

Siam Cement

(SCC.BK/SCC TB)*

Outperform-Maintained

Price as of 27 Jul 2016	514
12M target price (Bt/shr)	635
Unchanged / Revised up (down)(%)	2.42
Upside/downside (%)	23.5

Key messages

The overall tone of yesterday analyst meeting was positive. Despite slower than expected local demand for cement & building materials, management anticipates good earnings momentum to continue, underpinned by a strong performance from its chemical unit. Since SCC's 1H16 earnings accounted for 66.0% of our previous full-year forecast of Bt48.0bn and with the good earnings momentum to be seen in 2H16, we revised up our 2016 normalized profit forecast by 18.3% to Bt53.2bn. We rate Outperform on SCC with a new SOTP target price of Bt635.00, from Bt620.00.

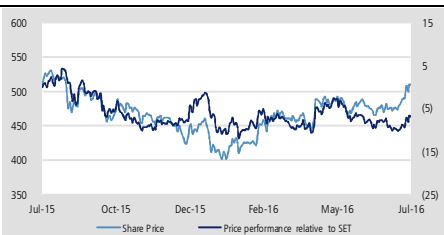
Trading data

Mkt cap (Btbn/US\$bn)	612 / 17.2		
Outstanding shares (mn)	1,200		
Foreign ownership (mn)	300		
3M avg. daily trading (mn)	2.1		
52-week trading range (Bt)	402-530		
Performance (%)	3M	6M	12M
Absolute	4.5	20.9	0.8
Relative	-2.0	1.3	-5.9

Quarterly EPS

Bt	Q1	Q2	Q3	Q4
2014	7.0	7.1	6.5	7.4
2015	9.2	11.6	7.5	9.5
2016	11.3	13.4	N.A.	N.A.

Share price chart



Source: SET

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2Q16 earnings review: Beat our forecast by 18.0%

Event

SCC announced an outstanding 2Q16 net profit of Bt16.0bn, up 15.5% YoY and 17.7% QoQ. Its 1H16 earnings accounted for 66.0% of our previous full-year forecast of Bt48.0bn. SCC also announced a 1H16 DPS of Bt8.5 (XD on August 8).

Impact

Impressive 2Q16 result

SCC's 2Q16 earnings beat our forecast by 18.0% and the Bloomberg consensus by 15.0%. This was thanks to a healthy spread for its chemical unit. In addition, higher selling volume for its packaging unit and an increased proportion of high value added (HVA) products helped total EBITDA margin increase to 23.2% from 20.5% in 2Q15. Note that HDPE/naphtha and PP/naphtha spreads stayed firm at US\$743/ton and US\$680/ton in 2Q16, compared to US\$759/ton and US\$589/ton in 1Q16.

Chemical unit to help underpin robust outlook in 2H16

Though lower than expected demand from the commercial and residential segments would trim full-year local cement demand growth to 1.0%, from 3.0%, and a scheduled 40-day maintenance shutdown of the ROC plant in early November, we anticipate SCC's solid earnings momentum to continue in 2H16. This would be driven by i) low cost of feed stock (naphtha) in chemical while sustained demand would help chemical product price remain high, allowing SCC to enjoy an uptrend from its chemical unit over the next couple of years, ii) high utilization rate of 70-80% for its three main business units and increased proportion of HVA products that offer higher GPM of at least 15-20% from commodity products should help EBITDA margin to rise continuously.

Revising up 2016 earnings by 18.3%

We revised up our 2016 normalized profit forecast by 18.3% to Bt53.2bn. The key factors behind the earnings revision would be: i) A currently healthy chemical spread allows us to increase our spread assumption on HDPE/naphtha and PP/naphtha to US\$720/ton and US\$660/ton, from the prior US\$680/ton and US\$650/ton, respectively. ii) The benefits from low feed stock cost, a high utilization rate, higher proportion of HVA products and a recovery in demand for cement & construction materials and packaging, should boost EBITDA margin in 2016 to 18.3% from our previous assumption of 16.8%.

Valuation and action

With its outstanding performance and good earnings momentum, we rate Outperform on the counter with a new 2016 target price based on SOTP at Bt635, from Bt620.

Risks

Slower than expected economic recovery and fluctuations in chemical spread.

Key financials and valuations

	Dec-13A	Dec-14A	Dec-15A	Dec-16F	Dec-17F
Revenue (Bt mn)	434,251	487,545	439,614	494,738	543,946
Gross profit (Bt mn)	71,155	78,114	98,103	111,847	123,166
EBIT (Bt mn)	44,264	43,086	56,780	66,007	74,034
Net profit (Bt mn)	36,522	33,615	45,400	53,240	56,158
EPS (Bt)	30.44	28.01	37.83	44.37	46.80
DPS (Bt)	15.5	12.5	16.0	18.5	19.0
EPS growth (%)	54.9	(8.0)	35.1	17.3	5.5
P/E (x)	16.9	18.3	13.6	11.6	11.0
P/B (x)	3.8	3.5	3.0	2.5	2.2
EV/EBITDA (x)	11.7	11.7	8.9	7.7	7.1
Net Debt to Equity (x)	100.9	95.3	81.5	65.0	47.9
Dividend Yield (%)	3.0	2.4	3.1	3.6	3.7
Return on Avg. Equity (%)	24.0	19.8	23.7	23.5	21.3

Source: KGI Research

Figure 1: 2Q16 earnings beat our forecast by 18% and the Bloomberg consensus by 15%

Bt mn	2Q16	2Q15	YoY (%)	1Q16	QoQ (%)	Comments
Revenue	108,874	113,818	(4.3)	109,998	(1.0)	Dropped from a impact of low petrochemical price
Cost of goods sold	(79,647)	(85,430)	(6.8)	(83,168)	(4.2)	
Gross profit	29,226	28,388	3.0	26,830	8.9	
Operating Expenses	(12,352)	(12,728)	(3.0)	(12,648)	(2.3)	
Other incomes	2,810	2,691	4.4	1,638	71.6	
Operating EBIT	19,685	18,351	7.3	15,820	24.4	
Depreciation of fixed assets	5,580	4,930	13.2	5,428	2.8	
Operating EBITDA	25,265	23,281	8.5	21,247	18.9	
Interest Expense	1,577	2,416	(34.7)	1,550	1.7	
Pre-tax Profit	18,107	15,935	13.6	14,269	26.9	
Current taxation	(2,642)	(1,766)	49.6	(1,422)	85.8	
Minorities	(4,223)	(3,939)	7.2	(3,127)	35.1	
Equity Income / (Loss)	4,785	3,647	31.2	3,898	22.7	
Net Profit	16,027	13,877	15.5	13,619	17.7	Beat our forecast and Bloomberg consensus by 18% and 15%
EPS (Bt)	13.4	11.6	15.5	11.3	17.7	
Percent	2Q16	2Q15	YoY (ppts)	1Q16	QoQ (ppts)	
Gross margin	26.8	24.9	1.9	24.4	2.5	
EBITDA margin	23.2	20.5	2.8	19.3	3.9	A benefit from low naphtha cost
Net margin	14.7	12.2	2.5	12.4	2.3	

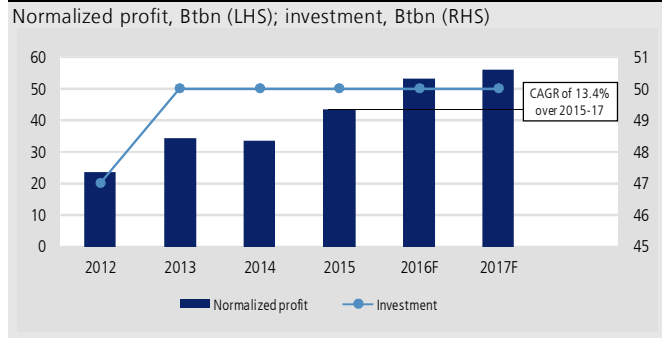
Source: Company data, KGI Research estimates

Figure 2: Company overview

Siam Cement (SCC) is a leading business conglomerate in the ASEAN region and has committed itself to conducting business in line with good corporate governance and sustainable development principles throughout 100 years. The company has grown continually and diversified into three core businesses, namely SCG Cement-Building Materials, SCG Packaging and SCG Chemicals.

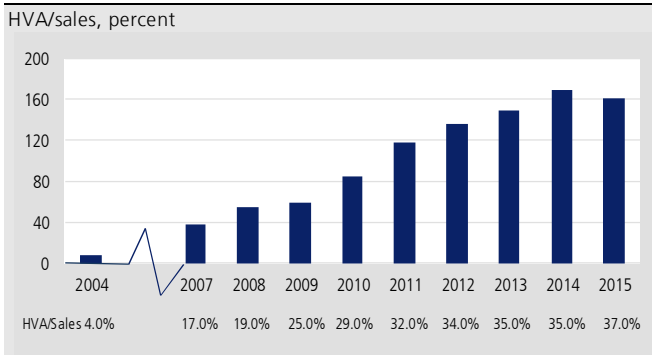
Source: Company data, KGI Research

Figure 3: Strong earnings outlook



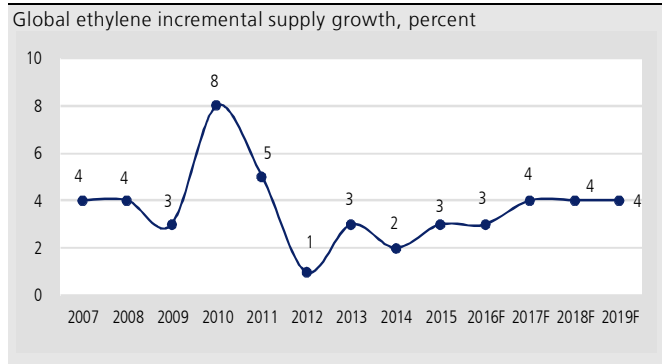
Source: Company data, KGI Research

Figure 4: Larger proportion of HVA



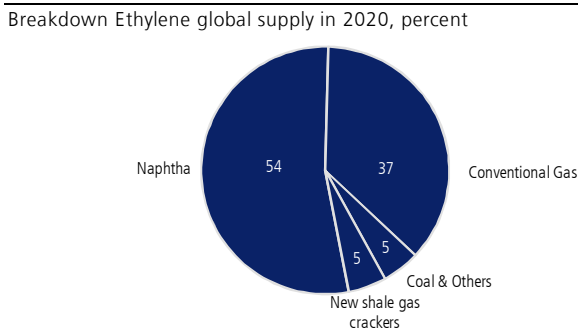
Source: Company data

Figure 5: Chemical spread should remain at high level



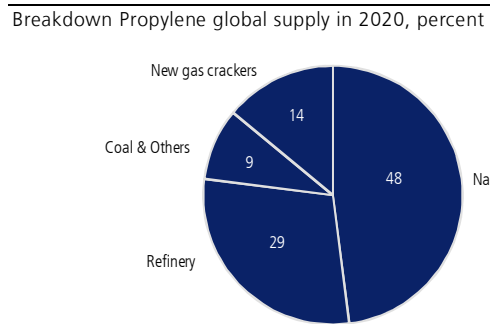
Source: Company data

Figure 6: Ethylene global supply 200 MT in 2020



Source: Company data

Figure 7: Propylene global supply 200 MT in 2020



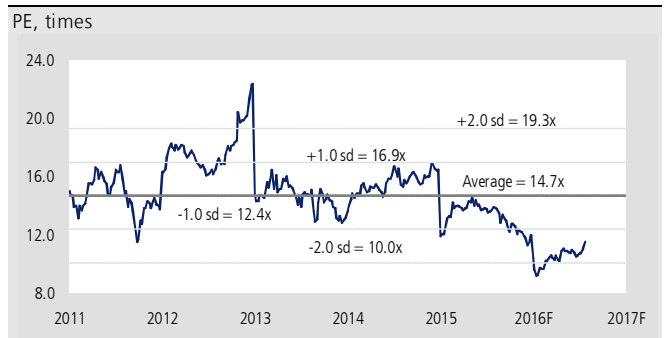
Source: Company data

Figure 8: PBV



Source: KGI Research

Figure 9: PE



Source: KGI Research

Quarterly Income Statement

	Jun-13A	Sep-13A	Dec-13A	Mar-14A	Jun-14A	Sep-14A	Dec-14A	Mar-15A	Jun-15A	Sep-15A	Dec-15A	Mar-16A	Jun-16A
Income Statement (Btmn)													
Revenue	106,541	113,860	104,412	121,765	124,795	124,275	116,710	109,276	113,818	110,897	105,622	109,998	108,874
Cost of goods sold	(89,013)	(94,023)	(87,241)	(101,699)	(105,789)	(104,601)	(97,343)	(87,324)	(85,430)	(86,041)	(82,716)	(83,168)	(79,647)
Gross profit	17,528	19,836	17,171	20,066	19,006	19,674	19,368	21,952	28,388	24,856	22,906	26,830	29,226
Operating Expenses	(9,865)	(10,415)	(10,184)	(10,871)	(11,112)	(11,434)	(11,534)	(11,949)	(12,728)	(12,709)	(12,274)	(12,648)	(12,352)
Other incomes	3,955	3,152	4,310	1,633	3,492	1,385	3,413	3,346	2,691	1,526	2,571	1,638	2,810
Operating EBIT	11,617	12,574	11,297	10,828	11,386	9,625	11,246	13,349	18,351	13,673	13,203	15,820	19,685
Depreciation of fixed assets	3,871	4,044	4,152	4,243	4,439	4,578	4,802	4,782	4,930	5,309	5,749	5,428	5,580
Operating EBITDA	15,488	16,617	15,449	15,071	15,825	14,203	16,048	18,131	23,281	18,982	18,952	21,247	25,265
Non-Operating Income													
Interest Income	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Non-op Income	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Operating Expenses													
Interest Expense	2,181	2,013	3,314	2,057	1,984	1,313	1,913	1,498	2,416	3,657	1,504	1,550	1,577
Other Non-op Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
Pre-tax Profit	9,436	10,560	7,983	8,772	9,402	8,312	9,333	11,851	15,935	10,016	11,698	14,269	18,107
Current taxation	(1,201)	(1,454)	(922)	(1,462)	(1,394)	(1,127)	(984)	(2,051)	(1,766)	(1,273)	(987)	(1,422)	(2,642)
Minorities	(208)	(623)	(592)	(654)	(593)	(977)	(1,120)	(974)	(3,939)	(1,915)	(1,488)	(3,127)	(4,223)
Equity Income / (Loss)	1,897	1,309	1,739	1,725	1,117	1,639	1,627	2,247	3,647	2,173	2,226	3,898	4,785
Extraordinary items	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Profit	9,924	9,793	8,207	8,381	8,532	7,847	8,856	11,073	13,877	9,001	11,449	13,619	16,027
EPS (Bt)	8.3	8.2	6.8	7.0	7.1	6.5	7.4	9.2	11.6	7.5	9.5	11.3	13.4
Margins (%)													
Gross profit margin	16.5	17.4	16.4	16.5	15.2	15.8	16.6	20.1	24.9	22.4	21.7	24.4	26.8
Operating margin	10.9	11.0	10.8	8.9	9.1	7.7	9.6	12.2	16.1	12.3	12.5	14.4	18.1
Operating EBITDA margin	14.5	14.6	14.8	12.4	12.7	11.4	13.8	16.6	20.5	17.1	17.9	19.3	23.2
Net profit margin	9.3	8.6	7.9	6.9	6.8	6.3	7.6	10.1	12.2	8.1	10.8	12.4	14.7
Growth (%)													
Revenue growth	6.0	9.2	4.5	11.3	17.1	9.1	11.8	-10.3	-8.8	-10.8	-9.5	0.7	-4.3
Operating EBIT growth	94.6	61.4	44.0	23.4	3.0	-12.5	12.1	43.2	70.3	53.9	29.0	81.0	68.7
Operating EBITDA growth	63.2	46.0	34.8	21.3	2.2	-14.5	3.9	17.4	54.5	19.9	33.4	32.4	39.3
Net profit growth	131.9	52.6	18.7	-4.7	-14.0	-19.9	7.9	34.9	65.6	5.5	45.9	53.8	44.7

Source: KGI Research

Peer comparison – Key valuation stats

	Rating	Target price (Bt)	Current price (Bt)	Upside (%)	15 EPS (Bt)	16F EPS (Bt)	17F EPS (Bt)	16F EPS growth (%)	17F EPS growth (%)	16F PER (x)	17F PER (x)	16F PBV (X)	17F PBV (X)	16F Div Yield (%)	16F ROAE (%)
DCC	OP	4.75	4.32	10.0	0.2	0.2	0.2	9.3	3.7	18.8	18.1	8.4	8.2	4.3	43.9
DRT	OP	5.60	5.20	7.7	0.3	0.4	0.4	8.6	15.8	14.3	12.4	2.2	2.1	4.8	15.6
SCC*	OP	635.00	514.00	23.5	37.8	44.4	46.8	17.3	5.5	11.6	11.0	2.5	2.2	3.1	23.5
TASCO*	OP	38.85	25.75	50.9	3.3	2.8	3.0	(14.7)	6.3	9.2	8.6	2.9	2.3	3.5	31.1
TMT	OP	13.20	11.50	14.8	0.7	0.8	0.8	6.9	7.6	14.6	13.6	2.2	2.1	5.7	15.1
Sector	Overweight				42.40	48.55	51.29	14.5	5.6	13.7	12.7	3.6	3.4	4.3	25.8

Source: Company data, KGI Research

Balance Sheet

As of 31 Dec (Bt mn)	Dec-13A	Dec-14A	Dec-15A	Dec-16F	Dec-17F
Total Assets	440,689	465,823	509,981	551,284	607,673
Current Assets	135,130	137,998	148,396	156,503	187,362
Cash & ST Investments	24,418	27,053	34,588	42,698	51,411
Inventories	55,557	52,747	52,898	52,451	57,641
Accounts Receivable	6,208	4,429	5,000	5,627	6,187
Others	48,947	53,768	55,911	55,727	72,123
Non-current Assets	305,559	327,825	361,585	394,780	420,310
LT Investments	0	0	0	0	0
Net fixed Assets	183,984	205,235	231,002	260,175	269,135
Others	121,574	122,590	130,583	134,605	151,176
Total Liabilities	253,927	256,506	266,975	230,409	239,087
Current Liabilities	89,792	95,518	127,317	83,900	89,455
Accounts Payable	2,340	5,564	6,000	5,245	5,764
ST Borrowings	82,756	85,139	116,045	72,735	77,184
Others	4,697	4,815	5,272	5,920	6,507
Long-term Liabilities	164,135	160,988	139,658	146,509	149,631
Long-term Debts	164,135	160,988	139,658	146,509	149,631
Others	0	0	0	0	0
Shareholders' Equity	186,762	209,317	243,006	320,875	368,586
Common Stock	1,200	1,200	1,200	1,200	1,200
Capital Surplus	0	0	0	0	0
Retained Earnings	185,562	208,117	241,806	319,675	367,386
Preferred Stock	0	0	0	0	0

Source: KGI Research

Key Ratios

Year to 31 Dec	Dec-13A	Dec-14A	Dec-15A	Dec-16F	Dec-17F
Forecast drivers					
PE-naphtha spread (US\$/ton)	566.0	682.0	747.0	720.0	680.0
PP-naphtha spread (US\$/ton)	598.0	698.0	669.0	660.0	630.0
Growth (% YoY)					
Sales	6.5	12.3	(9.8)	12.5	9.9
OP	57.4	(2.7)	31.8	16.2	12.2
EBITDA	42.2	1.9	26.8	17.0	9.9
NP	54.9	(8.0)	35.1	17.3	5.5
Nom. Profit	45.1	(1.8)	29.7	22.1	5.5
EPS	54.9	(8.0)	35.1	17.3	5.5
Profitability (%)					
Gross Margin	16.4	16.0	22.3	22.6	22.6
Operating Margin	10.2	8.8	12.9	13.3	13.6
EBITDA Margin	13.8	12.5	17.6	18.3	18.3
Net Profit Margin	8.4	6.9	10.3	10.8	10.3
ROAA	6.2	6.2	8.7	9.0	9.4
ROAE	24.0	19.8	23.7	23.5	21.3
Stability					
Gross Debt/Equity (%)	157.2	144.7	129.5	109.5	92.5
Net Debt/Equity (%)	100.9	95.3	81.5	65.0	47.9
Interest Coverage (x)	3.8	4.6	5.3	9.3	8.6
Interest & ST Debt Coverage (x)	0.6	0.8	0.6	1.1	1.2
Cash Flow Interest Coverage (x)	5.2	6.5	7.5	13.0	9.8
Cash Flow/Interest & ST Debt (x)	0.5	0.5	0.5	1.0	0.9
Current Ratio (x)	1.5	1.4	1.2	1.8	1.9
Quick Ratio (x)	0.3	0.3	0.3	0.6	0.6
Net Debt (Bt mn)	162,925	168,906	167,991	160,470	134,254
Per Share Data (Bt)					
EPS	30.4	28.0	37.8	44.4	46.8
CFPS	43.5	43.1	55.1	65.0	68.2
BVPS	134.6	147.7	171.8	205.7	233.8
SPS	361.9	406.3	366.3	412.3	453.3
EBITDA/Share	55.4	56.0	73.2	84.4	88.0
DPS	15.5	12.5	16.0	18.5	19.0
Activity					
Asset Turnover (x)	1.0	1.1	0.9	0.9	1.0
Days Receivables	32.2	30.0	39.3	36.1	30.4
Days Inventory	52.5	48.3	56.5	50.2	47.7
Days Payable	2.6	3.5	6.2	5.4	4.8
Cash Cycle	82.1	74.7	89.5	81.0	73.4

Source: KGI Research

Profit & Loss

Year to 31 Dec (Bt mn)	Dec-13A	Dec-14A	Dec-15A	Dec-16F	Dec-17F
Revenue	434,251	487,545	439,614	494,738	543,946
Cost of Goods Sold	(363,096)	(409,431)	(341,511)	(382,891)	(420,780)
Gross Profit	71,155	78,114	98,103	111,847	123,166
Operating Expenses	(40,033)	(44,952)	(49,661)	(55,533)	(59,097)
Other incomes	13,141	9,924	8,338	9,693	9,964
Operating Profit	44,264	43,086	56,780	66,007	74,034
Depreciation of fixed assets	15,718	18,062	20,770	24,713	25,637
Operating EBITDA	59,981	61,148	77,550	90,719	99,671
Non-Operating Income	-	-	-	-	-
Interest Income	-	-	-	-	-
Other Non-op Income	-	-	-	-	-
Non-Operating Expenses	8,193	7,266	9,076	6,083	7,483
Interest Expense	8,193	7,266	9,076	6,083	7,483
Other Non-op Expenses	-	-	-	-	-
Investment Income/(Loss)	6,546	6,108	10,293	10,613	5,969
Pre-tax Profit	42,617	41,928	57,997	70,537	72,520
Current taxation	(5,003)	(4,968)	(6,077)	(8,502)	(11,183)
Minorities	(1,091)	(3,345)	(8,316)	(8,794)	(5,179)
Extraordinary items	-	-	1,796	-	-
Net Profit	36,522	33,615	45,400	53,240	56,158
Normalised Net Profit	34,222	33,615	43,604	53,240	56,158
EPS (Bt)	30.4	28.0	37.833	44.367	46.798

Source: KGI Research

Cash Flow

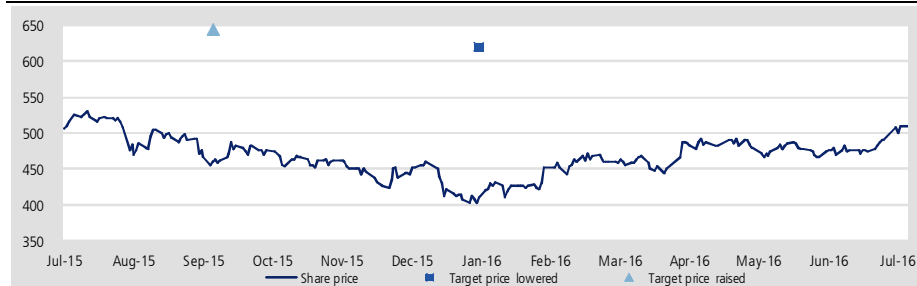
Year to 31 Dec (Bt mn)	Dec-13A	Dec-14A	Dec-15A	Dec-16F	Dec-17F
Operating Cash Flow	39,574	56,776	62,175	79,346	73,138
Net Profit	36,522	33,615	45,400	53,240	56,158
Depreciation & Amortization	15,718	18,062	20,770	24,713	25,637
Change in Working Capital	(12,665)	5,099	(3,994)	1,394	(8,658)
Others	0	0	0	0	0
Investment Cash Flow	(55,137)	(40,684)	(57,037)	(62,056)	(30,407)
Net CAPEX	(34,267)	(39,306)	(46,524)	(53,866)	(34,579)
Change in LT Investment	652	3,045	(624)	826	(1,298)
Change in Other Assets	(21,522)	(4,424)	(9,889)	(9,017)	5,469
Free Cash Flow	(15,563)	16,092	5,138	17,290	42,731
Financing Cash Flow	7,770	(11,590)	(3,202)	(6,791)	(33,257)
Change in Share Capital	0	0	0	0	0
Net Change in Debt	18,653	(530)	10,392	3,116	(12,311)
Change in Other LT Liab.	(10,883)	(11,060)	(13,594)	(9,906)	(20,946)
Net Cash Flow	(7,792)	4,502	1,936	10,499	9,473

Source: KGI Research

Rates of Return on Invested Capital

Year	1- $\frac{\text{COGS}}{\text{Revenue}}$	+ $\frac{\text{Depreciation}}{\text{Revenue}}$	+ $\frac{\text{Operating Exp.}}{\text{Revenue}}$	= Operating Margin
Dec-13A	80.0%	3.6%	9.2%	7.2%
Dec-14A	80.3%	3.7%	9.2%	6.8%
Dec-15A	73.0%	4.7%	11.3%	11.0%
Dec-16F	72.4%	5.0%	11.2%	11.4%
Dec-17F	72.6%	4.7%	10.9%	11.8%
Year	1/ $\frac{\text{Working Capital}}{\text{Revenue}}$	+ $\frac{\text{Net PPE}}{\text{Revenue}}$	+ $\frac{\text{Other Assets}}{\text{Revenue}}$	= Capital Turnover
Dec-13A	0.3	0.4	0.3	1.0
Dec-14A	0.2	0.4	0.3	1.1
Dec-15A	0.3	0.5	0.3	0.9
Dec-16F	0.2	0.5	0.3	1.0
Dec-17F	0.2	0.5	0.3	1.0
Year	Operating Margin	x Capital Turnover	x Cash Tax Rate	= After-tax Return on Inv. Capital
Dec-13A	4.3%	1.0	88.3%	3.9%
Dec-14A	7.2%	1.1	88.2%	7.0%
Dec-15A	11.0%	0.9	89.5%	9.1%
Dec-16F	11.4%	1.0	87.9%	9.7%
Dec-17F	11.8%	1.0	55.6%	6.4%

Source: KGI Research

Siam Cement – Recommendation & target price history


Date	Rating	Target	Price
22-Jan-16	Outperform	620.00	410.00
29-Sep-15	Outperform	645.00	460.00

Source: KGI Research

KGI Locations

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	Shenzhen	Room 24D1, 24/F, A Unit, Zhen Ye Building,2014 Bao'annan Road, Shenzhen, PRC 518008
Taiwan	Taipei	700 Mingshui Road, Taipei, Taiwan Telephone 886.2.2181.8888 · Facsimile 886.2.8501.1691
Hong Kong		41/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong Telephone 852.2878.6888 Facsimile 852.2878.6800
Thailand	Bangkok	8th - 11th floors, AsiaCentreBuilding 173 South Sathorn Road, Bangkok 10120, Thailand Telephone 66.2658.8888 Facsimile 66.2658.8014

KGI's Ratings

Rating	Definition
Outperform (OP)	The stock's excess return* over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Neutral (N)	The stock's excess return* over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan). 1.3
Under perform (U)	The stock's excess return* over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Not Rated (NR)	The stock is not rated by KGI Securities.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances. <i>Excess return = 12M target price/current price-</i>
Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.

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Corporate Governance Report of Thai Listed Companies



Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
EGCO	ELECTRICITY GENERATING	KTB	KRUNG THAI BANK	TISCO	TISCO FINANCIAL GROUP
KBANK	KASIKORN BANK	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING		
KKP	KIATNAKIN BANK	SCB	THE SIAM COMMERCIAL BANK		



Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	ERW	THE ERAWAN GROUP	SCC	THE SIAM CEMENT
AOT	AIRPORTS OF THAILAND	GFPT	GFPT	SPALI	SUPALAI
AP	ASIAN PROPERTY DEVELOPMENT	IFEC	INTER FAR EAST ENGINEERING	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
BBL	BANGKOK BANK	LPN	L.P.N. DEVELOPMENT	SVI	SVI
BH	BUMRUNGRAD HOSPITAL	MINT	MINOR INTERNATIONAL	TASCO	TIPCO ASPHALT
BIGC	BIG C SUPERCENTER	PS	PRUKSA REAL ESTATE	TCAP	THANACHART CAPITAL
CK	CH. KARNCHANG	QH	QUALITY HOUSES	TMB	TMB BANK
CPALL	CP ALL	ROBINS	ROBINSON DEPARTMENT STORE	TRUE	TRUE CORPORATION
CPN	CENTRAL PATTANA	RS	RS		
DRT	DIAMOND ROOFING TILES	SAMART	SAMART CORPORATION		



Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
CENTEL	CENTRAL PLAZA HOTEL	HMPRO	HOME PRODUCT CENTER	MAKRO	SIAM MAKRO
DCC	DYNASTY CERAMIC	ILINK	INTERLINK COMMUNICATION	MODERN	MODERNFORM GROUP
GL	GROUP LEASE	KTC	KRUNGTHAI CARD	TRT	TIRATHAI
GLOW	GLOW ENERGY	MAJOR	MAJOR CINEPLEX GROUP	TVO	THAI VEGETABLE OIL

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	CHG	CHULARAT HOSPITAL	NOK	NOK AIRLINES
ANAN	ANANDA DEVELOPMENT	CKP	CK POWER	PACE	PACE DEVELOPMENT CORPORATION
BA	BANGKOK AIRWAYS	DTAC	TOTAL ACCESS COMMUNICATION	SAWAD	SRI SAWAD POWER 1979
BCH	BANGKOK CHAIN HOSPITAL	GLOBAL	SIAM GLOBAL HOUSE	TMT	THAI METAL TRADE
BDMS	BANGKOK DUSIT MEDICAL SERVICES	GPSC	GLOBAL POWER SYNERGY	TPCH	TPC POWER HOLDING
BEM	BANGKOK EXPRESSWAY AND METRO	GUNKUL	GUNKUL ENGINEERING	WHA	WHA CORPORATION
BJCHI	BJC HEAVY INDUSTRIES	LPH	LADPRAO GENERAL HOSPITAL	WORK	WORKPOINT ENTERTAINMENT
CBG	CARABAO GROUP	MTLS	MUANGTHAI LEASING		

Source: www.thai-iod.com

Disclaimer: The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.

Anti-corruption Progress Indicator

Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
CPN	CENTRAL PATTANA	SCC	THE SIAM CEMENT		

Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	IFEC	INTER FAR EAST ENGINEERING	SVI	SVI
BBL	BANGKOK BANK	KBANK	KASIKORNBANK	TCAP	THANACHART CAPITAL
DCC	DYNASTY CERAMIC	KKP	KIATNAKIN BANK	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	KTB	KRUNG THAI BANK	TMB	TMB BANK
EGCO	ELECTRICITY GENERATING	MINT	MINOR INTERNATIONAL		
ERW	THE ERAWAN GROUP	SCB	THE SIAM COMMERCIAL BANK		

Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	DTAC	TOTAL ACCESS COMMUNICATION	PACE	PACE DEVELOPMENT CORPORATION
ANAN	ANANDA DEVELOPMENT	GFPT	GFPT	PS	PRUKSA REAL ESTATE
AP	ASIAN PROPERTY DEVELOPMENT	GL	GROUP LEASE	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BA	BANGKOK AIRWAYS	GLOW	GLOW ENERGY	ROBINS	ROBINSON DEPARTMENT STORE
BDMS	BANGKOK DUSIT MEDICAL SERVICES	GPSC	GLOBAL POWER SYNERGY	SAMART	SAMART CORPORATION
BIGC	BIG C SUPERCENTER	HMPRO	HOME PRODUCT CENTER	SPALI	SUPALAI
BJCHI	BJC HEAVY INDUSTRIES	KTC	KRUNGTHAI CARD	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
CENTEL	CENTRAL PLAZA HOTEL	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CHG	CHULARAT HOSPITAL	MAKRO	SIAM MAKRO	TMT	THAI METAL TRADE
CK	CH. KARNCHANG	MODERN	MODERNFORM GROUP	TPCH	TPC POWER HOLDING
CKP	CK POWER	NOK	NOK AIRLINES	WHA	NOK AIRLINES

Level 2: Declared

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	GUNKUL	GUNKUL ENGINEERING	QH	QUALITY HOUSES
BH	BUMRUNGRAD HOSPITAL	ILINK	INTERLINK COMMUNICATION	TRT	TIRATHAI
GLOBAL	SIAM GLOBAL HOUSE	MTLS	MUANGTHAI LEASING	TVO	THAI VEGETABLE OIL

Level 1: Committed

Stock	Company name	Stock	Company name	Stock	Company name
CBG	CARABAO GROUP	RS	RS	SAWAD	SRI SAWAD POWER 1979
MAJOR	MAJOR CINEPLEX GROUP				

No progress

Stock	Company name	Stock	Company name	Stock	Company name
BCH	BANGKOK CHAIN HOSPITAL	CPALL	CP ALL	WORK	WORKPOINT ENTERTAINMENT
BEM	BANGKOK EXPRESSWAY AND METRO	LPH	LADPRAO GENERAL HOSPITAL		

Source: www.cgthailand.org

Disclaimer: The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.