

TSD 1009 /2549

October 30, 2006

Re: The Board of Governor of The Stock Exchange of Thailand's announcement and Thailand Securities Depository Co., Ltd.'s regulations on clearing and settlement services.

Dear President/ Managing Director  
Clearing house members

The Boards of the Securities and Exchange Commission (SEC), The Stock Exchange of Thailand (SET) and Thailand Securities Depository Co., Ltd. (TSD) have jointly agreed to amend a SET announcement on acting as a clearing house and to amend TSD's regulations on clearing and settlement. The effects of these amendments, which are attached, are summarized below:

1. The clearing house will enforce buy-in of defaulted securities on the first business day after the default date, and settlement will take place on the date that the security is bought by the clearing house.
2. TSD will collect collateral of the defaulted securities directly in units of board lots.
3. TSD is permitted to exempt members from submitting financial status reports if such members already have legally mandated financial regulators.

The amended SET announcement and TSD's regulations on acting as a clearing house for traded securities summarized above will be effective from December 4, 2006 onwards. (The revised buy-in procedure will be effective for securities transactions that occur on November 28, 2006 onwards)

Best Regards,

Nantirat Chavalilekha, Ms.

Vice President

Clearing House Department

Cc.: Securities and Exchange Commission  
Association of Securities Companies  
Broker Operation Services Department

*Operational Services Unit*

*Clearing House Department*

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