

# Eastern Water Resources Development and Management

(EASTW.BK/EASTW TB)

#### Outperform-Maintained

Price as of 18 Apr 2017	11.80
12M target price (Bt/shr)	14.20
Unchanged / Revised up (down) (%) Unch	nanged
Upside/downside (%)	20.3

#### **Key messages**

Though EASTW's 1Q17F earnings might drop YoY, we expect the company to show quarterly improvement throughout the year. In addition, we see it as a beneficiary of the Eastern Economic Corridor scheme, which should boost demand for both raw and tap water in its operating area. We maintain a rating of Outperform with a 2017 fair value of Bt14.20.

Trading data			
Mkt cap (Btbn/US\$mi	n)		19.5/567
Outstanding shares (r	mn)		1,664
Foreign ownership (m	nn)		255
3M avg. daily trading	(mn)		1
52-week trading rang	ge (Bt)		11.1/13.6
Performance (%)	3M	6M	12M
Absolute	0.9	1.7	(7.9)
Relative	0.3	(4.1)	(18 3)

#### **Quarterly EPS**

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Bt	1Q	2Q	3Q	4Q
2013	0.22	0.23	0.21	0.13
2014	0.22	0.22	0.19	0.17
2015	0.25	0.21	0.33	0.17
2016	0.23	0.21	0.20	0.15

#### Share price chart

Source: SE



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#### 1Q17F earnings preview: Up QoQ, but down YoY

#### **Event**

We maintain a rating of Outperform with our 2017 target price at Bt14.20. We like EASTW as drought conditions are easing and the company would benefit from the EEC scheme.

#### Impact

#### Expect 1Q17 net profit to rise QoQ, but drop YoY

We expect EASTW to report a 1Q17 net profit of Bt312mn (-17.6% YoY, +30.3% QoQ. The main drivers QoQ would be improved sales volume and profitability, while the main pressure YoY would be scarcity of raw water. We forecast 1Q17 revenue of Bt1.1bn (+1.7% YoY, +1.6% QoQ). Raw water volume was 62.0mn cubic meters (-4.9% YoY, +8.5% QoQ) and tap water volume was 23.5mn cubic meters (+2.0% YoY, +3.5% QoQ). Gross profit margin (GPM) should be 47.4%, declining from 53.1% in 1Q16, as low water levels caused additional processing costs, but increasing from 41.4% in 4Q16, thank to economies of scale. We estimate SG&A to sales at 9.4%, compared to 7.9% in 1Q16 and 11.2% in 4Q16.

#### Good momentum through the rest of 2017

We see good signs for raw water sales from March 2017's volume, which dropped only 0.4% YoY, compared to 7.2% YoY in January-February 2017. With recent scattered rainfall in Eastern Thailand, we believe there would be a YoY increase in raw water sales volume beginning in 2Q17.

#### Beneficiary of Eastern Economic Corridor (EEC) scheme

The government's Eastern Economic Corridor (EEC) scheme should boost demand for both raw and tap water in the company's operating area. We believe the benefit would begin in 2H17 at the earliest. According to Industrial Estate Authority of Thailand data, there are 30K rai of land in industrial estates ready for investment and under development, which could translate to 98mn cubic meters of raw water demand per year. This is 39% upside to EASTW's raw water sales volume in 2016.

#### **Valuation & Action**

We maintain a rating of Outperform with a 2017 fair value of Bt14.20 based on DCF-methodology (WACC of 5.7% and terminal growth of 2.0%). EASTW trades at an attractive 2017F PER of 13.7x, compared to Thai Tap Water (TTW.BK/TTW TB)'s\* 16.3x and the utility sector's 17.7x.

#### Risks

Its businesses operate under concession agreements. However, we believe it could renew most of its agreements and continuously collect new ones in the future.

#### Key financials and valuations

	Dec-15A	Dec-16A	Dec-17F	Dec-18F	Dec-19F
Revenue (Bt mn)	4,367	4,377	4,662	4,919	5,176
Gross profit (Bt mn)	2,258	2,145	2,339	2,506	2,674
EBIT (Bt mn)	1,865	1,765	1,935	2,077	2,217
Net profit (Bt mn)	1,585	1,300	1,435	1,554	1,672
EPS (Bt)	0.95	0.78	0.86	0.93	1.00
DPS (Bt)	0.47	0.47	0.43	0.47	0.50
EPS growth (%)	18.8	(18.0)	10.4	8.3	7.6
P/E (x)	12.4	15.1	13.7	12.6	11.7
P/B (x)	2.1	2.0	1.9	1.7	1.6
EV/EBITDA (x)	11.6	11.4	10.4	10.2	10.0
Net Debt to Equity (x)	0.9	8.0	0.7	0.6	0.5
Dividend Yield (%)	4.0	4.0	3.7	4.0	4.3
Return on Avg. Equity (%)	16.7	12.9	13.3	13.4	13.5

Source: KGI Research

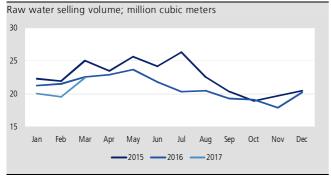


Figure 1: 1Q17F earnings preview

Bt mn	1Q17F	1Q16	YoY (%)	4Q16	QoQ (%)
Sales	1,122	1,103	1.7	1,104	1.6
Costs of Sales	590	518	14.0	647	(8.7)
Gross Profit	531	585	(9.2)	457	16.2
SG&A Expense	105	87	20.6	123	(14.9)
EBIT	426	498	(14.5)	334	27.7
Depreciation Expense	162	161	0.3	161	0.7
EBITDA	588	660	(10.8)	495	18.9
Interest Expense	38	31	21.7	38	(0.0)
Other Income (Expense)	8	8	(3.8)	9	(13.2)
Pre-tax Profit	396	475	(16.7)	304	30.0
Corporate Tax	79	91	(13.4)	60	30.9
Minority Interest	(5)	(5)	(4.6)	(5)	0.0
Net Profit	312	379	(17.6)	239	30.3
Norm. profit	312	379	(17.6)	239	30.3
Reported EPS	0.19	0.23	(17.6)	0.14	30.3
Percent	1Q17F	1Q16	YoY (ppts)	4Q16	QoQ (ppts)
Gross margin	47.4	53.1	(5.7)	41.4	6.0
EBIT margin	38.0	45.2	(7.2)	30.2	7.8
SG&A/Sales	9.4	7.9	1.5	11.2	(1.8)

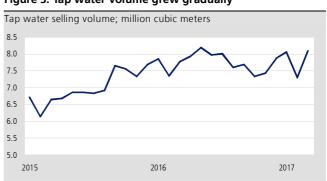
Source: Company data, KGI Research

Figure 2: Good signs from raw water volume in Mar-17



Source: Company data, KGI Research

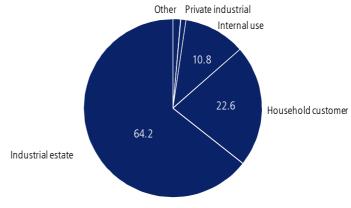
Figure 3: Tap water volume grew gradually



Source: Company data , KGI Research

Figure 4: Industrial estates are the company's main clients for raw water

2016 raw water volume contribution by clients, percent



Source: Company data , KGI Research



#### Figure 5: Company profile

Eastern Water Resources Development and Management (EASTW) is responsible for the development and management of main water pipeline systems in the Eastern Seaboard (Chachoengsao, Chonburi and Rayong provinces) by supplying raw water to industrial estates, factories and water works. It currently operates 395 Km of water pipeline networks which could supply 420mn cubic meters in raw water per year. It distributed 251mn cubic meters of raw water in 2016. The company also operates tap water and waterworks management business under its subsidiary, Universal Utilities (UU). It distributed 93mn cubic meters of tap water in 2016.

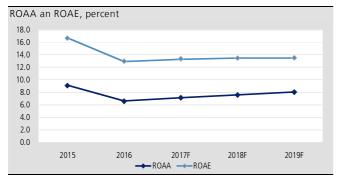
Source: Company data, KGI Research

Figure 7: Revenue and gross profit margin



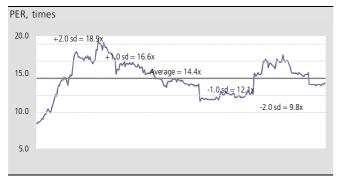
Source: Company data, KGI Research

Figure 9: Company ROAA and ROAE



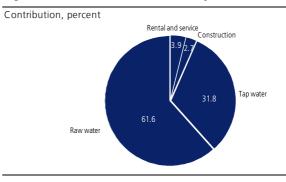
Source: Company data, KGI Research

Figure 11: Trades at 13.7x PER 2017F



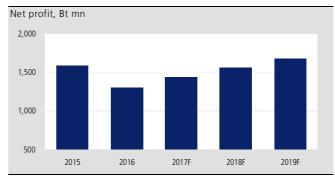
Source: Bloomberg, KGI Research

Figure 6: 2016 revenue contribution by businesses



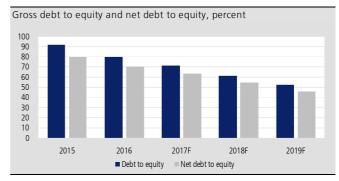
Source: Company data, KGI Research

Figure 8: Net profit should resume growth phase in 2017F



Source: Company data, KGI Research

Figure 10: Well-leveraged balance sheet



Source: Company data, KGI Research

Figure 12: Trading at 1.9x PBV 2017F



Source: Bloomberg, KGI Research



#### **Quarterly Income Statement**

(Bt mn)	Mar-14A	Jun-14A	Sep-14A	Dec-14A	Mar-15A	Jun-15A	Sep-15A	Dec-15A	Mar-16A	Jun-16A	Sep-16A	Dec-16A
Revenue	973	1,066	974	1,014	1,079	1,142	1,088	1,058	1,103	1,129	1,040	1,104
Cost of Goods Sold	(409)	(520)	(511)	(657)	(467)	(534)	(548)	(560)	(518)	(549)	(518)	(647)
Gross Profit	564	545	463	356	612	607	540	498	585	581	522	457
Operating Expenses	(82)	(123)	(107)	(101)	(83)	(109)	(141)	(126)	(87)	(108)	(99)	(123)
Other incomes	6	78	65	130	11	21	23	11	8	15	5	9
Operating Profit	488	500	421	386	540	519	422	384	506	488	429	342
Depreciation of fixed assets	79	82	113	90	130	122	143	160	161	161	162	161
Operating EBITDA	567	582	534	475	669	641	564	544	667	649	591	497
Non-Operating Income	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-op Income	-	-	-	-	-	-	-	-	-	-	-	-
Non-Operating Expenses	(26)	(27)	(26)	(42)	(32)	(24)	(26)	(32)	(31)	(25)	(25)	(38)
Interest Expense	(26)	(27)	(26)	(42)	(32)	(24)	(26)	(32)	(31)	(25)	(25)	(38)
Other Non-op Expenses	-	-	-	-	-	-	-	-	-	-		-
Net Investment Income/(Loss)	-	-	-	-	-	-	-	-	-	-		-
Pre-tax Profit	462	473	395	344	508	495	396	352	475	462	404	304
Current taxation	(90)	(102)	(80)	(68)	(99)	(99)	(36)	(110)	(91)	(101)	(74)	(60)
Minorities	-	0	-	0	(0)	(0)	(1)	(5)	(5)	(5)	(5)	(5)
Extraordinary items	-	-	-	-	-	-	183	-	-	-	-	-
Net Profit	372	371	315	277	409	396	542	238	379	357	325	239
EPS (Bt)	0.22	0.22	0.19	0.17	0.25	0.21	0.33	0.17	0.23	0.21	0.20	0.15
Margins (%)												
Gross profit margin	58.0	51.2	47.5	35.1	56.7	53.2	49.6	47.1	53.1	51.4	50.2	41.4
Operating margin	50.2	47.0	43.2	38.1	50.0	45.5	38.8	36.3	45.9	43.2	41.2	31.0
Operating EBITDA margin	58.3	54.6	54.8	46.9	62.1	56.2	51.9	51.4	60.5	57.4	56.8	45.0
Net profit margin	38.2	34.8	32.4	27.3	37.9	34.7	49.9	22.4	34.3	31.6	31.2	21.7
Growth (%)												
Revenue growth	(1.5)	9.2	9.4	18.3	10.9	7.2	11.7	4.4	2.3	(1.1)	(4.4)	4.3
Operating growth	(0.4)	(5.4)	(9.7)	31.4	10.7	3.8	0.2	(0.5)	(6.3)	(6.1)	1.7	(10.8)
Operating EBITDA growth	0.7	(3.4)	2.0	17.2	18.0	10.1	5.8	14.4	(0.3)	1.2	4.7	(8.7)
Net profit growth	0.8	(5.0)	(8.7)	33.0	10.0	6.8	72.0	(14.1)	(7.4)	(9.9)	(40.1)	0.8

Source: Company data, KGI Research

#### Peer comparison - Key valuation stats

		Target	Current	Upside	16 core	17F core	18F core	17F EPS	18F EPS	17F PER	18F PER	17F PBV	18F PBV	17F Div	18F Div	17F ROAE	18F ROAE
	Rating	price (Bt)	price (Bt)	(%)	EPS (Bt)	EPS (Bt)	EPS (Bt)	gr. (%)	gr. (%)	(x)	(x)	(X)	(X)	Yield (%)	Yield (%)	(%)	(%)
EASTW	OP	14.20	11.80	20.3	0.78	0.86	0.93	10.3	8.1	13.7	12.7	1.9	1.7	3.6	4.0	13.4	13.5
TTW*,**	NR	11.40	10.50	8.6	0.62	0.64	0.67	3.7	4.2	16.3	15.7	3.6	3.6	5.9	6.4	21.9	22.9
BPP	N	25.00	24.90	0.4	1.37	1.66	1.94	21.8	16.6	15.0	12.8	1.7	1.6	2.7	3.1	11.3	12.1
CKP*	N	3.00	3.08	(6.3)	0.06	0.07	0.11	14.5	42.7	41.5	29.1	0.7	0.7	2.0	2.4	1.8	2.4
EGCO*	OP	230.00	213.00	13.3	17.39	18.70	18.95	7.5	1.3	11.4	11.2	1.3	1.2	3.3	3.5	11.6	11.0
GLOW*	OP	88.00	83.50	11.7	5.98	5.82	5.76	(2.7)	(1.0)	14.3	14.5	2.1	2.0	6.9	6.9	14.5	13.9
GPSC*	N	36.00	34.00	12.5	1.80	1.90	2.46	5.3	29.9	17.9	13.8	1.3	1.2	3.6	4.7	7.1	8.9
RATCH	OP	63.00	50.00	25.4	3.82	4.29	4.89	12.2	13.9	11.6	10.2	1.1	1.0	5.2	5.2	9.2	10.0
Sector										17.7	15.0	1.7	1.6	4.1	4.5	11.3	11.8

Source: KGI Research, \*SET100, \*\* Bloomberg Consensus



#### **Balance Sheet**

As of 31 Dec (Bt mn)	Dec-15A	Dec-16A	Dec-17F	Dec-18F	Dec-19F
Total Assets	19,627	19,860	20,359	20,607	20,915
Current Assets	1,664	1,384	1,317	1,314	1,382
Cash & ST Investments	1,174	922	827	797	840
Inventories	9	11	11	11	12
Accounts Receivable	447	421	448	473	498
Others	34	31	32	32	33
Non-current Assets	17,963	18,476	19,041	19,293	19,533
LT Investments	217	194	194	196	198
Net fixed Assets	13,266	14,062	14,543	14,707	14,857
Others	4,480	4,220	4,304	4,390	4,478
Total Liabilities	10,128	9,812	9,585	9,047	8,510
Current Liabilities	2,938	3,027	3,363	3,389	3,415
Accounts Payable	198	251	261	272	282
ST Borrowings	2,355	2,410	2,700	2,700	2,700
Others	386	366	402	418	433
Long-term Liabilities	7,190	6,786	6,221	5,658	5,096
Long-term Debts	6,407	5,598	4,998	4,398	3,798
Others	782	1,187	1,223	1,260	1,297
Shareholders' Equity	9,500	10,048	10,774	11,560	12,405
Common Stock	1,664	1,664	1,664	1,664	1,664
Capital Surplus	2,139	2,139	2,139	2,139	2,139
Retained Earnings	5,470	6,021	6,739	7,516	8,352
Non-controlling interests	205	207	215	223	232

Source: Company date; KGI Research

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Year to 31 Dec (Bt mn)	Dec-15A	Dec-16A	Dec-17F	Dec-18F	Dec-19F
Forecast Drivers					
Raw water volume (Mn cubic meters)	271	251	258	266	274
Raw water price (Bt/Cubic meters)	10.7	10.8	10.9	11.1	11.3
Tap water volume (Mn cubic meters)	84	93	100	106	111
Tap water price (Bt/Cubic meters)	13.8	14.9	15.5	15.9	16.2
Growth (% YoY)					
Sales	2.9	0.2	6.5	5.5	5.2
OP	3.9	(5.4)	9.7	7.3	6.8
EBITDA	5.8	(0.6)	8.8	6.1	5.6
NP	18.8	(18.0)	10.4	8.3	7.6
EPS	18.8	(18.0)	10.4	8.3	7.6
Profitability (%)		, ,			
Gross Margin	51.7	49.0	50.2	51.0	51.7
Operating Margin	42.7	40.3	41.5	42.2	42.8
EBITDA Margin	55.4	54.9	56.1	56.4	56.6
Net Profit Margin	36.3	29.7	30.8	31.6	32.3
ROAA	9.1	6.6	7.1	7.6	8.1
ROAE	16.7	12.9	13.3	13.4	13.5
Stability					
Gross Debt/Equity (%)	109.0	99.7	90.8	79.8	69.9
Net Debt/Equity (%)	90.9	79.5	72.0	62.1	52.5
Interest Coverage (x)	N.A.	14.8	16.8	19.6	22.9
Interest & ST Debt Coverage (x)	N.A.	0.7	0.7	0.7	0.8
Cash Flow Interest Coverage (x)	N.A.	21.1	18.6	21.2	24.5
Cash Flow/Interest & ST Debt (x)	N.A.	1.0	0.8	0.8	0.9
Current Ratio (x)	0.6	0.5	0.4	0.4	0.4
Quick Ratio (x)	0.6	0.5	0.4	0.4	0.4
Net Debt (Bt mn)	8,451	7,822	7,608	7,037	6,395
Per Share Data (Bt)					
EPS	1.0	0.8	0.9	0.9	1.0
CFPS	1.5	1.5	1.3	1.4	1.4
BVPS	5.6	5.9	6.3	6.8	7.3
SPS	2.6	2.6	2.8	3.0	3.1
EBITDA/Share	1.5	1.4	1.6	1.7	1.8
DPS	0.5	0.5	0.4	0.5	0.5
Activity					
Asset Turnover (x)	0.3	0.2	0.2	0.2	0.2
Days Receivables	36.3	36.2	34.0	34.2	34.2
Days Inventory	1.6	1.6	1.7	1.7	1.7
Days Payable	69.8	36.7	40.3	40.3	40.4
Cash Cycle	(31.9)	1.1	(4.6)	(4.4)	(4.4)

Source: Company date; KGI Research

#### **Profit & loss**

Year to 31 Dec (Bt mn)	Dec-15A	Dec-16A	Dec-17F	Dec-18F	Dec-19F
Revenue	4,367	4,377	4,662	4,919	5,176
Cost of Goods Sold	(2,109)	(2,232)	(2,322)	(2,413)	(2,502)
Gross Profit	2,258	2,145	2,339	2,506	2,674
Operating Expenses	(459)	(417)	(442)	(468)	(496)
Other incomes	66	37	38	39	40
Operating Profit	1,865	1,765	1,935	2,077	2,218
Depreciation of fixed assets	554	639	679	696	710
Operating EBITDA	2,419	2,404	2,614	2,773	2,928
Non-Operating Income	0	0	0	0	0
Interest Income	0	0	0	0	0
Other Non-op Income	0	0	0	0	0
Non-Operating Expenses	(114)	(120)	(115)	(106)	(97)
Interest Expense	(114)	(120)	(115)	(106)	(97)
Other Non-op Expenses	0	0	0	0	0
Equity Income/(Loss)	0	0	0	0	0
Pretax Income	1,751	1,645	1,820	1,971	2,121
Current taxation	(343)	(327)	(364)	(394)	(424)
Minorities	(6)	(19)	(21)	(23)	(24)
Extraordinary items	183	0	0	0	0
Net Profit	1,585	1,300	1,435	1,554	1,672
Norm. Profit	1,402	1,300	1,435	1,554	1,672
EPS (Bt)	1.0	0.8	0.9	0.9	1.0

Source: Company date; KGI Research

#### Cash flow

Year to 31 Dec (Bt mn)	Dec-15A	Dec-16A	Dec-17F	Dec-18F	Dec-19F
Operating Cash Flow	2,138	2,520	2,133	2,250	2,382
Net Profit	1,585	1,300	1,435	1,554	1,672
Depreciation & Amortization	554	643	679	696	710
Change in Working Capital	(370)	79	(18)	(15)	(15)
Others	369	499	36	15	15
Investment Cash Flow	(4,273)	(598)	(1,244)	(948)	(950)
Net CAPEX	(2,062)	(975)	(1,160)	(860)	(860)
Change in LT Investment	(1,456)	0	0	(2)	(2)
Change in Other Assets	(755)	377	(84)	(86)	(88)
Free Cash Flow	(2,135)	1,922	888	1,302	1,432
Financing Cash Flow	2,333	(1,637)	(983)	(1,332)	(1,389)
Change in Share Capital	0	0	0	0	0
Net Change in Debt	3,309	(755)	(274)	(563)	(562)
Change in Other LT Liab.	(976)	(882)	(709)	(768)	(827)
Net Cash Flow	198	285	(95)	(29)	43
Source: Company date; KGI Resea	arch				

#### **Rates of Return on Invested Capital**

Year	, COGS	Depreciation	Operating Exp.	Operating
rear	Revenue	Revenue	Revenue	Margin
Dec-15A	35.6%	12.7%	10.5%	41.2%
Dec-16A	36.4%	14.6%	9.5%	39.5%
Dec-17F	35.3%	14.6%	9.5%	40.7%
Dec-18F	34.9%	14.2%	9.5%	41.4%
Dec-19F	34.6%	13.7%	9.6%	42.1%
Year	1/ Working Capital	Net PPE	Other Assets	Capital
rear	Revenue	Revenue	Revenue	Turnover
Dec-15A	5.9%	3.04	1.03	0.24
Dec-16A	4.1%	3.21	0.96	0.24
Dec-17F	4.2%	3.12	0.92	0.24
Dec-18F	4.3%	2.99	0.89	0.25
Dec-19F	4.4%	2.87	0.87	0.26
Year	Operating	x Capital	Cash	After-tax Return
rear	Margin	Turnover	^ Tax Rate	on Inv. Capital
Dec-15A	41.2%	0.2	80.42	8.04
Dec-16A	39.5%	0.2	80.15	7.50
Dec-17F	40.7%	0.2	80.00	7.97
Dec-18F	41.4%	0.3	80.00	8.44
Dec-19F	42.1%	0.3	80.00	8.91

Source: Company date; KGI Research



#### Eastern Water Resources Development and Management - Recommendation & target price history



Source: KGI Research

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#### **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.
	Excess return = 12M target price/current price-
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

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#### Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	GPSC	GLOBAL POWER SYNERGY	PTTGC	PTT GLOBAL CHEMICAL
ВСР	THE BANGCHAK PETROLEUM	HMPRO	HOME PRODUCT CENTER	QH	QUALITY HOUSES
BIGC	BIG C SUPERCENTER	IRPC	IRPC	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BTS	BTS GROUP HOLDINGS	KBANK	KASIKORNBANK	SCB	THE SIAM COMMERCIAL BANK
CK	CH. KARNCHANG	KCE	KCE ELECTRONICS	scc	THE SIAM CEMENT
CPF	CHAROEN POKPHAND FOODS	KKP	KIATNAKIN BANK	SPALI	SUPALAI
CPN	CENTRAL PATTANA	ктв	KRUNG THAI BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DELTA	DELTA ELECTRONICS (THAILAND)	ктс	KRUNGTHAI CARD	SVI	SVI
DRT	DIAMOND ROOFING TILES	LPN	L.P.N. DEVELOPMENT	TCAP	THANACHART CAPITAL
DTAC	TOTAL ACCESS COMMUNICATION	MINT	MINOR INTERNATIONAL	TISCO	TISCO FINANCIAL GROUP
EGCO	ELECTRICITY GENERATING	PTT	PTT	тмв	TMB BANK
GFPT	GFPT	PTTEP	PTT EXPLORATION AND PRODUCTION	TOP	THAI OIL



#### Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	CKP	CK POWER	PYLON	PYLON
ADVANC	ADVANCED INFO SERVICE	DCC	DYNASTY CERAMIC	ROBINS	ROBINSON DEPARTMENT STORE
ANAN	ANANDA DEVELOPMENT	ERW	THE ERAWAN GROUP	SEAFCO	SEAFCO
AP	ASIAN PROPERTY DEVELOPMENT	GLOBAL	SIAM GLOBAL HOUSE	SPRC	STAR PETROLEUM REFINING
BANPU	BANPU	GLOW	GLOW ENERGY	TASCO	TIPCO ASPHALT
BBL	BANGKOK BANK	GUNKUL	GUNKUL ENGINEERING	ТМТ	THAI METAL TRADE
BDMS	BANGKOK DUSIT MEDICAL SERVICES	LH	LAND AND HOUSES	TRUE	TRUE CORPORATION
ВЕМ	BANGKOK EXPRESSWAY AND METRO	MALEE	MALEE SAMPRAN	TVO	THAI VEGETABLE OIL
CENTEL	CENTRAL PLAZA HOTEL	MTLS	MUANGTHAI LEASING		
CHG	CHULARAT HOSPITAL	PACE	PACE DEVELOPMENT CORPORATION		



#### Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name			
BA	BANGKOK AIRWAYS	MAKRO	SIAM MAKRO	SCN	SCAN INTER			
вн	BUMRUNGRAD HOSPITAL	MODERN	MODERNFORM GROUP	SIRI	SANSIRI			
BJCHI	BJC HEAVY INDUSTRIES	NOK	NOK AIRLINES	TKN	TAOKAENOI FOOD & MARKETING			
CBG	CARABAO GROUP	SAPPE	SAPPE	TPCH	TPC POWER HOLDING			
ILINK	INTERLINK COMMUNICATION	SAWAD	SRISAWAD POWER 1979	TRT	TIRATHAI			
LPH	LADPRAO GENERAL HOSPITAL	SCI	SCI ELECTRIC					

#### Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
всн	BANGKOK CHAIN HOSPITAL	BPP	BANPU POWER	FN	FN FACTORY OUTLET
BCPG	BCPG	CPALL	CP ALL		

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
ADVANC	ADVANCED INFO SERVICE	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	ROBINS	ROBINSON DEPARTMENT STORE
всн	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	scc	THE SIAM CEMENT
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KBANK	KASIKORNBANK	SIRI	SANSIRI
BIGC	BIG C SUPERCENTER	KCE	KCE ELECTRONICS	SPALI	SUPALAI
СК	CH. KARNCHANG	KKP	KIATNAKIN BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DCC	DYNASTY CERAMIC	ктв	KRUNG THAI BANK	TCAP	THANACHART CAPITAL
DELTA	DELTA ELECTRONICS (THAILAND)	LPH	LADPRAO GENERAL HOSPITAL	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	PACE	PACE DEVELOPMENT CORPORATION	ТМТ	THAI METAL TRADE
EGCO	ELECTRICITY GENERATING	PTT	PTT	TOP	THAI OIL
GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL		

#### Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERAWAN GROUP	SAPPE	SAPPE
AP	ASIAN PROPERTY DEVELOPMENT	GLOW	GLOW ENERGY	SAWAD	SRISAWAD POWER 1979
ВА	BANGKOK AIRWAYS	GUNKUL	GUNKUL ENGINEERING	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	ILINK	INTERLINK COMMUNICATION	SCN	SCAN INTER
ВСР	THE BANGCHAK PETROLEUM	ктс	KRUNGTHAI CARD	SEAFCO	SEAFCO
вн	BUMRUNGRAD HOSPITAL	LH	LAND AND HOUSES	SVI	SVI
ВЈСНІ	BJC HEAVY INDUSTRIES	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CBG	CARABAO GROUP	MAKRO	SIAM MAKRO	TKN	TAOKAENOI FOOD & MARKETING
CENTEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	тмв	TMB BANK
CHG	CHULARAT HOSPITAL	MINT	MINOR INTERNATIONAL	TRT	TIRATHAI
CKP	CK POWER	MODERN	MODERNFORM GROUP	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
CPN	CENTRAL PATTANA	PTTEP	PTT EXPLORATION AND PRODUCTION		
DTAC	TOTAL ACCESS COMMUNICATION	PYLON	PYLON		

#### Level 3: Established

St	tock	Company name	Stock	Company name	Stock	Company name
В	EM	BANGKOK EXPRESSWAY AND METRO	MTLS	MUANGTHAI LEASING	SPRC	STAR PETROLEUM REFINING
C	PALL	CP ALL	SCI	SCI ELECTRIC		

#### No progress

	Stock	Company name	Stock	Company name	Stock	Company name
Ī	AOT	AIRPORTS OF THAILAND	BPP	BANPU POWER	FN	FN FACTORY OUTLET
	BCPG	BCPG	BTS	BTS GROUP HOLDINGS	TPCH	TPC POWER HOLDING

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.