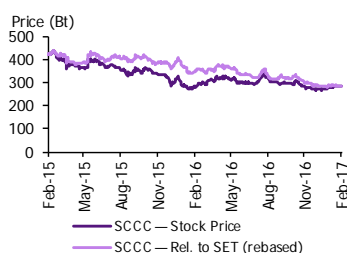


## NEUTRAL

## Stock data

|                             |           |
|-----------------------------|-----------|
| Last close (Feb 10) (Bt)    | 284.00    |
| 12-m target price (Bt)      | 305.00    |
| Upside (Downside) to TP (%) | 7.39      |
| Mkt cap (Btbn)              | 65.32     |
| Mkt cap (US\$mn)            | 1,863     |
| Bloomberg code              | SCCC TB   |
| Reuters code                | SCCC.BK   |
| Risk rating                 | L         |
| Mkt cap (%) SET             | 0.42      |
| Sector % SET                | 5.84      |
| Shares issued (mn)          | 230       |
| Par value (Bt)              | 10.00     |
| 12-m high / low (Bt)        | 339 / 266 |
| Avg. daily 6m (US\$mn)      | 1.07      |
| Foreign limit / actual (%)  | 49 / 35   |
| Free float (%)              | 27.6      |
| Dividend policy (%)         | ≥ 60      |

## Price Performance



Source: SET, SCBS Investment Research

## Share performance

|                 | 1M  | 3M    | 12M    |
|-----------------|-----|-------|--------|
| Absolute        | 1.8 | 2.2   | 3.3    |
| Relative to SET | 1.0 | (3.7) | (16.6) |

Source: SET, SCBS Investment Research

## 4Q16: Pulled in line by extra item

**4Q16 net profit was Bt877mn, -9% YoY but +92% QoQ**, in line with our forecast and consensus. Excluding Bt343mn extra gain (mainly gain from the sale of its stake in Holcim Cement Bangladesh), 4Q16 normalized profit was Bt534mn, -38% YoY and -25% QoQ, 20% below our estimates with a weaker margin than expected. The YoY earnings contraction was due to a weaker EBIT margin from softer operations in Thailand and lower margin at its new cement business acquisition in Sri Lanka (acquired in August), and higher interest expenses. The drop QoQ was seasonal. After paying a 1H16 DPS of Bt8, SCCC announced a 2H16 DPS of Bt7 (XD on April 7), dividend payout of 88%.

## 2016 highlights:

- Revenue was Bt34bn, +10% YoY. Of this, Bt4.2bn (12% of sales) was contributed by its business acquisitions in Bangladesh (worth Bt1.9bn, May 2016), Thailand (worth Bt260mn, June 2016), and Sri Lanka (worth Bt13bn, Aug 2016). For Thailand, SCCC estimated a 1% decline in local cement sales volume with an unchanged market share of 27.5%, with the oversupply and slowing residential demand continuing to pressure selling prices. For border cement trade, SCCC estimated a 13% fall in full year sales volume, from a loss in market share in Myanmar and Laos.
- Gross margin was 37.7%, -210bps YoY, and EBIT margin was 15.7%, -370bps YoY. These were pulled down by lower prices and volume as well as a lower margin contribution from its new cement business acquisition in Sri Lanka.
- Interest expenses jumped by 61% YoY to Bt730mn from more borrowing to fund its three new acquisitions in 2016.

**Raising capital with RO.** On Feb 10, SCCC's board approved a capital increase of 68mn shares to 298mn shares, via a rights offering at 3.38 existing shares per 1 new share, and an offering price of Bt250/share (XR on April 7). This will be submitted for AGM approval on March 31. The company expects subscription and payment to complete in mid-May. Its objective is to strengthen its financial structure and maintain its policy dividend payout of at least 60% of net profit.

**Our view.** After three acquisitions worth Bt15bn in 2016, SCCC announced the purchase of 65% in a new cement business in Vietnam worth Bt19bn, which is set to complete in 1H17F. Post acquisitions, we estimate the capital increase will help lower its end-2017F net DE to about 0.7x from more than 2.0x, which breached the 2.0x ceiling for its debentures. We roughly estimate a neutral impact on 2017F EPS, incorporating the new cement business in Vietnam and greater weighted average shares from the capital increase.

**NEUTRAL maintained.** We trim our forecast by 3% to Bt4.1bn in 2017 to factor in a lower margin and higher interest expenses from acquisitions. SCCC may have to record high expenses from the acquisition of the cement business in Vietnam (worth Bt19bn) in 1H17F, as it recorded expense of around Bt300mn from the acquisition in Sri Lanka (worth Bt13bn) in 3Q16. We stay NEUTRAL with the earnings revision giving a new SOTP PT of Bt305 (from Bt320).

## Forecasts and Valuation

| Year to 31 Dec   | Unit   | 2015   | 2016   | 2017F  | 2018F  | 2019F  |
|------------------|--------|--------|--------|--------|--------|--------|
| Revenue          | (Btmn) | 31,120 | 34,192 | 39,347 | 39,970 | 40,612 |
| EBITDA           | (Btmn) | 7,457  | 7,278  | 8,236  | 8,273  | 8,312  |
| Core profit      | (Btmn) | 4,596  | 3,811  | 4,127  | 4,399  | 4,478  |
| Reported profit  | (Btmn) | 4,579  | 3,914  | 4,127  | 4,399  | 4,478  |
| Core EPS         | (Bt)   | 19.98  | 16.57  | 17.95  | 19.13  | 19.47  |
| DPS              | (Bt)   | 15.00  | 15.00  | 13.46  | 13.39  | 13.63  |
| P/E, core        | (x)    | 14.2   | 17.1   | 15.8   | 14.8   | 14.6   |
| EPS growth, core | (%)    | (9.0)  | (17.1) | 8.3    | 6.6    | 1.8    |
| P/BV, core       | (x)    | 2.96   | 2.95   | 2.86   | 2.71   | 2.56   |
| ROE              | (%)    | 20.7   | 17.7   | 18.1   | 18.2   | 17.5   |
| Dividend yield   | (%)    | 5.3    | 5.3    | 4.7    | 4.7    | 4.8    |
| EV/EBITDA        | (x)    | 9.6    | 12.3   | 10.8   | 10.7   | 10.6   |

Source: SCBS Investment Research

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## Financial statement

## Profit and Loss Statement (Btmn)

| FY December 31        | 2015          | 2016          | 2017F         | 2018F         | 2019F         |
|-----------------------|---------------|---------------|---------------|---------------|---------------|
| Total revenue         | 31,120        | 34,192        | 39,347        | 39,970        | 40,612        |
| Cost of goods sold    | 18,751        | 21,318        | 25,115        | 25,627        | 26,149        |
| <b>Gross profit</b>   | <b>12,369</b> | <b>12,874</b> | <b>14,232</b> | <b>14,343</b> | <b>14,463</b> |
| SG&A                  | 6,580         | 7,734         | 8,519         | 8,654         | 8,793         |
| Other income          | 221           | 210           | 242           | 245           | 249           |
| Interest expense      | 453           | 730           | 962           | 773           | 749           |
| <b>Pre-tax profit</b> | <b>5,557</b>  | <b>4,620</b>  | <b>4,993</b>  | <b>5,162</b>  | <b>5,171</b>  |
| Corporate tax         | 1,101         | 892           | 964           | 997           | 999           |
| Equity a/c profits    | 141           | 83            | 98            | 235           | 306           |
| Minority interests    | 0             | 0             | 0             | 0             | 0             |
| <b>Core profit</b>    | <b>4,596</b>  | <b>3,811</b>  | <b>4,127</b>  | <b>4,399</b>  | <b>4,478</b>  |
| Extra-ordinary items  | -17           | 103           | 0             | 0             | 0             |
| <b>Net Profit</b>     | <b>4,579</b>  | <b>3,914</b>  | <b>4,127</b>  | <b>4,399</b>  | <b>4,478</b>  |
| EBITDA                | 7,457         | 7,278         | 8,236         | 8,273         | 8,312         |
| <b>Core EPS (Bt)</b>  | <b>19.98</b>  | <b>16.57</b>  | <b>17.95</b>  | <b>19.13</b>  | <b>19.47</b>  |
| Net EPS (Bt)          | 19.91         | 17.02         | 17.95         | 19.13         | 19.47         |
| DPS (Bt)              | 15.00         | 15.00         | 13.46         | 13.39         | 13.63         |

## Profit and Loss Statement (Btmn)

| FY December 31        | 4Q15         | 1Q16         | 2Q16         | 3Q16         | 4Q16         |
|-----------------------|--------------|--------------|--------------|--------------|--------------|
| Total revenue         | 7,408        | 8,257        | 7,787        | 8,750        | 9,399        |
| Cost of goods sold    | 5,755        | 4,487        | 4,325        | 5,292        | 7,213        |
| <b>Gross profit</b>   | <b>1,653</b> | <b>3,769</b> | <b>3,462</b> | <b>3,458</b> | <b>2,185</b> |
| SG&A                  | 640          | 2,054        | 1,943        | 2,331        | 1,406        |
| Other income          | 160          | 11           | 72           | 35           | 92           |
| Interest expense      | 134          | 107          | 141          | 272          | 210          |
| <b>Pre-tax profit</b> | <b>1,038</b> | <b>1,619</b> | <b>1,450</b> | <b>890</b>   | <b>661</b>   |
| Corporate tax         | 217          | 309          | 273          | 197          | 113          |
| Equity a/c profits    | 43           | 43           | 31           | 23           | -14          |
| Minority interests    | 0            | 0            | 0            | 0            | 0            |
| <b>Core profit</b>    | <b>864</b>   | <b>1,353</b> | <b>1,208</b> | <b>716</b>   | <b>534</b>   |
| Extra-ordinary items  | 94           | 8            | 12           | -260         | 343          |
| <b>Net Profit</b>     | <b>958</b>   | <b>1,362</b> | <b>1,219</b> | <b>456</b>   | <b>877</b>   |
| EBITDA                | 1,551        | 2,102        | 2,029        | 1,679        | 1,468        |
| <b>Core EPS (Bt)</b>  | <b>3.76</b>  | <b>5.88</b>  | <b>5.25</b>  | <b>3.11</b>  | <b>2.32</b>  |
| Net EPS (Bt)          | 4.17         | 5.92         | 5.30         | 1.98         | 3.81         |

## Balance Sheet (Btmn)

| FY December 31              | 2015          | 2016          | 2017F         | 2018F         | 2019F         |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| Total current assets        | 8,912         | 12,495        | 13,248        | 13,755        | 14,413        |
| Total fixed assets          | 24,352        | 30,842        | 32,072        | 32,795        | 33,467        |
| <b>Total assets</b>         | <b>33,264</b> | <b>43,337</b> | <b>45,320</b> | <b>46,550</b> | <b>47,880</b> |
| Total loans                 | 8,320         | 27,374        | 26,885        | 26,585        | 26,285        |
| Total current liabilities   | 7,059         | 28,471        | 25,504        | 25,662        | 27,825        |
| Total long-term liabilities | 8,357         | 11,129        | 15,551        | 15,337        | 13,126        |
| <b>Total liabilities</b>    | <b>15,416</b> | <b>39,599</b> | <b>41,055</b> | <b>41,000</b> | <b>40,950</b> |
| Paid-up capital             | 2,300         | 2,300         | 2,300         | 2,300         | 2,300         |
| <b>Total equity</b>         | <b>22,092</b> | <b>22,144</b> | <b>22,822</b> | <b>24,125</b> | <b>25,524</b> |
| <b>BVPS (Bt)</b>            | <b>96.05</b>  | <b>96.28</b>  | <b>99.22</b>  | <b>104.89</b> | <b>110.97</b> |

## Balance Sheet (Btmn)

| FY December 31              | 4Q15          | 1Q16          | 2Q16          | 3Q16          | 4Q16          |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| Total current assets        | 8,912         | 9,221         | 10,227        | 11,124        | 12,495        |
| Total fixed assets          | 24,352        | 29,304        | 31,549        | 45,997        | 30,842        |
| <b>Total assets</b>         | <b>33,264</b> | <b>38,525</b> | <b>41,775</b> | <b>57,121</b> | <b>43,337</b> |
| Total loans                 | 8,320         | 8,271         | 7,511         | 27,271        | 27,374        |
| Total current liabilities   | 7,059         | 6,748         | 10,815        | 27,026        | 28,471        |
| Total long-term liabilities | 8,357         | 8,324         | 7,902         | 8,478         | 11,129        |
| <b>Total liabilities</b>    | <b>15,416</b> | <b>15,072</b> | <b>18,717</b> | <b>35,505</b> | <b>39,599</b> |
| Paid-up capital             | 2,300         | 2,300         | 2,300         | 2,300         | 2,300         |
| <b>Total equity</b>         | <b>22,092</b> | <b>23,453</b> | <b>23,058</b> | <b>21,616</b> | <b>22,144</b> |
| <b>BVPS (Bt)</b>            | <b>96.05</b>  | <b>101.97</b> | <b>100.25</b> | <b>93.98</b>  | <b>96.28</b>  |

## Cash Flow Statement (Btmn)

| FY December 31                | 2015        | 2016         | 2017F       | 2018F      | 2019F      |
|-------------------------------|-------------|--------------|-------------|------------|------------|
| Core Profit                   | 4,596       | 3,811        | 4,127       | 4,399      | 4,478      |
| Depreciation and amortization | -1,447      | -1,929       | -2,281      | -2,338     | -2,391     |
| Operating cash flow           | 6,339       | 8,486        | 6,917       | 6,801      | 6,934      |
| Investing cash flow           | -3,580      | -22,582      | -3,661      | -3,080     | -3,082     |
| Financing cash flow           | -3,171      | 15,193       | -3,939      | -3,396     | -3,379     |
| <b>Net cash flow</b>          | <b>-412</b> | <b>1,098</b> | <b>-682</b> | <b>325</b> | <b>473</b> |

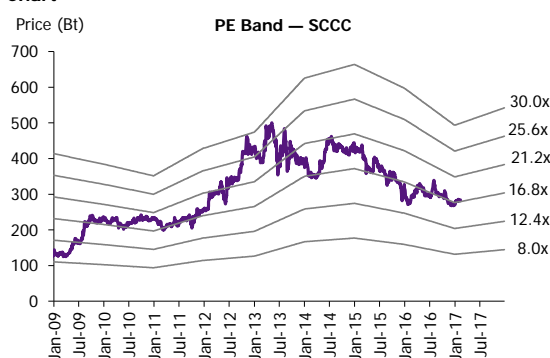
## Main Assumptions

|                                | 2015  | 2016  | 2017F | 2018F | 2019F |
|--------------------------------|-------|-------|-------|-------|-------|
| Local cement demand (mn tons)  | 8.9   | 8.8   | 9.1   | 9.4   | 9.6   |
| Export cement demand (mn tons) | 3.2   | 2.8   | 2.8   | 2.8   | 2.8   |
| Local cement price (Bt/ton)    | 1,761 | 1,655 | 1,655 | 1,655 | 1,655 |
| Export cement price (US\$/ton) | 54.81 | 51.52 | 51.52 | 51.52 | 51.52 |
| FX (Bt/US\$)                   | 34.3  | 35.3  | 36.5  | 36.5  | 36.5  |

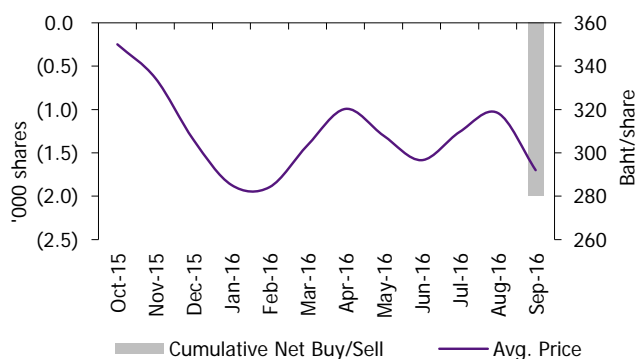
## Key Financial Ratios

|                       | 2015 | 2016  | 2017F | 2018F | 2019F |
|-----------------------|------|-------|-------|-------|-------|
| Gross margin(%)       | 39.7 | 37.7  | 36.2  | 35.9  | 35.6  |
| Operating margin(%)   | 18.6 | 15.0  | 14.5  | 14.2  | 14.0  |
| EBITDA margin(%)      | 24.0 | 21.3  | 20.9  | 20.7  | 20.5  |
| EBIT margin(%)        | 19.3 | 15.6  | 15.1  | 14.8  | 14.6  |
| Net profit margin(%)  | 14.7 | 11.4  | 10.5  | 11.0  | 11.0  |
| ROE (%)               | 20.7 | 17.7  | 18.1  | 18.2  | 0.0   |
| ROA (%)               | 12.5 | 6.9   | 7.4   | 7.2   | 0.0   |
| Net D/E (%)           | 27.1 | 107.7 | 105.3 | 97.0  | 88.7  |
| Interest coverage (x) | 16.5 | 10.0  | 8.6   | 10.7  | 11.1  |
| Payout Ratio (%)      | 75.3 | 88.1  | 75.0  | 70.0  | 70.0  |

## PE Band Chart

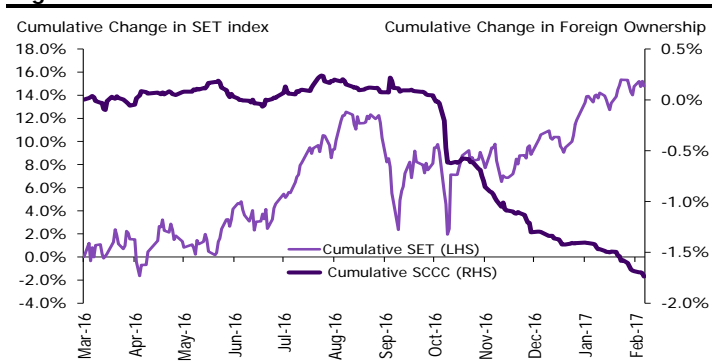


## 12-Month Cumulative directors trade



Source: SEC

## 12 Month cumulative chg in foreign ownership versus cumulative chg in SET index



Source: SET, SCBS Investment Research

Figure 1: 4Q16 financial statement

| P & L (Btmn)               | 4Q15        | 1Q16         | 2Q16         | 3Q16        | 4Q16        | % Chg YoY     | % Chg QoQ     | 2015         | 2016         | % Chg YoY     |
|----------------------------|-------------|--------------|--------------|-------------|-------------|---------------|---------------|--------------|--------------|---------------|
| Total revenue              | 7,408       | 8,257        | 7,787        | 8,750       | 9,399       | 26.9          | 7.4           | 31,120       | 34,192       | 9.9           |
| Gross profit               | 1,653       | 3,769        | 3,462        | 3,458       | 2,185       | 32.2          | (36.8)        | 12,369       | 12,874       | 4.1           |
| SG&A expense               | (640)       | (2,054)      | (1,943)      | (2,331)     | (1,406)     | 119.7         | (39.7)        | (6,580)      | (7,734)      | 17.5          |
| Net other income/expense   | 160         | 11           | 72           | 35          | 92          | (42.4)        | 160.9         | 221          | 210          | (4.9)         |
| Interest expense           | (134)       | (107)        | (141)        | (272)       | (210)       | 56.4          | (23.0)        | (453)        | (730)        | 61.0          |
| Equity a/c profits         | 43          | 43           | 31           | 23          | (14)        | (133.3)       | (161.0)       | 141          | 83           | (40.9)        |
| <b>Core profit</b>         | <b>864</b>  | <b>1,353</b> | <b>1,208</b> | <b>716</b>  | <b>534</b>  | <b>(38.2)</b> | <b>(25.4)</b> | <b>4,596</b> | <b>3,811</b> | <b>(17.1)</b> |
| <b>Net Profit</b>          | <b>958</b>  | <b>1,362</b> | <b>1,219</b> | <b>456</b>  | <b>877</b>  | <b>(8.5)</b>  | <b>92.1</b>   | <b>4,579</b> | <b>3,914</b> | <b>(14.5)</b> |
| <b>EPS</b>                 | <b>4.17</b> | <b>5.92</b>  | <b>5.30</b>  | <b>1.98</b> | <b>3.81</b> | <b>(8.5)</b>  | <b>92.1</b>   | <b>19.91</b> | <b>17.02</b> | <b>(14.5)</b> |
| EBITDA                     | 1,551       | 2,102        | 2,029        | 1,679       | 1,468       | (5.3)         | (12.5)        | 7,457        | 7,278        | (2.4)         |
| <b>B/S (Btmn)</b>          |             |              |              |             |             |               |               |              |              |               |
| Total assets               | 33,264      | 38,525       | 41,775       | 57,121      | 43,337      | 30.3          | (24.1)        | 33,264       | 43,337       | 30.3          |
| Total liabilities          | 15,416      | 15,072       | 18,717       | 35,505      | 39,599      | 156.9         | 11.5          | 15,416       | 39,599       | 156.9         |
| Total equity               | 22,092      | 23,453       | 23,058       | 21,616      | 22,144      | 0.2           | 2.4           | 22,092       | 22,144       | 0.2           |
| BVPS (Bt)                  | 96.05       | 101.97       | 100.25       | 93.98       | 96.28       | 0.2           | 2.4           | 96.1         | 96.3         | 0.2           |
| <b>Financial ratio (%)</b> |             |              |              |             |             |               |               |              |              |               |
| Gross margin               | 22.3        | 45.7         | 44.5         | 39.5        | 23.2        | 0.9           | (16.3)        | 39.7         | 37.7         | (2.1)         |
| Net profit margin          | 12.9        | 16.5         | 15.7         | 5.2         | 9.3         | (3.6)         | 4.1           | 14.7         | 11.4         | (3.3)         |
| EBITDA margin              | 20.9        | 25.5         | 26.1         | 19.2        | 15.6        | (5.3)         | (3.6)         | 24.0         | 21.3         | (2.7)         |
| SG&A expense/Revenue       | 8.6         | 24.9         | 25.0         | 26.6        | 15.0        | 6.3           | (11.7)        | 21.1         | 22.6         | 1.5           |

Source: SCBS Investment Research

Figure 2: Valuation summary (Closing price as of Feb 10, 2017)

|                | Rating  | Price (Bt/Sh) | Target (Bt/Sh) | ETR (%) | P/E (x)     |             |             | EPS growth (%) |           |          | P/BV (x)   |            |            | ROE (%)   |           |           | Div. Yield (%) |            |            | EV/EBITDA (x) |             |            |
|----------------|---------|---------------|----------------|---------|-------------|-------------|-------------|----------------|-----------|----------|------------|------------|------------|-----------|-----------|-----------|----------------|------------|------------|---------------|-------------|------------|
|                |         |               |                |         | 16A         | 17F         | 18F         | 16A            | 17F       | 18F      | 16A        | 17F        | 18F        | 16A       | 17F       | 18F       | 16A            | 17F        | 18F        | 16A           | 17F         | 18F        |
| DCC            | Buy     | 4.50          | 5.0            | 16.6    | 20.7        | 18.3        | 16.7        | 4              | 13        | 10       | 8.7        | 7.5        | 7.2        | 44        | 44        | 44        | 3.6            | 5.5        | 6.0        | 14.4          | 12.8        | 11.8       |
| SCC            | Buy     | 526.00        | 640.0          | 25.6    | 11.6        | 10.5        | 9.6         | 25             | 11        | 9        | 2.2        | 2.0        | 1.8        | 21        | 20        | 19        | 3.6            | 4.0        | 4.3        | 7.6           | 6.7         | 6.1        |
| SCCC           | Neutral | 284.00        | 305.0          | 12.2    | 17.5        | 15.7        | 14.8        | (19)           | 12        | 6        | 2.9        | 2.8        | 2.6        | 17        | 18        | 18        | 4.9            | 4.8        | 4.7        | 12.2          | 10.5        | 10.2       |
| <b>Average</b> |         |               |                |         | <b>16.6</b> | <b>14.8</b> | <b>13.7</b> | <b>3</b>       | <b>12</b> | <b>8</b> | <b>4.6</b> | <b>4.1</b> | <b>3.9</b> | <b>27</b> | <b>27</b> | <b>27</b> | <b>4.1</b>     | <b>4.7</b> | <b>5.0</b> | <b>11.4</b>   | <b>10.0</b> | <b>9.3</b> |

Source: SCBS Investment Research

## CG Rating 2016 Companies with CG Rating

★★★★★

AMATA, AOT, BAFS, BAY, BCP, BIGC, BTS, BWG, CK, CPF, CPN, CSL, DELTA, DEMCO, DRT, DTAC, DTC, EASTW, EGCO, GFPT, GPSC, GRAMMY, HANA, HMPRO, INTUCH, IRPC, IVL, KBANK, KCE, KKP, KTB, KTC, LHBANK, LPN, MBK, MCOT, MINT, MONO, NKI, NYT, OTO, PHOL, PPS, PS, PSL, PTT, PTTEP, PTTGC, QH, QTC, RATCH, SAMART, SAMTEL, SAT, SC, SCB, SCC, SCCC, SE-ED, SIM, SITHAI, SNC, SPALI, SSSC, STEC, SVI, TCAP, THCOM, TISCO, TKT, TMB, TNDT, TOP, TSC, TTCL, TU, UV, VGI, WAOAL, WAVE

★★★★

2S, AAV, ACAP, ADVANC, AGE, AH, AHC, AKP, ALUCON, AMANAH, ANAN, AP, APCO, APCS, ARIP, ASIA, ASIMAR, ASK, ASP, AUCT, AYUD, BANPU, BBL, BDMS, BEM, BFIT, BLA, BOL, BROOK, CEN, CENTEL, CFRESH, CGH, CHG, CHO, CHOW, CI, CIMBT, CKP, CM, CNS, CNT, COL, CPI, DCC, EA, ECF, EE, ERW, FORTH, FPI, GBX, GC, GCAP, GL, GLOBAL, GLOW, GUNKUL, HOTPOT, HYDRO, ICC, ICHI, IFEC, INET, IRC, JSP, K, KSL, KTIS, L&E, LANNA, LH, LHK, LIT, LOXLEY, LRH, LST, M, MACO, MALEE, MBKET, MC, MEGA, MFC, MOONG, MSC, MTI, MTL, NCH, NOBLE, NSI, NTV, OCC, OGC, OISHI, ORI, PACE, PAP, PB, PCSGH, PDI, PE, PG, PJW, PLANB, PM, PPP, PR, PRANDA, PREB, PRG, PRINC, PT, PTG, PYLON, Q-CON, RICHY, ROBINS, RS, RWI, S, S & J, SABINA, SALEE, SAMCO, SCG, SEAFAC, SFP, SIAM, SINGER, SIS, SMK, SMP, SMT, SNP, SPI, SPPT, SPRC, SR, SSF, SST, STA, SUSCO, SUTHA, SWC, SYMC, SYNEC, SYNTCC, TAE, TAKUNI, TASCO, TBSP, TCC, TF, TFI, TGCI, THAI, THANA, THANI, THIP, THRE, THREL, TICON, TIPCO, TK, TKS, TMC, TMI, TMILL, TMT, TNITY, TNL, TOG, TPC, TPCORP, TRC, TRU, TRUE, TSE, TSR, TSTE, TSTH, TTA, TTW, TVD, TVO, TWPC, UAC, UP, UPF, VIH, VNT, WINNER, YUASA, ZMICO

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AEC, AEONTS, AF, AIRA, AIT, AJ, AKR, AMARIN, AMATAV, AMC, APURE, AQUA, ARROW, AS, BA, BEAUTY, BEC, BH, BIG, BJC, BJCHI, BKD, BR, BROCK, BRR, BTNC, CBG, CGD, CHARAN, CITY, CMR, COLOR, COM7, CPL, CSC, CSP, CSR, CSS, CTW, DCON, DIMET, DNA, EARTH, EASON, ECL, EFORL, EPSCO, EPG, ESSO, FE, FER, FOCUS, FSMART, FSS, FVC, GEL, GIFT, GLAND, GOLD, GSTEL, GYT, HPT, HTC, HTECH, IFS, IHL, ILINK, INSURE, IRCP, IT, ITD, J, JMART, JMT, JUBILE, JWD, KASET, KBS, KCAR, KGI, KKC, KOOL, KWC, KYE, LALIN, LPH, MAJOR, MAKRO, MATCH, MATI, M-CHAI, MDX, MFEC, MJD, MK, MODERN, MPG, NC, NCL, NDR, NEP, NOK, NUSA, PATO, PCA, PDG, PF, PICO, PIMO, PL, PLAT, PLE, PMTA, PPM, PRIN, PSTC, QLT, RCI, RCL, RICH, RML, RPC, SANKO, SAPPE, SAWAD, SCI, SCN, SCP, SEAOIL, SENA, SIRI, SKR, SLP, SMG, SMT, SORKON, SPA, SPC, SPCG, SPVI, SSC, STANLY, STPI, SUC, TACC, TCCC, TCMC, TEAM, TFD, TFG, TIC, TIW, TKN, TLUXE, TMD, TNP, TOPP, TPA, TPAC, TPCH, TPIPL, TPOLY, TRITN, TRT, TTI, TVI, TWP, U, UBIS, UMI, UPOIC, UT, UWC, VIBHA, VPO, VTE, WICE, WIJK, WIN, XO

## Corporate Governance Report

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 evaluation 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. SCB Securities Company Limited does not conform nor certify the accuracy of such survey result.

SMG was voluntarily delisted from the Stock Exchange of Thailand effectively on June 2, 2016

## Anti-corruption Progress Indicator

Certified (ได้รับการรับรอง)

ADADVANC, AKP, AMANAH, ASP, AYUD, BAFS, BANPU, BAY, BBL, BCP, BKI, BLA, BTS, BWG, CENTEL, CFRESH, CIMBT, CNS, CPI, CPN, CSL, DCC, DEMCO, DIMET, DRT, DTAC, DTC, EASTW, ECL, EGCO, ERW, FE, FSS, GBX, GCAP, GLOW, HANA, HTC, ICC, IFEC, INTUCH, IRPC, IVL, KBANK, KCE, KGI, KKP, KTB, KTC, LANNA, LHBANK, LHK, MBK, MBKET, MFC, MINT, MONO, MOONG, MSC, MTI, NKI, NSI, OCEAN, PB, PE, PG, PHOL, PM, PPP, PPS, PR, PSL, PT, PTG, PTT, PTTEP, PTTGC, Q-CON, QLT, RATCH, S & J, SABINA, SAT, SCB, SCC, SCG, SINGER, SIS, SMP, SNC, SNP, SPC, SPI, SSF, SSI, SSSC, SVI, TCAP, TCMC, TF, TGCI, THANI, THCOM, THRE, THREL, TIPCO, TISCO, TMB, TMD, TNITY, TNL, TOG, TOP, TPC, TPCORP, TSC, TSTH, TTCL, TVI, WAOAL

## Declared (ประกาศเจตจำนง)

2S, A, ABC, ABICO, ACAP, AEC, AF, AGE, AH, AI, AIE, AIRA, ALUCON, AMARIN, AMATA, ANAN, AOT, AP, APCO, APCS, APURE, AQUA, AS, ASIA, ASIAN, ASIMAR, ASK, BCH, BEAUTY, BFIT, BH, BIGC, BJCHI, BKD, BLAND, BROCK, BROOK, BRR, BSBM, BTNC, CEN, CGH, CHARAN, CHO, CHOTI, CHOW, CI, CM, COL, CPALL, CPF, CPL, CSC, CSR, CSS, DELTA, DNA, EA, ECF, EE, EFORL, EPSCO, ESTAR, EVER, FC, FER, FNS, FPI, FSMART, FVC, GC, GEL, GFPT, GIFT, GLOBAL, GPSC, GREEN, GUNKUL, HMPRO, HOTPOT, ICHI, IEC, IFS, ILINK, INET, INOX, INSURE, IRC, J, JAS, JMART, JMT, JTS, JUBILE, JUTHA, K, KASET, KBS, KC, KCAR, KSL, KTECH, KYE, L&E, LALIN, LPN, LRH, LTX, LVT, M, MAKRO, MALEE, MBAX, MC, MCOT, MEGA, MFEC, MIDA, MILL, MJD, MK, ML, MPG, MTL, NBC, NCH, NCL, NDR, NINE, NMG, NNCL, NPP, NTV, NUSA, OCC, OGC, PACE, PAF, PCA, PCSGH, PDG, PDI, PIMO, PK, PLANB, PLAT, PRANDA, PREB, PRG, PRINC, PSTC, PYLON, QH, RML, ROBINS, ROCK, ROH, ROJNA, RP, RWI, SAMCO, SANKO, SAUCE, SC, SCCC, SCN, SEAOIL, SE-ED, SENA, SGP, SITHAI, SKR, SMT, SMK, SORKON, SPACK, SPALI, SPCG, SPPT, SPRC, SR, SRICHA, STA, STANLY, SUPER, SUSCO, SYMC, SYNEC, TAE, TAKUNI, TASCO, TBSP, TEAM, TFG, TFI, THAI, TIC, TICON, TIT, TKT, TLUXE, TMC, TMI, TMILL, TMT, TPA, TPP, TRT, TRU, TRUE, TSE, TSI, TSTE, TTW, TU, TVD, TVO, TVT, TWPC, U, UBIS, UKEM, UNIQ, UOBKH, UREKA, UWC, VGI, VIBHA, VNG, VNT, WAVE, WHA, WICE, WIJK, WIN, XO, ZMICO

## N/A

AAV, ACC, ADAM, AEONTS, AFC, AHC, AIT, AJ, AJD, AKR, ALL, ALT, AMA, AMATAV, AMC, APX, AQ, ARIP, ARROW, ASEFA, ASN, ATP30, AU, AUCT, BA, BAT-3K, BCPG, BDMS, BEC, BEM, BGT, BIG, BIZ, BJC, BLISS, BM, BOL, BPP, BR, BRC, BSM, BTC, BTW, BUI, CBG, CCET, CCN, CCP, CGD, CHEWA, CHG, CHUO, CIG, CITY, CK, CKP, CMO, CMR, CNT, COLOR, COM7, COMAN, CPH, CPR, CRANE, CSP, CTW, CWT, DAI, DCON, DCONP, DRACO, DSGT, DTCT, EARTH, EASON, EIC, EKH, EMC, EPG, ESSO, F&D, FANCY, FMT, FN, FOCUS, FORTH, GENCO, GJS, GL, GLAND, GOLD, GRAMMY, GRAND, GSTEL, GTB, GYT, HART, HFT, HPT, HTECH, HYDRO, IHL, IRCP, IT, ITD, ITEL, JCT, JSP, JWD, KAMART, KCM, KDH, KIAT, KKC, KOOL, KTIS, KWC, KWG, LDC, LEE, LH, LIT, LOXLEY, LPH, LST, MACO, MAJOR, MANRIN, MATCH, MATI, MAX, M-CHAI, MCS, MDX, METCO, MODERN, MPIC, NC, NEP, NETBAY, NEW, NEWS, NFC, NOBLE, NOK, NPK, NWR, NYT, OHTL, OISHI, ORI, OTO, PAE, PAP, PATO, PERM, PF, PICO, PJW, PL, PLE, PMTA, POLAR, POMPUI, POST, PPM, PRAKIT, PRECHA, PRIN, PRO, PSH, PTL, QTC, RAM, RCI, RCL, RICH, RICHY, RJH, RPC, RS, S, S11, SAFARI, SALEE, SAM, SAMART, SAMTEL, SAPPE, SAWAD, SAWANG, SCI, SCP, SEAFAC, SELIC, SF, SFP, SGF, SHANG, SIAM, SIM, SIMAT, SIRI, SLP, SMART, SMM, SMT, SOLAR, SPA, SPG, SPORT, SPVI, SQ, SSC, SST, STAR, STEC, STHAI, STPI, SUC, SUTHA, SVH, SVOA, SWC, T, TACC, TAPAC, TC, TCB, TCC, TCCC, TCJ, TCOAT, TFD, TGPRO, TH, THANA, THE, THIP, THL, TIW, TK, TKN, TKS, TM, TMM, TNDT, TNH, TNP, TNP, TOPP, TPAC, TPBI, TPCH, TPIPL, TPOLY, TR, TRC, TRITN, TRUBB, TSF, TSR, TTA, TTI, TTL, TTTM, TUCC, TWP, TWZ, TYCN, UAC, UEC, UMI, UMS, UP, UPA, UPF, UPOIC, UT, UTP, UV, UVAN, VARO, VI, VIH, VPO, VTE, WG, WINNER, WORK, WORLD, WP, WR, YCI, YNP, YUASA

## Explanations

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programmed (Thai CAC) under Thai Institute of Directors (as of October 28, 2016) are categorized into: companies that have declared their intention to join CAC, and companies certified by CAC.