



# Chularat Hospital

Chularat Hospital  
Public Company Limited

# CHG

Bloomberg CHG TB  
Reuters CHG.BK

## 3Q18: Weak quarter is not a trend

**On Friday, CHG's share price sank 12%, dragged down by its weak 3Q18 and concerns on the uncertainty of SC operations and its expansion. However, in our view, the weak 3Q18 is not a trend and we continue positive on CHG's earnings growth prospects, upheld by growing cash patient service, and do not believe the new hospital will be a burden. We thus see the share price drop as an investment opportunity. BUY with a TP at Bt3.2/share. CHG is one of our top picks in its healthcare service sector.**

**Weak 3Q18.** CHG reported a low net profit of Bt151mn in 3Q18, down 10% YoY and 15% QoQ, pulled down by a Bt30mn reversal of revenue from the social security scheme (SC). Excluding this gives core profit of Bt175mn, up 4% YoY and 16% QoQ. It missed market consensus by 8% and SCBS estimate by 14% due to weaker EBITDA margin from the expansion at *Chularat 304 Inter Hospital*. 9M18 core profit was Bt522mn, up 19% YoY, accounting for 72% of our full-year forecast.

**Strong cash patient service.** Revenue from cash patient service grew 19% YoY and 15% QoQ to Bt751mn in 3Q18 boosted by patient volume growth (+9% YoY and +11% QoQ) and rising revenue per patient (+9% YoY and 4% QoQ). SC revenue declined by 3% YoY but rose 5% QoQ to Bt342mn. In 3Q18, the Social Security Office finalized the payment for 26 chronic disease treatments for the year 2017 and paid the final 20% of the budget (80% already paid in 4Q17). The actual payment was lower than CHG had booked as revenue over 2017-9M18 and it thus had to reverse Bt30mn from SC revenue. However, revenue volatility will be reduced by the Social Security Office's change in payment to monthly from every six months.

**Weaker EBITDA margin is not a trend.** EBITDA margin was weak at 22.5%, down from 26.6% in 3Q17 and 24.3% in 2Q18, pulled down by rising operating cost including physician fees and staff cost at *Chularat 304 Inter Hospital* which opened its IPD service in July. In 3Q18, *Chularat 304 Inter Hospital* contributed a Bt10mn loss (CHG holds 70%). In our view, the EBITDA margin will head back up as the cost burden fades during the ramp up of hospital operations.

**Share price drop is overdone.** On Friday, CHG's share price sank 12% after the release of weak 3Q18 results and concerns over the uncertainty of SC operations and its new hospital, *Ruampat Chachoengsao Hospital*, scheduled to open in late November. Assuming lower SC revenue from the care of the 26 chronic diseases going forward, impact is insignificant at just 2% of CHG's earnings as the cash patient service strengthens, helping dilute the risk. As for *Ruampat Chachoengsao Hospital*, we see good growth potential in Chachoengsao province with healthcare demand rising in tandem with the economy and EEC-led business activity but low hospital supply. In our view, the weak 3Q18 is not a trend and we see the share price drop as an investment opportunity. BUY with a TP at Bt3.2/share. CHG is one of our top picks in healthcare service sector.

### Forecasts and valuation

Year to 31 Dec	Unit	2016	2017	2018F	2019F	2020F
Revenue	(Btmn)	3,637	3,876	4,515	5,341	6,159
EBITDA	(Btmn)	909	968	1,203	1,410	1,556
Core profit	(Btmn)	564	592	722	846	973
Reported profit	(Btmn)	564	565	722	846	973
Core EPS	(Bt)	0.051	0.054	0.066	0.077	0.088
DPS	(Bt)	0.036	0.036	0.039	0.046	0.053
P/E, core	(x)	41.7	39.7	32.6	27.8	24.2
EPS growth, core	(%)	4.8	5.0	21.8	17.2	15.1
P/BV, core	(x)	7.5	7.1	6.5	5.9	5.2
ROE	(%)	18.2	17.7	19.9	21.2	21.9
Dividend yield	(%)	1.7	1.7	1.8	2.2	2.5
FCF yield	(%)	(1.4)	1.4	1.8	2.5	3.7
EV/EBIT	(x)	34.3	33.6	26.3	22.1	19.0
EBIT growth, core	(%)	3.7	2.4	27.9	18.1	14.8
EV/CE	(x)	6.6	6.0	5.6	5.2	5.0
ROCE	(%)	15.5	14.2	16.9	18.5	20.6
EV/EBITDA	(x)	26.3	24.7	19.9	16.9	15.1
EBITDA growth	(%)	8.8	6.5	24.3	17.2	10.4

Source: SCBS Investment Research

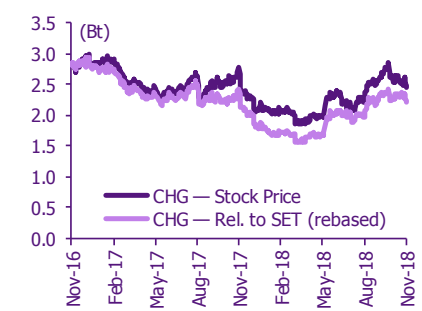
## BUY

### Stock data

Last close (Nov 9) (Bt)	2.14
12-m target price (Bt)	3.20
Upside (Downside) to TP (%)	49.53
Mkt cap (Btbn)	23.54
Mkt cap (US\$mn)	714

Risk rating	L
Mkt cap (%) SET	0.14
Sector % SET	4.71
Shares issued (mn)	11,000
Par value (Bt)	0.10
12-m high / low (Bt)	2.9 / 1.8
Avg. daily 6m (US\$mn)	3.66
Foreign limit / actual (%)	49 / 6
Free float (%)	40.3
Dividend policy (%)	≥ 50

### Price performance



Source: SET, SCBS Investment Research

### Share performance

(%)	1M	3M	12M
Absolute	(15.7)	(10.8)	(13.0)
Relative to SET	(14.3)	(7.9)	(11.2)

Source: SET, SCBS Investment Research

### Expected total return (ETR)

Target price	(Bt)	3.20
12-month dividend	(Bt)	0.04
Capital gain	(%)	49.53
Dividend yield	(%)	1.84
Total return	(%)	51.37

Source: SET, SCBS Investment Research

### Analyst

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## Financial statement

### Profit and Loss Statement

FY December 31	Unit	2013	2014	2015	2016	2017	2018F	2019F	2020F
Total revenue	Btmn	2,221	2,672	3,155	3,637	3,876	4,515	5,341	6,159
Cost of goods sold	Btmn	1,446	1,756	2,082	2,469	2,633	3,088	3,706	4,292
<b>Gross profit</b>	<b>Btmn</b>	<b>775</b>	<b>916</b>	<b>1,073</b>	<b>1,168</b>	<b>1,243</b>	<b>1,426</b>	<b>1,635</b>	<b>1,867</b>
SG&A	Btmn	287	359	426	494	551	538	585	663
Other income	Btmn	33	43	24	21	21	23	27	31
Interest expense	Btmn	2	1	1	10	16	19	18	18
<b>Pre-tax profit</b>	<b>Btmn</b>	<b>519</b>	<b>598</b>	<b>670</b>	<b>686</b>	<b>697</b>	<b>892</b>	<b>1,059</b>	<b>1,218</b>
Corporate tax	Btmn	102	105	118	132	121	131	169	212
Equity a/c profits	Btmn	0	0	0	0	0	0	0	0
Minority interests	Btmn	-	(0)	0	(1)	(0)	(1)	(1)	(1)
<b>Core profit</b>	<b>Btmn</b>	<b>414</b>	<b>481</b>	<b>538</b>	<b>564</b>	<b>592</b>	<b>722</b>	<b>846</b>	<b>973</b>
Extra-ordinary items	Btmn	-	-	-	-	(27)	-	-	-
<b>Net Profit</b>	<b>Btmn</b>	<b>414</b>	<b>481</b>	<b>538</b>	<b>564</b>	<b>565</b>	<b>722</b>	<b>846</b>	<b>973</b>
EBITDA	Btmn	632	735	835	909	968	1,203	1,410	1,556
<b>Core EPS</b>	<b>Bt</b>	<b>0.04</b>	<b>0.04</b>	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>	<b>0.07</b>	<b>0.08</b>	<b>0.09</b>
Net EPS	Bt	0.04	0.04	0.05	0.05	0.05	0.07	0.08	0.09
DPS	Bt	0.01	0.03	0.04	0.04	0.04	0.04	0.05	0.05

### Balance Sheet

FY December 31	Unit	2013	2014	2015	2016	2017	2018F	2019F	2020F
Total current assets	Btmn	1,767	1,522	1,353	1,335	1,332	1,277	1,480	1,937
Total fixed assets	Btmn	1,082	1,557	1,987	2,936	3,385	3,694	3,960	4,071
<b>Total assets</b>	<b>Btmn</b>	<b>2,994</b>	<b>3,266</b>	<b>3,560</b>	<b>4,518</b>	<b>4,951</b>	<b>5,212</b>	<b>5,692</b>	<b>6,270</b>
Total loans	Btmn	0	30	78	794	783	694	694	694
Total current liabilities	Btmn	341	434	540	1,096	1,024	1,319	1,381	1,487
Total long-term liabilities	Btmn	0	0	26	157	403	57	57	57
<b>Total liabilities</b>	<b>Btmn</b>	<b>356</b>	<b>461</b>	<b>591</b>	<b>1,294</b>	<b>1,478</b>	<b>1,427</b>	<b>1,489</b>	<b>1,596</b>
Paid-up capital	Btmn	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
<b>Total equity</b>	<b>Btmn</b>	<b>2,639</b>	<b>2,804</b>	<b>2,969</b>	<b>3,224</b>	<b>3,473</b>	<b>3,785</b>	<b>4,203</b>	<b>4,675</b>
<b>BVPS</b>	<b>Bt</b>	<b>0.26</b>	<b>0.25</b>	<b>0.27</b>	<b>0.28</b>	<b>0.30</b>	<b>0.33</b>	<b>0.37</b>	<b>0.41</b>

### Cash Flow Statement

FY December 31	Unit	2013	2014	2015	2016	2017	2018F	2019F	2020F
Core Profit	Btmn	414	481	538	564	592	722	846	973
Depreciation and amortization	Btmn	111	136	164	213	255	291	334	321
Operating cash flow	Btmn	309	447	698	705	916	1,025	1,183	1,294
Investing cash flow	Btmn	(1,041)	26	(608)	(1,028)	(594)	(600)	(600)	(431)
Financing cash flow	Btmn	994	(290)	(328)	324	(349)	(518)	(478)	(502)
<b>Net cash flow</b>	<b>Btmn</b>	<b>262</b>	<b>183</b>	<b>(239)</b>	<b>2</b>	<b>(27)</b>	<b>(93)</b>	<b>106</b>	<b>361</b>

### Key Financial Ratios

FY December 31	Unit	2013	2014	2015	2016	2017	2018F	2019F	2020F
Gross margin	%	34.9	34.3	34.0	32.1	32.1	31.6	30.6	30.3
Operating margin	%	22.0	20.8	20.5	18.5	17.9	19.7	19.7	19.6
EBITDA margin	%	28.0	27.1	26.3	24.8	24.8	26.5	26.3	25.1
EBIT margin	%	23.5	22.4	21.3	19.1	18.4	20.2	20.2	20.1
Net profit margin	%	18.7	18.0	17.1	15.5	14.6	16.0	15.8	15.8
ROE	%	22.0	17.7	18.7	18.2	17.7	19.9	21.2	21.9
ROA	%	18.2	15.4	15.8	14.0	12.5	14.2	15.5	16.3
Net D/E	x	Net cash	Net cash	Net cash	0.1	0.1	0.1	0.1	Net cash
Interest coverage	x	332.2	628.6	1,031.2	95.4	61.0	62.9	80.0	88.3
Debt service coverage	x	332.2	23.6	15.8	1.4	2.4	1.8	2.2	2.4
Payout Ratio	%	n.a.	68.7	73.6	70.2	70.0	60.0	60.0	60.0

### Main Assumptions

FY December 31	Unit	2013	2014	2015	2016	2017	2018F	2019F	2020F
<b>Revenue breakdown</b>									
Cash service	(%)	51.0	51.0	51.6	54.9	57.6	62.1	66.6	69.9
Social security service (SC)	(%)	42.0	41.0	36.0	36.2	37.5	33.5	29.6	26.7
Universal coverage (UC)	(%)	7.0	8.0	13.0	9.0	5.0	4.4	3.8	3.4

## Financial statement

### Profit and Loss Statement

FY December 31	Unit	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18
Total revenue	Btmn	912	937	890	1,032	1,016	1,080	1,039	1,149
Cost of goods sold	Btmn	624	625	624	699	686	712	715	826
<b>Gross profit</b>	<b>Btmn</b>	<b>288</b>	<b>312</b>	<b>266</b>	<b>334</b>	<b>330</b>	<b>368</b>	<b>325</b>	<b>323</b>
SG&A	Btmn	140	125	124	129	173	129	116	141
Other income	Btmn	4	4	7	5	4	5	7	7
Interest expense	Btmn	4	4	3	4	5	5	5	7
<b>Pre-tax profit</b>	<b>Btmn</b>	<b>149</b>	<b>187</b>	<b>146</b>	<b>206</b>	<b>157</b>	<b>238</b>	<b>212</b>	<b>182</b>
Corporate tax	Btmn	17	35	27	37	32	45	35	37
Equity a/c profits	Btmn	0	0	0	0	0	0	0	0
Minority interests	Btmn	(0)	(0)	(0)	(0)	(0)	0	1	5
<b>Core profit</b>	<b>Btmn</b>	<b>131</b>	<b>153</b>	<b>119</b>	<b>168</b>	<b>153</b>	<b>193</b>	<b>151</b>	<b>175</b>
Extra-ordinary items	Btmn	0	0	0	0	(27)	0	27	(24)
<b>Net Profit</b>	<b>Btmn</b>	<b>131</b>	<b>153</b>	<b>119</b>	<b>168</b>	<b>126</b>	<b>193</b>	<b>178</b>	<b>151</b>
EBITDA	Btmn	213	252	211	276	228	308	282	260
<b>Core EPS</b>	<b>Bt</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.02</b>	<b>0.01</b>	<b>0.02</b>	<b>0.01</b>	<b>0.02</b>
Net EPS	Bt	0.01	0.01	0.01	0.02	0.01	0.02	0.02	0.01

### Balance Sheet

FY December 31	Unit	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18
Total current assets	Btmn	1,335	1,369	1,416	1,460	1,332	1,564	1,597	1,633
Total fixed assets	Btmn	114	3,028	114	114	114	114	114	114
<b>Total assets</b>	<b>Btmn</b>	<b>4,518</b>	<b>4,641</b>	<b>4,786</b>	<b>4,937</b>	<b>4,951</b>	<b>5,284</b>	<b>5,434</b>	<b>5,613</b>
Total loans	Btmn	801	681	795	805	852	905	1,021	1,207
Total current liabilities	Btmn	1,096	983	1,085	1,163	1,024	1,091	1,138	1,329
Total long-term liabilities	Btmn	157	214	239	245	403	444	502	561
<b>Total liabilities</b>	<b>Btmn</b>	<b>1,294</b>	<b>1,239</b>	<b>1,370</b>	<b>1,458</b>	<b>1,478</b>	<b>1,592</b>	<b>1,697</b>	<b>1,951</b>
Paid-up capital	Btmn	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
<b>Total equity</b>	<b>Btmn</b>	<b>3,224</b>	<b>3,403</b>	<b>3,416</b>	<b>3,479</b>	<b>3,473</b>	<b>3,692</b>	<b>3,737</b>	<b>3,662</b>
<b>BVPS</b>	<b>Bt</b>	<b>0.28</b>	<b>0.30</b>	<b>0.30</b>	<b>0.30</b>	<b>0.30</b>	<b>0.32</b>	<b>0.32</b>	<b>0.32</b>

### Cash Flow Statement

FY December 31	Unit	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18
Core Profit	Btmn	131	153	119	168	153	193	151	175
Depreciation and amortization	Btmn	60	61	62	66	66	65	65	71
Operating cash flow	Btmn	201	152	168	333	264	166	191	242
Investing cash flow	Btmn	(156)	(102)	(126)	(176)	(190)	(128)	(176)	(171)
Financing cash flow	Btmn	8	(121)	(20)	(123)	(85)	50	(17)	(31)
<b>Net cash flow</b>	<b>Bt</b>	<b>53</b>	<b>(72)</b>	<b>22</b>	<b>33</b>	<b>(11)</b>	<b>88</b>	<b>(2)</b>	<b>40</b>

### Key Financial Ratios

FY December 31	Unit	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18
Gross margin	%	31.6	33.3	29.9	32.3	32.5	34.1	31.2	27.4
Operating margin	%	16.3	20.0	16.0	19.8	15.5	22.1	20.1	15.4
EBITDA margin	%	23.2	26.8	23.5	26.6	25.0	28.4	24.3	21.9
EBIT margin	%	16.8	20.4	16.8	20.3	15.9	22.5	20.8	16.5
Net profit margin	%	14.4	16.3	13.3	16.3	12.4	17.9	17.1	13.1
ROE	%	18.2	18.6	16.6	17.5	17.7	21.8	19.2	19.4
ROA	%	14.0	14.4	12.2	12.5	12.5	15.6	13.5	13.1
Net D/E	x	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.5
Interest coverage	x	53.0	70.7	64.6	62.1	49.7	66.7	61.3	38.3
Debt service coverage	x	1.3	2.1	1.5	1.9	1.9	2.6	2.1	1.5

### Key statistics

FY December 31	Unit	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18
<b>Revenue breakdown</b>									
Cash service	(%)	57.2	53.3	56.1	61.2	59.2	60.6	62.9	65.4
Social security service (SC)	(%)	37.0	40.9	38.8	34.1	36.6	33.7	31.5	29.8
Universal coverage (UC)	(%)	5.8	5.9	5.2	4.7	4.2	5.7	5.6	4.9

Figure 1: CHG's earnings review

(Bt mn)	3Q17	4Q17	1Q18	2Q18	3Q18	YoY%	QoQ%	9M17	9M18	YoY%
Revenue	1,032	1,016	1,080	1,039	1,149	11.3	10.5	2,859	3,268	14.3
Gross profit	334	330	368	325	323	(3.3)	(0.6)	912	1,015	11.3
EBITDA	276	228	308	282	260	(5.9)	(7.8)	740	849	14.8
<b>Core profit</b>	<b>168</b>	<b>153</b>	<b>193</b>	<b>151</b>	<b>175</b>	<b>3.9</b>	<b>16.0</b>	<b>440</b>	<b>519</b>	<b>18.0</b>
<b>Net profit</b>	<b>168</b>	<b>126</b>	<b>193</b>	<b>178</b>	<b>151</b>	<b>(10.3)</b>	<b>(15.3)</b>	<b>440</b>	<b>522</b>	<b>18.8</b>
EPS (Bt/share)	0.015	0.014	0.018	0.014	0.016	3.9	16.0	0.040	0.047	18.0
<b>Balance Sheet</b>										
Total Assets	4,937	4,951	5,284	5,434	5,613	13.7	3.3	4,937	5,613	13.7
Total Liabilities	1,458	1,478	1,592	1,697	1,951	33.8	14.9	1,458	1,951	33.8
Total Equity	3,479	3,473	3,692	3,737	3,662	5.3	(2.0)	3,479	3,662	5.3
BVPS (Bt/share)	0.30	0.30	0.32	0.32	0.32	5.0	(2.0)	0.30	0.32	5.0
<b>Financial Ratio</b>										
Gross Margin (%)	32.3	32.5	34.1	31.2	28.1	(4.2)	(3.1)	31.9	31.1	(0.8)
EBITDA margin (%)	26.6	25.0	28.4	24.3	22.5	(4.1)	(1.8)	25.7	25.0	(0.7)
Net Profit Margin (%)	16.3	12.4	17.9	17.1	13.1	(3.2)	(4.0)	18.7	19.2	0.6
ROA (%)	14.3	12.9	15.6	11.8	13.3			12.5	13.1	
ROE (%)	20.1	18.2	21.8	16.9	19.6			17.5	19.4	
Debt to equity (X)	0.2	0.2	0.2	0.3	0.3			0.2	0.3	
<b>Revenue breakdown</b>										
Cash-OPD	335	331	343	336	389	16.1	15.8	884	1,068	20.8
Cash-IPD	297	270	311	318	362	21.9	13.8	746	991	32.8
SC	352	372	364	327	342	(2.8)	4.6	1,080	1,033	(4.4)
UC	48	43	62	58	56	16.7	(3.4)	149	176	18.1

Source: SCBS Investment Research

Figure 2: Valuation summary (price as of Nov 9, 2018)

	Rating	Price (Bt/Sh)	Target (Bt/Sh)	ETR (%)	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)			EV/EBITDA (x)		
					17A	18F	19F	17A	18F	19F	17A	18F	19F	17A	18F	19F	17A	18F	19F	17A	18F	19F
BCH	Buy	18.40	23.0	26.2	50.0	41.5	34.8	21.8	20.6	19.2	8.8	8.0	7.2	16	18	19	1.1	1.2	1.4	24.7	21.7	18.5
BDMS	Buy	24.80	30.0	22.4	47.9	39.3	34.0	(1.9)	21.8	15.7	6.1	5.7	5.3	13	14	15	1.5	1.4	1.6	26.9	23.7	20.7
BH	Neutral	187.50	185.0	0.2	34.7	33.0	30.9	9.4	5.1	6.7	8.3	7.5	6.7	25	24	23	1.4	1.5	1.6	22.6	20.6	19.1
CHG	Buy	2.14	3.2	51.4	39.7	32.6	27.8	5.0	21.8	17.2	7.1	6.5	5.9	18	20	21	1.7	1.8	2.2	24.7	19.9	16.9
<b>Average</b>					<b>43.1</b>	<b>36.6</b>	<b>31.9</b>	<b>8.6</b>	<b>17.3</b>	<b>14.7</b>	<b>7.6</b>	<b>6.9</b>	<b>6.3</b>	<b>18</b>	<b>19</b>	<b>20</b>	<b>1.4</b>	<b>1.5</b>	<b>1.7</b>	<b>24.7</b>	<b>21.5</b>	<b>18.8</b>

Source: SCBS Investment Research

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### CG Rating 2018 Companies with CG Rating

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ADVANC, AKP, AMATA, AMATAV, ANAN, AOT, AP, BAFS, BANPU, BAY, BCP, BCPG, BRR, BTS, BWG, CFRESH, CHO, CK, CKP, CM, CNT, COL, CPF, CPI, CPN, CSL, CSS, DELTA, DEMCO, DRT, DTAC, DTC, EA, EASTW, EGCO, GC, GEL, GFPT, GGC\*, GOLD, GPSC, GRAMMY, GUNKUL, HANA, HMPRO, ICC, ICHI, INTUCH, IRPC, IVL, JSP, KBANK, KCE, KKP, KSL, KTB, KTC, LHFG, LIT, LPN, MAKRO, MBK, MCOT, MINT, MONO, MTC, NCL, NKI, NVD, NYT, OISHI, OTO, PCSGH, PDJ, PG, PHOL, PLANB, PLANET, PPS, PRG, PSH, PSL, PTG, PTT, PTTEP, PTTGC, PYLON, Q-CON, QH, QTC, RATCH, ROBINS, S & J, SABINA, SAMART, SAMTEL, SAT, SC, SCB, SCC, SCCC, SDC, SE-ED, SIS, SITHAI, SNC, SPALI, SPRC, SSSC, STEC, SVI, SYNTEC, TASCOS, TCAP, THAI, THANA, THANI, THCOM, THIP, THREL, TIP, TISCO, TKT, TMB, TNDT, TOP, TRC, TRU, TRUE, TSC, TSTH, TTCL, TU, TVD, UAC, UV, VGI, VIH, WACOAL, WAVE, WHA, WINNER

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2S, AAV, ACAP, AGE, AH, AHC, AIRA, AIT, AKR, ALLA, ALT, AMA, AMANAH, APCO, AQUA, ARIP, ARROW, ASIA, ASIMAR, ASK, ASN, ASP, ATP30, AU, AUCT, AYUD, BA, BBL, BDMS, BEC, BEM, BFIT, BGRIM, BIZ, BJC, BJCHI, BLA, BOL, BPP, BROOK, BTW, CBG, CEN, CENTEL, CGH, CHEWA, CHG, CHOW, CI, CIMBT, CNS, COM7, COMAN, CPALL, CSC, CSP, DCC, DCORP, DDD, EASON, ECF, ECL, EE, EPG, ERW, ETE, FN, FNS, FORTH, FPI, FSMART, FVC, GBX, GCAP, GLOBAL, GLOW, GULF, HARN, HPT, HTC, HYDRO, ICN, ILINK, INET, IRC, ITD\*, JAS, JCKH, JKN, JWD, K, KBS, KCAR, KGI, KKC, KOOL, KTIS, L&E, LANNA, LDC, LH, LHK, LOXLEY, LRH, LST, M, MACO, MAJOR, MALEE, MBKET, MC, MEGA, METCO, MFC, MFEC, MK, MOONG, MSC, MTI, NCH, NEP, NINE, NOBLE, NOK, NSI, NTV, NWR, OCC, OGC, ORI, PAP, PATO, PB, PDI, PJW, PLAT, PM, PORT, PPP, PREB, PRECHA, PRINC, PRM, PT, QLT, RICHY, RML, RS, RWI, S, S11, SALEE, SANKO, SAWAD, SCG, SCI, SCN, SE, SEAFCO, SEAOLIL, SELIC, SENA, SFP, SIAM, SINGER, SIRI, SKE, SMK, SMPC, SMT, SNP, SORKON, SPC, SPI, SPPT, SPVI, SR, SSF, SST, STA, SUC, SUSCO, SUTHA, SWC, SYMC, SYNEX, TACC, TAE, TAKUNI, TBSP, TCC, TEAM, TFG, TFMAMA, THRE, TICON, TIPCO, TK, TKN, TKS, TM, TMC, TMI, TMILL, TMT, TNITY, TNL, TNP, TNR, TOA, TOG, TPA, TPAC, TPBI, TPCORP, TRITN, TRT, TSE, TSR, TSTE, TTA, TTW, TVI, TVO, TWP, TWPC, U, UMI, UOBKH, UP, UPF, UPOIC, UT, UWC, VNT, WHAUP, WICE, WIIK, XO, YUASA, ZMICO

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7UP, ABICO, ABM, AEC, AEONTS, AF, AJ, ALUCON, AMARIN, AMC, AS, ASAP, ASEFA, ASIAN, BCH, BEAUTY, BGT, BH, BIG, BLAND, BM, BR, BROCK, BSBM, BTNC, CCET, CCP, CGD, CHARAN, CHAYO, CITY, CMO, CMR, COLOR, CPL, CPT, CRD, CSR, CTW, CWT, D, DCON, DIGI, DIMET, EKH, EMC, EPCO, ESSO, ESTAR, FE, FLOYD, FOCUS, FSS, FTE, GENCO, GIFT, GJS, GLAND, GPI, GREEN, GTB, GYT, HTECH, IFS, IHL, III, INOX, INSURE, IRCP, IT, ITEL, J, JCK, JMART, JMT, JTS, JUBILE, KASET, KCM, KIAT, KWC, KWG, KYE, LALIN, LEE, LPH, MATCH, MATI, MBAX, M-CHAI, MDX, META, MILL, MJD, MM, MODERN, MPG, NC, NDR, NETBAY, NNCL, NPK, OCEAN, PAF, PDG, PF, PICO, PIMO, PK, PL, PLE, PMTA, PPPM, PRIN, PSTC, PTL, RCI, RCL, RJH, ROJNA, RPC, RPH, SAMCO, SAPPE, SCP, SF, SGF, SGP, SKN, SKR, SKY, SLP, SMIT, SOLAR, SPA, SPCG, SPG, SQ, SRICHA, SSC, SSP, STANLY, STPI, SUN, SUPER, SVOA, T, TCCC, TCMC, THE, THG, THMUI, TIC, TITLE, TIW, TMD, TOPP, TPCH, TPIPP, TPOLY, TTI, TVT, TYCN, UEC, UMS, UNIQ, VCOM, VIBHA, VPO, WIN, WORK, WP, WPH, ZIGA

### 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.

To recognize well performers, the list of companies attaining "Good", "Very Good" and "Excellent" levels of recognition

(Not including listed companies qualified in the "no announcement of the results" clause from 1 January 2017 to 19 October 2018) is publicized.

CSL was voluntarily delisted from the Stock Exchange of Thailand effectively on July 26, 2018

\* บริษัทหรือกรรมการหรือผู้บริหารของบริษัทที่มีข่าวด้านการกำกับดูแลกิจการ เช่น การกระทำผิดเกี่ยวกับหลักทรัพย์ การทุจริต คอร์รัปชัน เป็นต้น ซึ่งการใช้ข้อมูล CGR ควรตระหนักถึงข่าวดังกล่าวประกอบด้วย

### Anti-corruption Progress Indicator

#### Certified (ได้รับการรับรอง)

ADVANC, AKP, AMANAH, AP, ASK, ASP, AYUD, BAFS, BANPU, BAY, BBL, BCH, BCP, BCPG, BKI, BLA, BROOK, BRR, BTS, BWG, CENTEL, CFRESH, CIG, CIMBT, CM, CNS, CPALL, CPF, CPI, CPN, CSC, DCC, DEMCO, DIMET, DRT, DTAC, DTC, EASTW, ECL, EGCO, EPCO, FE, FNS, FSS, GBX, GC, GCAP, GEL, GFPT, GGC, GLOW, GOLD, GPSC, GUNKUL, HANA, HMPRO, HTC, ICC, IFEC, IFS, INET, INTUCH, IRPC, IVL, K, KASET, KBANK, KBS, KCE, KGI, KKP, KSL, KTB, KTC, L&E, LANNA, LHFG, LHK, LPN, M, MAKRO, MALEE, MBK, MBKET, MC, MCOT, MFC, MINT, MONO, MOONG, MSC, MTI, NBC, NINE, NKI, NMG, NSI, OCC, OCEAN, OGC, PATO, PB, PCSGH, PDG, PDI, PDJ, PE, PG, PHOL, PLANET, PLAT, PM, PPP, PPPM, PPS, PREB, PRG, PRINC, PSH, PSL, PSTC, PT, PTG, PTT, PTTEP, PTTGC, Q-CON, QH, QLT, RATCH, RML, ROBINS, S & J, SABINA, SAT, SC, SCB, SCC, SCCC, SCG, SCN, SE-ED, SENA, SGP, SINGER, SIRI, SIS, SITHAI, SMIT, SMK, SMPC, SNC, SNP, SORKON, SPACK, SPC, SPI, SPRC, SRICHA, SSF, SSI, SSSC, SUSCO, SVI, SYNTEC, TAE, TASCOS, TCAP, TCMC, TFG, TFI, TFMAMA, THANI, THCOM, THRE, THREL, TICON, TIP, TIPCO, TISCO, TKT, TMB, TMD, TMILL, TMT, TNITY, TNL, TOG, TOP, TPA, TPCORP, TRU, TRUE, TSC, TSTH, TTCL, TU, TVD, TVI, U, UBIS, UOBKH, VGI, VNT, WACOAL, WHA, WICE

#### Declared (ประกาศเจตนารมณ์)

A, ABICO, AIE, AJ, AMATA, AMATAV, ANAN, AOT, APCO, APCS, ARROW, ASIAN, B, BGRIM, BJC, BJCHI, BLAND, BLISS, BM, BPP, BR, BSBM, BUI, CEN, CGH, CHEWA, CHG, CHO, CI, COL, COM7, CPR, DDD, EFORL, EKH, ESTAR, FLOYD, FN, FPI, FTE, GJS, GPI, GSTEL, GYT, HARN, ICHI, ILINK, ITEL, JAS, JTS, KWC, KWG, LDC, LEE, LIT, LRH, MATCH, MATI, MBAX, MFEC, MILL, MTC, NCL, NEP, NNCL, NWR, PAP, PK, PL, PLANB, POST, PRM, PRO, PYLON, QTC, ROJNA, RWI, SAPPE, SCI, SELIC, SHANG, SST, STA, STANLY, SUPER, SWC, SYMC, SYNEX, THE, THIP, TKN, TMC, TNP, TNR, TOPP, TRITN, TTI, TVO, TWPC, UEC, UKEM, UP, UWC, VIH, XO, YUASA

#### N/A

2S, 7UP, AAV, ABM, ACAP, ACC, ADAM, ADB, AEC, AEONTS, AF, AFC, AGE, AH, AHC, AI, AIRA, AIT, AJA, AKR, ALLA, ALT, ALUCON, AMA, AMARIN, AMC, APEX, APURE, AQ, AQUA, ARIP, AS, ASAP, ASEFA, ASIA, ASIMAR, ASN, ATP30, AU, AUCT, BA, BAT-3K, BCT, BDMS, BEAUTY, BEC, BEM, BFIT, BGC, BGT, BH, BIG, BIZ, BKD, BOL, BROCK, BSM, BTNC, BTW, CBG, CCET, CCP, CGD, CHARAN, CHAYO, CHOTI, CHOW, CHUO, CITY, CK, CKP, CMAN, CMO, CMR, CNT, COLOR, COMAN, COTTO, CPH, CPL, CPT, CRANE, CRD, CSP, CSR, CSS, CTW, CWT, D, DCON, DCORP, DELTA, DIGI, DNA, DOD, DTICI, EA, EARTH, EASON, ECF, EE, EIC, EMC, EPG, ERW, ESSO, ETE, EVER, F&D, FANCY, FC, FMT, FOCUS, FORTH, FSMART, FVC, GENCO, GIFT, GL, GLAND, GLOBAL, GRAMMY, GRAND, GREEN, GTB, GULF, HFT, HPT, HTECH, HUMAN, HYDRO, ICN, IEC, IHL, III, INGRS, INOX, INSURE, IRC, IRCP, IT, ITD, J, JCK, JCKH, JCT, JKN, JMART, JMT, JSP, JUBILE, JUTHA, JWD, KAMART, KC, KCAR, KCM, KDH, KIAT, KKC, KOOL, KTECH, KTIS, KWM, KYE, LALIN, LH, LOXLEY, LPH, LST, LTX, LVT, MACO, MAJOR, MANRIN, MAX, M-CHAI, MCS, MDX, MEGA, META, METCO, MGT, MIDA, MJD, MK, ML, MM, MODERN, MPG, MPIC, MVP, NC, NCH, NDR, NETBAY, NEW, NEWS, NFC, NOBLE, NOK, NPK, NPPG, NTV, NUSA, NVD, NYT, OHTL, OISHI, ORI, OSP, OTO, PACE, PAE, PAF, PERM, PF, PICO, PIMO, PJW, PLE, PMTA, POLAR, POMPU, POMPUI, PPM, PR9, PRAKIT, PRECHA, PRIN, PTL, RAM, RCI, RCL, RICH, RICHY, RJH, ROCK, ROH, RP, RPC, RPH, RS, RSP, S, S11, SAFARI, SALEE, SAM, SAMART, SAMCO, SAMTEL, SANKO, SAUCE, SAWAD, SAWANG, SCP, SDC, SE, SEAFCO, SEAOLIL, SF, SFP, SGF, SIAM, SIMAT, SKE, SKN, SKR, SKY, SLP, SMART, SMM, SMT, SOLAR, SONIC, SPA, SPALI, SPCG, SPG, SPORT, SPPT, SPVI, SQ, SR, SSC, SSP, STAR, STEC, STHAI, STPI, SUC, SUN, SUTHA, SVH, SVOA, T, TACC, TAKUNI, TAPAC, TBSP, TC, TCC, TCCC, TCJ, TCOAT, TEAM, TEAMG, TGPRO, TH, THAI, THANA, THG, THL, THMUI, TIC, TIGER, TITLE, TIW, TK, TKS, TM, TMI, TMW, TNDT, TNH, TNPC, TOA, TPAC, TPBI, TPCH, TPIPL, TPIPP, TPLAS, TPOLY, TPP, TR, TRC, TRT, TRUBB, TSE, TSF, TSI, TSR, TSTE, TTA, TTL, TTTM, TTW, TVT, TWP, TWZ, TYCN, UAC, UMI, UMS, UNIQ, UP, UPF, UPOIC, UREKA, UT, UTP, UV, UVAN, VARO, VCOM, VI, VIBHA, VNG, VPO, WAVE, WG, WHAUP, WIIK, WIN, WINNER, WORK, WORLD, WP, WPH, WR, YCI, YNP, ZIGA, ZMICO

#### Explanations

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of May 21, 2018) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.