearing and settlement of securities traded through the trading system.

36. In the clearing and settlement of securities, a Member who purchases or sells shall have the duties and liabilities to make clearing and settlement of securities according to the transactions agreed upon, regardless of whether it is a purchase or sale in the capacity of a broker or an agent or in a Member’s own name.

In the settlement of securities under the first paragraph, the Member shall deliver such securities free from any pledge, right derogation or any encumbrances.

In the case where the clearing house has permitted a non-Member securities company or any person to make clearing and settlement of securities traded by a Member, such Member shall still have the duties and liabilities to cause the clearing and settlement of such securities in full.

CHAPTER 5

Performance of Members Concerning Securities Trading

37. The Members are prohibited from doing the following:

(1) To purchase or sell securities in advance whether as a broker or an agent or in the Member's own name, unless otherwise permitted by law;

(2) To sell securities whereby the Member or customer does not have such securities in its possession or whereby no person has authorized the sale of such securities, unless otherwise permitted by law;

Sale of Securities without their possession under the first paragraph shall include the following:

(a) the Member orders the sale of the securities from its own portfolio without ownership in such securities or by acquiring such securities from borrowing; or

(b) the Member orders the sale of the securities in accordance with the trading order of a customer whereby the customer has no ownership in such securities or whereby the customer has acquired such securities from borrowing.

(3) To allow any person to have access to or buy data received from the trading system in violation of the rules, conditions and procedures prescribed by the Exchange;

(4) To use the computer programs which are able to automatically make a bid or offer other than the computer programs for making a bid or offer approved by the Exchange; or

(5) To trade securities of their own company in the Member's own name;

(6) To make a bid to buy or an offer to sell securities, or to buy or sell securities as a broker or an agent or in the Member's own name which may or would result in the change or non-change of price or trading volume of securities that does not correspond to the normal market condition (False Market), except where the members can prove that the said act does not cause the general public to misunderstand the price or trading volume of such securities or is not an act of concealment to make the general public misunderstand the price or trading volume of such securities.

The trading which results in the change or non-change that does not correspond to the normal market condition (False Market) means to include the following events:

(a) The buying or selling of securities which results in the opening price or the closing price of such securities or the SET Index becoming higher or lower than the normal market condition;

(b) The buying and selling of securities in which the buyer and the seller to the transaction are the same person, or the buying and selling of securities at the same time or on the same day which result in the value of buying and the value of selling of such securities of such person as appearing in the investment account being equal or approximate (Wash Sales);

(c) The buying or selling of securities in conspiracy for enjoyment of the joint or several benefit from the change or non-change of the price of securities (Pool), which conspiracy shall be primarily determined from the securities trading manner, business relation or trade relation;

(d) The buying or selling of securities under series of transactions by either one person or several persons while the price of the securities which is changed or not changed is beneficial to the position under an investment account of any one person or all persons who have the relation in any respect (Series of Transactions), which relation shall be primarily determined from the securities trading manner of those persons;

(e) The buying of securities to prevent other person from being able to deliver securities pursuant to the duty incurred to such other person as a result of the selling of securities in the Exchange or pursuant to the duty which such other person has under other lawful arrangement (Cornering).

(f) The buying or selling of underlying shares at the same time or on the same day as the selling or buying of the share warrants or derivative warrants of those shares while the price or trading volume of the underlying shares which is changed or not changed is beneficial to the position under an investment account of such person or other person who has the relation in any way, or vice-versa (Mini-Manipulation), which relation shall be primarily determined from the securities trading manner of those persons;

(g) The buying or selling of securities in respect of which any person or the conspirators have disseminated any facts that may cause other person to understand that any securities would have a higher or lower price while such facts have not yet been reported to the Exchange by the person obligated to do so (False Dissemination), which conspiracy shall be primarily determined from the securities trading manner, business relation or trade relation.

(7) To make a bid to buy or an offer to sell securities as a broker or an agent or in the Member's own name by specifying a bid price or an offer price which is normally unlikely to give rise to a trading, or by specifying a bid price or an offer price which is not intended to give rise to a trading at such price.

38. In case that the Member trades securities of its own company or the name of the company related to the Member as a broker or a customer's agent, the Members shall comply with the rules and procedures prescribed by the Exchange.

The "company related to the Member" under the first paragraph means:

(1) a company which holds shares in the Member or a company in which the Member holds shares while such shareholding results in the company or the Member holding shares having more than one-half of the voting right either directly or indirectly; or

(2) a company having controlling power in the Member which, according to circumstance, has substantial influence on the formulation of policies, the management and the operation of the company, or the company in which the Member has controlling power in similar manner; or

(3) a company of which its representatives constitute more than one-half of the total number of directors of the Member, or the company in which the Member's representatives constitute more than one-half of the total number of its directors.

39. In conducting trading of securities, a Member shall not:

(1) Purchase Securities for its own account any time in excess of the proportion of the capital fund required for the Member as prescribed by the Exchange.

(2) Have an unsettled balance of payment for or delivery of securities at any time in excess of the proportion of the capital fund required for the member as prescribed by the Exchange.

For the purpose of first paragraph, the calculation of the proportion of capital fund required for the Member shall be in accordance with the rules, conditions and procedures prescribed by the Exchange.

CHAPTER 6

Permission for Members to Trade Securities outside the Exchange

40. A Member may not trade listed securities outside the Exchange whether in the capacity of a broker or an agent or in the Member's own name, with the exception of the following tradings:

(1) Big lot trading;

(2) Purchase or sale of listed securities by public auction in enforcement of pledge;

* (3) Purchase or sale of debt instruments;

(*Amended September 13, 2005)

(4) Purchase or sale of securities as permitted by the Exchange under Section 185 of the Securities and Exchange Act B.E. 2535 (A.D. 1992); and

(5) Purchase or redemption of investment units of a mutual fund for benefits of foreign investors, with a securities company licensed to conduct securities business in the type of management of such mutual fund.

The purchase or sale under (1), (2), (3) and (4) must be reported by the Member to the Exchange within the period and according to the form prescribed by the Exchange and the trading under (1) must be permitted by the Exchange prior to each trading.

41. In the purchase or redemption of investment units of a mutual fund intended for foreign investors with a securities company under Clause 40 (5) for a client of a Member, the Member shall comply with the regulations of the Exchange applicable to the Member in trading of securities in the Exchange, clearing and settlement of securities and the relevant procedures *mutatis mutandis*.

CHAPTER 7

Transitional Provisions

42. All regulations, orders or circulars of the Exchange issued according to the following regulations, which have been effective prior to the effective date of these regulations, shall continue to be effective until new rules, conditions and procedures are issued for replacement.

(1) Regulations of the Stock Exchange of Thailand Re: Regulations relating to Trading, Clearing and Settlement of Listed Securities dated August 14, 1996.

(2) Regulation of the Stock Exchange of Thailand Re: Regulations relating to Trading, Clearing and Settlement of Listed Securities (No.1), 1998 dated April 21, 1998.

(3) Regulation of the Stock Exchange of Thailand Re: Regulations relating to Trading, Clearing and Settlement of Listed Securities (No.2), 1998 dated September 8, 1998.

(4) Regulation of the Stock Exchange of Thailand Re: Regulations relating to Trading, Clearing and Settlement of Listed Securities (No.1), 1999 dated March 19, 1999.

Notified on this 31st day of August 1999.

(Signed) Amaret Sila-On

(Mr. Amaret Sila-On)
Chairman of the Board
The Stock Exchange of Thailand