CITIC SECURITIES (THAILAND) LIMITED - FUTURES/OPTIONS TRADING SERVICES ANNEX

1. Definitions and Interpretation

1.1 Subject to Clauses 1.2 and 1.3 below, in this CITIC Securities (Thailand) Limited Futures/Options Trading Services Annex, including the Schedule, capitalised terms have the meanings given to them in the "CLSA Asia-Pacific Terms of Business" (the "Terms of Business"), the Futures/Options Trading Services Annex and the Direct Market Access Services Annex. In addition, the following capitalised terms have the following meanings:

"**Clearing Rules**" means the Clearing Rules of the TFX-DC.

"**CSI Group**" means CITIC Securities International Company Limited and its direct and indirect subsidiaries from time to time.

"**Exchange**" or "**TFEX**" means the Thailand Futures Exchange Public Company Limited or any other futures and options centre licensed by the SEC.

"Futures/Options Trading Services Annex" means the CLSA Asia-Pacific Futures/Options Trading Services Annex.

"**Futures/Options Trading Rules**" means the Futures/Options Trading Rules of the TFEX.

"**Institutional Investor**" has the same meaning as may be prescribed from time to time under the *Derivatives Act B.E. 2546 (2003)* or other law or notification of the SEC which defines the term institutional investor in connection with futures and options trading.

"**Omnibus Account**" means an account opened with us by you in respect of which we are notified that the account is to be operated by you not as principal but for a client, or a number of clients.

"**SEC**" means the Securities and Exchange Commission of Thailand, the Capital Market Supervisory Board or the Office of the Securities and Exchange Commission.

"**TFX-DC**" means Thailand Clearing House Company Limited or any other futures clearing house licensed by the SEC.

1.2 This CITIC Securities (Thailand) Limited - Futures/Options Trading Services Annex is referred to herein as "this Annex".

1.3 References in this Annex to "we", "us" and "our" mean, unless the context otherwise requires, CITIC Securities (Thailand) Limited.

2. Effect of Terms of Business; Amendment

2.1 This Annex shall apply to you if you requested that we provide you with Futures/Options Trading Services.

2.2 The terms and conditions set out in this Annex shall apply to all Futures/Options Trading Services provided by us to you in addition to, and supplemental to, the terms and conditions set out in the Terms of Business and in the Futures/Options Trading Services Annex. Accordingly, the terms and conditions in this Annex are legally binding and take effect when you signify your acceptance by placing an order for a Futures/Options Contract with us following your receipt of our Terms of Business, the Futures/Options Trading Services Annex and this Annex.

2.3 These terms may be amended and/or supplemented from time to time, in accordance with the Terms of Business. You agree that the terms on which we will provide services to you will apply to any principals you represent.

3. Information on Derivative Products

Information on derivative products (including futures contracts or options), their product specifications, prospectus, offering documents, or information on their margin and liquidation may be provided on request.

4. Compensation Fund

We have explained to you, and you understand and agree, that your right to compensation under The Derivatives Act B.E. 2546, any relevant SEC Notification issued pursuant to The Derivatives Act B.E. 2546 will be restricted to the extent provided for therein. There can be no guarantee that your loss may be recouped from such fund in full or in part.

5. Client Money

You hereby agree, that unless otherwise agreed by you and us in writing, the benefits derived from the deposit of any cash balances in any of your Account(s) shall belong to us.

6. Liability

6.1 If you are not an Institutional Investor, Clauses 22.1 and 22.3 of the Terms of Business shall not apply in relation to any Futures/Options Trading Services in the Thai Market. Clauses 6.2 and 6.3 of this Annex shall instead apply in relation to any Futures/Options Trading Services in the Thai Market.

6.2 Neither we nor any member of the CSI Group nor our directors, officers, employees or agents will be liable for any direct or indirect losses, damages, costs or expenses incurred or suffered by you under our Terms of Business whatsoever (including any transaction or where we have declined to enter into a proposed transaction or by reason of any delay or change in market conditions by for a transaction is effected) unless arising directly from our

or their respective wilful or negligent act or omission. In no circumstances will we have any liability for consequential or special damage.

6.3 Neither we nor any member of the CSI Group nor our directors, officers, employees or agents will be liable for delays, errors, interruptions or failures in any communication or correspondence (including without limitation, the delivery of confirmations or transmission of orders) or for any other matter in relation to a transaction due to the breakdown, unavailability, interruption, error or failure of telephone, facsimile, or other electronic communication lines or electronic system or other communication facilities or equipment howsoever caused unless arising directly from our or their respective wilful or negligent act or omission.

6.4 If you are not an Institutional Investor, Clause 10.4 of the Direct Market Access Services Annex shall not apply in relation to any Futures/Options Trading Services in the Thai Market. Clause 6.5 of this Annex shall apply in relation to any Futures/Options trading services in the Thai Market.

6.5 We shall not be liable or have any responsibility whatsoever for any loss, damage, costs, claims or expenses of any nature (including consequential loss or damage) incurred or suffered by you resulting from your use of, or inability to use, the DMA Service for transmitting orders (including but not limited to connected exchange error, failure of transmissions, delays, failures caused by any third party or unauthorised modifications by breakins, failed connections through or between the CITICS System and the User Network, failures in Connected Exchange-owned systems or any other cause), except to the extent that such loss was due to our wilful or negligent act or omission.

7. Market Requirements

7.1 Without limitation to your obligations under the Terms of Business and the Futures/Options Trading Services Annex, you will comply at all times with the Market Requirements and the applicable rules and regulations of the SEC, TFEX, TFX-DC and every other securities market in which we conduct transactions for you.

7.2 You agree that we may:-

7.2.1 do all such acts and things, including (without limitation) the provision of information to the relevant authorities and regulators, in order to comply with obligations imposed on us by applicable laws, Market Requirements and legal process; and

7.2.2 in the provision of services by us hereunder (including as to entering into and terminating transactions) deal with your Accounts and assets in a manner so as to comply with applicable laws, Market Requirements and trading and clearing rules in all relevant jurisdictions (including in a manner consistent with market industry practice) from time to time.

7.3 You further agree that you shall seek advice on and be aware of the laws and Market Requirements in your own country and in each jurisdiction in which you may from time to time require us to provide services to you hereunder (including as to the prohibited securities transactions, insider dealing and position limit), and we shall not be liable for any loss or liability imposed on you as a result of your non-compliance with such laws, Market Requirements and applicable legal process. You further acknowledge and confirm that you have read and understand the laws and requirements applicable in Thailand to derivatives contracts, including the regulations of the SEC, and the regulations, circular letters and orders of TFEX and Thailand Clearing House Company Limited ("TCH"), in each case governing the trading, clearing and delivery of commodities under derivatives contracts, as amended or supplemented from time to time.

8. Provision of Information; Compliance with Orders

8.1 You agree to provide the following information to us, TFEX, TFX-DC and/or the SEC as requested or required under Market Requirements including the preparation of a report to provide, clarify and explain the following information:

(a) your identity and the identity of each beneficiary of a Futures/Options Contract;

(b) the purpose of your Futures/Options trading; and

(c) your Futures/Options trading information whether or not the trading has been conducted through us, and your trading information in connection with underlying Securities, Commodities or products.

If you are trading on behalf of others, or are operating an Omnibus Account, you agree to provide and prepare a report to provide, clarify and explain the information in (a), (b) and (c) above in relation to the persons for whom you trade.

8.2 **You acknowledge and consent that, without prior notice to you, if any of the following circumstances arise, you agree that we may suspend our agency services to you, close your account or the account of any related person, temporarily refusing to accept or enter your orders, prohibiting an order from being entered into the trading system, cancelling your order, limit your trading status or purchasing volume, close out your position(s) and take any other action in order to effect compliance with the regulations and notifications of TFEX, TFX-DC and/or the SEC:**

(a) your Futures/Options trading affects or may affect the flow of Futures/Options trading on TFEX or causes or may cause Futures/Options trading prices to fluctuate;

(b) **you have entered into an inappropriate transaction, unfair trading practice or have violated Futures/Options Market Requirements;**

(c) **you did not prepare a report or provide information requested pursuant to clause 8.1 or you provided false or materially misleading information;**

(d) **any order placed by you violates or is inconsistent with TFEX's rules, regulations, circular letters or orders, or may be detrimental to the operation of the trading system, us or TFEX, or overall trading; or**

(e) **TFEX considers that action should be taken in relation to your trading or any order placed by you.**

9. Assets held outside Thailand

You acknowledge and agree that, where we hold moneys or assets on your behalf, such moneys or assets may at our discretion be deposited with or held in custody with banks, custodians or other financial institutions outside Thailand. In particular, this may be necessary where you wish to transact on exchanges or markets outside Thailand. You acknowledge that foreign laws may govern your rights to moneys or assets held with such offshore banks, custodians or other financial institutions and may not provide for the same degree of investor protection as Thai law.

10. Direct Market Access

This Clause will apply to you if you requested that we provide you with Direct Market Access Services.

10.1 You acknowledge and agree to comply with the rules, regulations, circular letters and orders of TFEX as may be in force from time to time governing recording trading orders through the Direct Market Access system of TFEX including prohibitions on improper trading orders.

10.2 **You acknowledge and agree that we may take any steps including one or more of the following if your Direct Market Access order does not comply with the rules, regulations, circular letters or orders of TFEX:**

(a) **direct you not to enter such order into the CITICS System;**

(b) **cancel such order; or**

(c) **suspend your access to the CITICS System.**

10.3 You agree to complete and sign on any forms and to provide any information and documentation as may be required from time to time by TFEX from you or us in connection with the provision of access to the Direct Market Access system of TFEX to you.

10.4 You consent and agree to allow our officers, employees or agents all necessary access (or to procure such access) as may be required from time to time to test your connection with the CITICS System via the User Network.

11. Risk Disclosure Statement

You have confirmed in the Application Form that you acknowledge and confirm that the terms and conditions applicable to the Services and the risk disclosure statement in the "Risk Disclosure Statement Schedule" to this Annex are and have been fully explained to you in a language that you understand and that you have read, understood and agree with them.

12. Consent

You consent to appoint us as your agent to provide Futures/Options Trading Services in Thailand.

13. Dispute resolution

Any civil dispute or claim arising out of or relating to the provision of Futures/Options Trading Services under the Terms of Business and this Annex may, at your request, be settled by arbitration in accordance with the arbitration rules of the SEC.

CITIC Securities (Thailand) Limited
Futures/Options Trading Services Annex
Risk Disclosure Statement Schedule

This Risk Disclosure Statement Schedule does not disclose all of the risks and other significant aspects of trading in futures and options. In light of the risks, you should undertake such transactions only if you understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. In particular, trading in futures and options is not suitable for many members of the public. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances. Please read this Schedule carefully, and ask questions and take independent advice as you consider appropriate.

1. Futures Contracts

1.1 Nature of Futures Contracts

Futures contracts are agreements by which both seller and purchaser are bound by certain obligations. If a futures contract has not been closed-out by the parties before the allocated settlement date, the seller will have an obligation to deliver goods to the purchaser who, in turn, will have an obligation to pay for such purchase to the Seller ("physical delivery"). Alternatively, each party shall pay or receive payment of the difference between the futures contract price and the value of the goods or any other variable existing at present or in the future as specified in the futures trading contract ("cash settlement").

1.2 Risks incurred from loss in transactions under Futures Contracts

Under a futures contract, both purchaser ("long position" trading) and seller ("short position" trading) are required to make a deposit of initial margin as security/collateral with the futures trading agent to secure their performance under the futures contract. The amount of security/collateral to be placed as initial margin will be less than the value of the futures trading contract. Therefore, you will have the opportunity, even with a slight fluctuation in market prices in a futures trading contract, to generate tremendous profits within a quick span of time or to incur tremendous losses within a quick timeframe which exceed the value of your initial margin thereby incurring a loss in excess of the value of security/collateral placed with your futures trading agent unless you are forced to close out your futures trading contract if you fail to provide additional security/collateral within the prescribed period.

2. Options Trading

2.1 Nature of Options Trading

Options contracts are agreements by which the purchaser pays a premium in exchange for the right given by the seller to buy or sell referenced goods

at defined prices within a specific time period and according to terms prescribed by the options contract, or to be entitled to receive payment from the seller.

Options contracts which give the purchaser the right to buy goods or referenced variables at the prescribed prices are known as Call Option Contracts, while those which give the purchaser the right to sell goods or referenced variables at prices set by the contract are known as Put Option Contracts. Such rights, must be exercised in accordance with the terms and conditions provided by the contract.

As far as payment of prices and delivery on the purchaser's exercise of his/her right under the options trading contract are concerned, an agreement may be made either for physical delivery or for cash settlement to be made to the purchaser for a sum equivalent to that computed from the difference between the option price and price or value of goods or variables existing at any given time or duration in the future as prescribed by the contract.

2.2 Risks incurred from loss in Options Contracts

A purchaser under an options contract will have the option to close out or exercise his/her contractual rights or else let the contract expire. Where s/he selects to exercise his/her right, a sum equivalent to that computed between the difference between the option price and price or value of goods or variables existing at any given time or period in the future as agreed in the contract (i.e. cash settlement) will be paid to him/her or else s/he will have to accept or make delivery of the referenced goods as prescribed by the contract (i.e. physical delivery) by paying and accepting such delivery or receiving payment and handing-over the referenced goods as defined in the contract. Where an options contract is left to expire, the purchaser will incur a loss equivalent to the premium paid.

On receipt of the payment of premium from the purchaser, the seller is required to comply with the contract if the purchaser selects to exercise his/her rights under the options contract. It is the duty of the seller of an options contract to place a security (i.e. margin) which, if not closed out by the seller when the right is duly exercised by the purchaser, will place him/her under an obligation to pay a sum equivalent to that calculated as the difference between the Option Price and the price or value of goods or variables existing at any given time or period in the future as prescribed by the contract (cash settlement) or else, make or accept delivery of the referenced goods defined in the options contract, (i.e. physical delivery) to the purchaser, with payment or acceptance of payment for the goods received or delivered according to the price on terms defined in the contract. Where an option trading contract is left to expire, the seller will realise a profit equivalent to the premium received.

The maximum loss to be incurred by purchaser of an options contract is limited to the value of the premium. It is not necessary, therefore, for the purchaser to place any security because the only amount payable is the premium. However the seller of an options contract may suffer losses, similarly to a futures trading contract, that are not limited in this manner.

Therefore the seller is required to place security with the futures trading agent (us) to guarantee his/her contractual performance. Furthermore, similar to futures trading contracts, sellers of options contracts may suffer tremendous losses within a quick span of time which exceed their initial margin placed with the futures trading agent based on fluctuations of market prices in their option trading contracts.

3. Combined risks and other details concerning futures and options contracts

3.1 Understanding the details and conditions of futures and options contracts

In view of high risks involved with futures contracts, it is necessary, therefore, before deciding to enter into a futures contract for you to carefully read and understand the contents of your contract such as the underlying assets/variables, the contract size/unit/multiplier, the last trading day, the settlement day, the settlement method, the settlement price for computation of variables and method of margin placement. You must consider whether such investment is appropriate for you and in line with your investment objectives and financial status.

You should thoroughly familiarise yourself with relevant conditions of options contracts such as the type of contract (i.e. put option or call option), the terms governing the exercise of option rights and the underlying assets/variables to ascertain whether or not they meet your requirements and to consider their risks. You should also assess the return against the status of your holding, the amount of premium, transaction fees and the losses which you might incur.

3.2 Fees incurred from futures and options trading contracts

Before embarking on any transaction, you should first ask your agent the detail (rates and types) of all applicable fees concerning futures and options trading contracts for example brokerage fees and fees payable on the exercise of contractual rights as all of these will add up on top of the cost of their futures trading activities and will have an impact on profits/loss and may affect your decision to enter into particular futures and options contracts. Brokerage/agency fees may vary pursuant to the category and volume of trade of each customer albeit no rules are set by the Thailand Futures Exchange Public Company Limited. and the Securities and Exchange Commission to regulate such brokerage/agency fees in any way.

3.3 Risks from having the status of futures/ options trading contracts closed out and responsibilities for losses incurred

Where you have an obligation to perform pursuant to a futures/options contract, i.e. status of purchaser in a futures trading contract (long futures) and status of seller in a futures trading contract (short futures), or status of seller in an options trading contract (short options), adjustments will be made by us on the mark-to-market value at least at the end of each business day to calculate profits or losses from the transactions on your account. **If**

you have incurred a loss to the point of reducing the value of you security/collateral below the level of the maintenance margin set by us in accordance with any relevant regulations, we will demand additional security/collateral for a sum which will level up the proportion of margin equivalent to the proportion provided as initial margin. You must take this action within the period of time fixed by use in accordance with any relevant regulations or we may proceed to close out our positions and you will remain additionally liable for any loss incurred as result of such closing out.

Moreover, we may prescribe measures relating to forced close outs in addition to conditions already agreed to in your agreement to appoint us as your Futures and Options Trading Agent. Moreover such measures may be prescribed by futures and options trading regulations. **In this respect, if the value of your margin in relation to any position is reduced to the point of a forced close out, we will make a call for additional margin from you. If such additional margin cannot be placed by you within the time prescribed under our call or relevant regulations, we will be entitled to close out your futures/options contract and you will remain additionally liable for any loss incurred as the result thereof.**

Similar risks as outlined above may arise in circumstances where your position, whether your own position or a position taken for another party, exceeds the limit set by the TFEX and/or SEC and you have not taken action to close out the futures or options contract as notified by us.

3.4 Risks from being unable to close out a futures or options trading contract

Where you are unable to close out a futures or options trading contract before the settlement date, either because of non-conducive conditions in the market such as market illiquidity or orders issued by the TFEX to suspend transactions, or for any other reason, you may suffer a loss by having your futures or options trading contract remaining effective until the settlement date.

3.5 Risks from being unable to carry out a customer's futures or options trading instructions in order to limit losses

We may be unable to carry out your instructions (such as Stop Loss or Stop Limit) on any kind of futures or options trading transaction intended to limit losses from a futures or options contract if market conditions are not conducive for such transaction order to be matched with another transaction order.

3.6 Risks from the contract status being limited or banned from expansion

An order may be issued by the TFEX, TFX-DC or the SEC requiring us to limit your position or to prevent you from building additional position or to suspend your trading account as well as to close out your positions if any of your futures trading transactions should or are likely to have an adverse

impact on the smoothness of operations on TFEX, or should cause or is likely to cause price of futures trading on the TFEX to be unrealistic against normal market conditions, or if your behaviour concerning futures trading violates the law governing futures trading, or if you fail to give proper notification or else provide data or prepare an explanation or provide information which is false or which may be materially misleading to us, TFEX, TFX-DC or the SEC as requested by us, TFEX, TFX-DC or the SEC .

Moreover, an order may be issued by the SEC or TFEX or TFX- DC to suspend your positions or to limit your positions or to close out your positions, where necessary, for the sake of maintaining stability of monetary systems and the national economy or to preserve a balance in the trading and debt repayment systems of the futures trading market.

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