



# Chularat Hospital

Chularat Hospital  
Public Company Limited

# CHG

Bloomberg CHG TB  
Reuters CHG.BK

## 4Q18: Misses estimates

**4Q18 was another weak quarter for CHG, with core profit contracting 18% YoY and 28% QoQ, pulled down by rising operating costs at existing hospitals and losses at newly-opened hospitals. We revise down our 2019 and 2020 forecasts, and now posit very small earnings growth in 2019 before a solid 20% growth in 2020. We BUY with a new TP of Bt2.7/share (from Bt2.9/share) for long-term investment, with attractive ETR at 41%.**

**4Q18: Below estimate.** CHG reported 4Q18 net profit of Bt112mn (Bt0.01/share), down 11% YoY and 26% QoQ. Excluding extra items of provision expense in 4Q17 and 4Q18 and a reversal of revenue from the social security scheme (SC) in 3Q18 gives a core profit of Bt126mn, down 18% YoY and 28% QoQ. Earnings were 6% below market consensus and 18% below SCBS estimate, pulled down by rising operating costs at existing hospitals and losses at newly-opened hospitals. 2018 net profit was Bt634mn, up 12% YoY. CHG announced a dividend of Bt0.03/share on 2H18 operations, 1% yield. XD is on May 3, 2019 and payment is May 24, 2019.

**Losses at two newly-opened hospitals.** In 4Q18, revenue was Bt1.1bn, up 12% YoY and flat QoQ, chiefly revenue from cash patient services (61% of revenue), which increased 16% YoY but dropped 7% QoQ. Despite the revenue growth, EBITDA margin was weak at 20.1%, down from 25% in 4Q17 and 22.5% in 3Q18, squeezed by rising operating costs at existing hospitals (since 3Q18) and cost burden from expansion at *Chularat 304 Inter Hospital* that opened in July and the opening of a new hospital, *Ruampat Chachoengsao Hospital*, in November. By our estimates, together these facilities contributed a ~Bt27mn loss in 4Q18, worse than we had anticipated. CHG disclosed that operations at *Ruampat Chachoengsao Hospital* are facing a hiccup from road construction in front of the hospital. However, the construction will be completed in late February and this will make it more convenient for patients to visit the hospital.

**Earnings cut. Stronger growth in 2020.** We revised down CHG's core earnings by 7% in 2019 and 10% in 2020 after the weak 4Q18. After the earnings revision, we expect slow earnings growth of just 2% in 2019 as it shoulders the usual losses at newly-opened hospitals, with earnings getting back to growth in 2020 at 20% driven by growing cash patient service and ramping up operations at new facilities.

**BUY rating stands for long-term investment.** CHG's share price has fallen by 22% over the past six months and it is now trading at 28x 2019PE (excluding losses from newly-opened hospitals), a 12% discount to regional average. We believe the slow earnings outlook in 2019 has already been priced in, shoring up share price against downside for long-term investment. We rate BUY on CHG with a new DCF TP at Bt2.7/share (down from Bt2.9/share), 41% ETR.

### Forecasts and valuation

Year to 31 Dec	Unit	2017	2018	2019F	2020F	2021F
Revenue	(Btmn)	3,876	4,407	4,966	5,535	6,086
EBITDA	(Btmn)	995	1,052	1,108	1,321	1,521
Core profit	(Btmn)	592	645	658	790	911
Reported profit	(Btmn)	565	634	658	790	911
Core EPS	(Bt)	0.054	0.059	0.060	0.072	0.083
DPS	(Bt)	0.036	0.050	0.042	0.050	0.058
P/E, core	(x)	36.0	33.1	32.4	27.0	23.4
EPS growth, core	(%)	5.0	8.8	2.1	20.0	15.4
P/BV, core	(x)	6.5	6.0	5.8	5.3	4.9
ROE	(%)	17.7	17.9	17.3	19.7	20.9
Dividend yield	(%)	1.9	2.6	2.2	2.6	3.0
FCF yield	(%)	1.5	0.3	1.7	3.4	3.9
EV/EBIT	(x)	30.6	28.0	28.0	22.3	18.8
EBIT growth, core	(%)	2.4	10.7	0.7	24.4	17.0
EV/CE	(x)	5.5	4.9	4.6	4.5	4.3
ROCE	(%)	14.2	13.6	12.7	15.6	18.0
EV/EBITDA	(x)	21.9	21.0	20.1	16.7	14.3
EBITDA growth	(%)	9.5	5.7	5.3	19.3	15.1

Source: SCBS Investment Research

See the end of this report for disclaimer

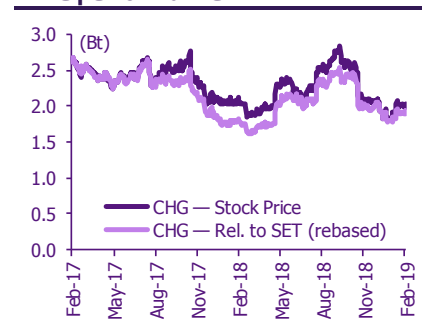
## BUY

### Stock data

Last close (Feb 22) (Bt)	1.94
12-m target price (Bt)	2.70
Upside (Downside) to TP (%)	39.18
Mkt cap (Btbn)	21.34
Mkt cap (US\$mn)	681

Risk rating	L
Mkt cap (%) SET	0.13
Sector % SET	4.65
Shares issued (mn)	11,000
Par value (Bt)	0.10
12-m high / low (Bt)	2.9 / 1.8
Avg. daily 6m (US\$mn)	3.72
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	7.8	(4.9)	(5.8)
Relative to SET	3.2	(7.3)	2.2

Source: SET, SCBS Investment Research

### Expected total return (ETR)

Target price	(Bt)	2.70
12-month dividend	(Bt)	0.04
Capital gain	(%)	39.18
Dividend yield	(%)	2.16
Total return	(%)	41.33

Source: SET, SCBS Investment Research

### Analyst

#### Raweenuch Piyakriengkai

Fundamental Investment

Analyst on Securities

(66-2) 949-1002

raweenuch.piyakriengkai@scb.co.th

## Financial statement

### Profit and Loss Statement

FY December 31	Unit	2014	2015	2016	2017	2018	2019F	2020F	2021F
Total revenue	Btmn	2,672	3,155	3,637	3,876	4,407	4,966	5,535	6,086
Cost of goods sold	Btmn	1,756	2,082	2,469	2,633	3,072	3,548	3,876	4,243
<b>Gross profit</b>	<b>Btmn</b>	<b>916</b>	<b>1,073</b>	<b>1,168</b>	<b>1,243</b>	<b>1,335</b>	<b>1,419</b>	<b>1,659</b>	<b>1,844</b>
SG&A	Btmn	359	426	494	551	570	649	697	718
Other income	Btmn	43	24	21	21	24	25	25	30
Interest expense	Btmn	1	1	10	16	24	33	33	33
<b>Pre-tax profit</b>	<b>Btmn</b>	<b>598</b>	<b>670</b>	<b>686</b>	<b>697</b>	<b>765</b>	<b>761</b>	<b>955</b>	<b>1,123</b>
Corporate tax	Btmn	105	118	132	121	131	150	152	191
Equity a/c profits	Btmn	0	0	0	0	0	0	0	0
Minority interests	Btmn	(0)	0	(1)	(0)	19	49	26	13
<b>Core profit</b>	<b>Btmn</b>	<b>481</b>	<b>538</b>	<b>564</b>	<b>592</b>	<b>645</b>	<b>658</b>	<b>790</b>	<b>911</b>
Extra-ordinary items	Btmn	-	-	-	(27)	(11)	-	-	-
<b>Net Profit</b>	<b>Btmn</b>	<b>481</b>	<b>538</b>	<b>564</b>	<b>565</b>	<b>634</b>	<b>658</b>	<b>790</b>	<b>911</b>
EBITDA	Btmn	735	835	909	995	1,052	1,108	1,321	1,521
<b>Core EPS</b>	<b>Bt</b>	<b>0.04</b>	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>	<b>0.06</b>	<b>0.06</b>	<b>0.07</b>	<b>0.08</b>
Net EPS	Bt	0.04	0.05	0.05	0.05	0.06	0.06	0.07	0.08
DPS	Bt	0.03	0.04	0.04	0.04	0.05	0.04	0.05	0.06

### Balance Sheet

FY December 31	Unit	2014	2015	2016	2017	2018	2019F	2020F	2021F
Total current assets	Btmn	1,522	1,353	1,335	1,332	1,592	1,437	1,765	2,123
Total fixed assets	Btmn	1,557	1,987	2,936	3,385	3,831	4,118	4,172	4,234
<b>Total assets</b>	<b>Btmn</b>	<b>3,266</b>	<b>3,560</b>	<b>4,518</b>	<b>4,951</b>	<b>5,708</b>	<b>5,851</b>	<b>6,246</b>	<b>6,677</b>
Total loans	Btmn	30	78	801	852	1,212	1,220	1,220	1,220
Total current liabilities	Btmn	434	540	1,096	1,024	1,295	1,334	1,394	1,461
Total long-term liabilities	Btmn	0	26	157	403	583	583	583	583
<b>Total liabilities</b>	<b>Btmn</b>	<b>461</b>	<b>591</b>	<b>1,294</b>	<b>1,478</b>	<b>1,965</b>	<b>2,003</b>	<b>2,064</b>	<b>2,130</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>2,804</b>	<b>2,969</b>	<b>3,224</b>	<b>3,473</b>	<b>3,743</b>	<b>3,848</b>	<b>4,182</b>	<b>4,546</b>
<b>BVPS</b>	<b>Bt</b>	<b>0.25</b>	<b>0.27</b>	<b>0.28</b>	<b>0.30</b>	<b>0.32</b>	<b>0.33</b>	<b>0.36</b>	<b>0.40</b>

### Cash Flow Statement

FY December 31	Unit	2014	2015	2016	2017	2018	2019F	2020F	2021F
Core Profit	Btmn	481	538	564	592	645	658	790	911
Depreciation and amortization	Btmn	136	164	213	255	276	313	333	365
Operating cash flow	Btmn	447	698	705	916	743	969	1,107	1,266
Investing cash flow	Btmn	26	(608)	(1,028)	(594)	(689)	(600)	(387)	(427)
Financing cash flow	Btmn	(290)	(328)	324	(349)	3	(546)	(455)	(547)
<b>Net cash flow</b>	<b>Btmn</b>	<b>183</b>	<b>(239)</b>	<b>2</b>	<b>(27)</b>	<b>57</b>	<b>(177)</b>	<b>265</b>	<b>292</b>

### Key Financial Ratios

FY December 31	Unit	2014	2015	2016	2017	2018	2019F	2020F	2021F
Gross margin	%	34.3	34.0	32.1	32.1	30.3	28.6	30.0	30.3
Operating margin	%	20.8	20.5	18.5	17.9	17.4	15.5	17.4	18.5
EBITDA margin	%	27.1	26.3	24.8	25.5	23.7	22.2	23.8	24.9
EBIT margin	%	22.4	21.3	19.1	18.4	17.9	16.0	17.9	19.0
Net profit margin	%	18.0	17.1	15.5	14.6	14.4	13.2	14.3	15.0
ROE	%	17.7	18.7	18.2	17.7	17.9	17.3	19.7	20.9
ROA	%	15.4	15.8	14.0	12.5	12.1	11.4	13.1	14.1
Net D/E	x	Net cash	Net cash	0.1	0.1	0.2	0.2	0.2	0.1
Interest coverage	x	628.6	1,031.2	95.4	62.7	44.3	33.1	39.5	45.5
Debt service coverage	x	23.6	15.8	1.4	2.1	1.6	1.7	2.0	2.3
Payout Ratio	%	68.7	73.6	70.2	70.0	86.8	70.0	70.0	70.0

### Main Assumptions

FY December 31	Unit	2014	2015	2016	2017	2018	2019F	2020F	2021F
<b>Revenue breakdown</b>									
Cash service	(%)	51.0	51.6	54.9	57.6	62.5	65.7	68.3	70.3
Social security service (SC)	(%)	41.0	36.0	36.2	37.5	32.0	29.2	27.0	25.3
Universal coverage (UC)	(%)	8.0	13.0	9.0	5.0	5.5	5.0	4.7	4.4

## Financial statement

### Profit and Loss Statement

FY December 31	Unit	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18
Total revenue	Btmn	937	890	1,032	1,016	1,080	1,039	1,149	1,139
Cost of goods sold	Btmn	625	624	699	686	712	715	826	819
<b>Gross profit</b>	<b>Btmn</b>	<b>312</b>	<b>266</b>	<b>334</b>	<b>330</b>	<b>368</b>	<b>325</b>	<b>323</b>	<b>320</b>
SG&A	Btmn	125	124	129	173	129	116	141	184
Other income	Btmn	4	7	5	4	5	7	7	5
Interest expense	Btmn	4	3	4	5	5	5	7	8
<b>Pre-tax profit</b>	<b>Btmn</b>	<b>187</b>	<b>146</b>	<b>206</b>	<b>157</b>	<b>238</b>	<b>212</b>	<b>182</b>	<b>133</b>
Corporate tax	Btmn	35	27	37	32	45	35	37	33
Equity a/c profits	Btmn	0	0	0	0	0	0	0	0
Minority interests	Btmn	(0)	(0)	(0)	(0)	0	1	5	12
<b>Core profit</b>	<b>Btmn</b>	<b>153</b>	<b>119</b>	<b>168</b>	<b>153</b>	<b>193</b>	<b>151</b>	<b>175</b>	<b>126</b>
Extra-ordinary items	Btmn	0	0	0	(27)	0	27	(24)	(14)
<b>Net Profit</b>	<b>Btmn</b>	<b>153</b>	<b>119</b>	<b>168</b>	<b>126</b>	<b>193</b>	<b>178</b>	<b>151</b>	<b>112</b>
EBITDA	Btmn	252	211	276	228	308	282	260	216
<b>Core EPS</b>	<b>Bt</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>	<b>0.01</b>
Net EPS	Bt	0.01	0.01	0.02	0.01	0.02	0.02	0.01	0.01

### Balance Sheet

FY December 31	Unit	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18
Total current assets	Btmn	1,369	1,416	1,460	1,332	1,564	1,597	1,633	1,592
Total fixed assets	Btmn	3,028	3,127	3,247	3,385	3,479	3,596	3,705	3,831
<b>Total assets</b>	<b>Btmn</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>	<b>5,708</b>
Total loans	Btmn	681	795	805	852	905	1,021	1,207	1,212
Total current liabilities	Btmn	983	1,085	1,163	1,024	1,091	1,138	1,329	1,295
Total long-term liabilities	Btmn	214	239	245	403	444	502	561	583
<b>Total liabilities</b>	<b>Btmn</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>	<b>1,965</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>3,403</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>3,743</b>
<b>BVPS</b>	<b>Bt</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>	<b>0.32</b>

### Cash Flow Statement

FY December 31	Unit	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18
Core Profit	Btmn	153	119	168	153	193	151	175	126
Depreciation and amortization	Btmn	61	62	66	66	65	65	71	75
Operating cash flow	Btmn	152	168	333	264	166	191	242	143
Investing cash flow	Btmn	(102)	(126)	(176)	(190)	(128)	(176)	(171)	(214)
Financing cash flow	Btmn	(121)	(20)	(123)	(85)	50	(17)	(31)	2
<b>Net cash flow</b>	<b>Bt</b>	<b>(72)</b>	<b>22</b>	<b>33</b>	<b>(11)</b>	<b>88</b>	<b>(2)</b>	<b>40</b>	<b>(70)</b>

### Key Financial Ratios

FY December 31	Unit	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18
Gross margin	%	33.3	29.9	32.3	32.5	34.1	31.2	28.1	28.1
Operating margin	%	20.0	16.0	19.8	15.5	22.1	20.1	15.8	11.9
EBITDA margin	%	26.8	23.5	26.6	25.0	28.4	24.3	22.5	20.1
EBIT margin	%	20.4	16.8	20.3	15.9	22.5	20.8	16.5	12.3
Net profit margin	%	16.3	13.3	16.3	12.4	17.9	17.1	13.1	9.8
ROE	%	18.6	16.6	17.5	17.7	21.8	19.2	19.4	17.9
ROA	%	14.4	12.2	12.5	12.5	15.6	13.5	13.1	12.1
Net D/E	x	0.1	0.1	0.1	0.1	0.1	0.1	0.5	0.5
Interest coverage	x	70.7	64.6	62.1	49.7	66.7	61.3	38.3	27.9
Debt service coverage	x	2.1	1.5	1.9	1.9	2.6	2.1	1.5	1.3

### Key statistics

FY December 31	Unit	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18
<b>Revenue breakdown</b>									
Cash service	(%)	53.3	56.1	61.2	59.2	60.6	62.9	65.4	61.0
Social security service (SC)	(%)	40.9	38.8	34.1	36.6	33.7	31.5	29.8	33.1
Universal coverage (UC)	(%)	5.9	5.2	4.7	4.2	5.7	5.6	4.9	5.9

Figure 1: CHG's earnings review

(Bt mn)	4Q17	1Q18	2Q18	3Q18	4Q18	YoY%	QoQ%	2017	2018	YoY%
Revenue	1,016	1,080	1,039	1,149	1,139	12.1	(0.8)	3,876	4,407	13.7
Gross profit	330	368	325	323	320	(3.2)	(0.9)	1,243	1,335	7.4
EBITDA	228	308	282	260	216	(5.3)	(17.0)	995	1,052	5.7
<b>Core profit</b>	<b>153</b>	<b>193</b>	<b>151</b>	<b>175</b>	<b>126</b>	<b>(17.7)</b>	<b>(28.1)</b>	<b>592</b>	<b>645</b>	<b>8.8</b>
<b>Net profit</b>	<b>126</b>	<b>193</b>	<b>178</b>	<b>151</b>	<b>112</b>	<b>(11.2)</b>	<b>(26.0)</b>	<b>565</b>	<b>634</b>	<b>12.1</b>
EPS (Bt/share)	0.014	0.018	0.014	0.016	0.011	(17.7)	(28.1)	0.054	0.059	8.8
<b>Balance Sheet</b>										
Total Assets	4,951	5,284	5,434	5,613	5,708	15.3	1.7	4,951	5,708	15.3
Total Liabilities	1,478	1,592	1,697	1,951	1,965	32.9	0.7	1,478	1,965	32.9
Total Equity	3,473	3,692	3,737	3,662	3,743	7.8	2.2	3,473	3,743	7.8
BVPS (Bt/share)	0.30	0.32	0.32	0.32	0.32	8.0	2.7	0.30	0.32	8.0
<b>Financial Ratio</b>										
Gross Margin (%)	32.5	34.1	31.2	28.1	28.1	(4.4)	(0.0)	32.1	30.3	(1.8)
EBITDA margin (%)	25.0	28.4	24.3	22.5	20.1	(4.9)	(2.4)	25.7	23.9	(1.8)
Net Profit Margin (%)	12.4	17.9	17.1	13.1	9.8	(2.6)	(3.3)	14.6	14.4	(0.2)
ROA (%)	12.9	12.9	15.6	11.8	13.3			12.5	13.1	
ROE (%)	18.2	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	331	343	336	389	377	13.9	(3.1)	1,215	1,445	18.9
Cash-IPD	270	311	318	362	318	17.8	(12.2)	1,016	1,309	28.8
SC	372	364	327	342	377	1.3	10.2	1,452	1,410	(2.9)
UC	43	62	58	56	67	55.8	19.6	192	243	26.6

Source: SCBS Investment Research

Figure 2: Valuation summary (price as of Feb 22, 2019)

	Rating	Price (Bt/Sh)	Target (Bt/Sh)	ETR (%)	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)			EV/EBITDA (x)		
					18A	19F	20F	18A	19F	20F	18A	19F	20F	18A	19F	20F	18A	19F	20F	18A	19F	20F
BCH	Buy	16.80	23.0	38.5	37.4	31.7	28.4	22.3	17.7	11.8	7.3	6.5	5.9	18	19	20	1.3	1.6	1.8	20.3	17.0	15.2
BDMS	Buy	24.00	30.0	26.7	36.9	32.3	27.9	25.6	14.1	15.9	5.5	5.1	4.7	15	16	17	1.5	1.7	2.0	22.5	20.0	17.5
BH	Neutral	184.00	185.0	2.2	32.3	30.3	28.4	5.3	6.5	6.7	7.3	6.6	5.9	23	22	22	1.6	1.6	1.8	24.7	18.7	17.3
CHG	Buy	1.94	2.7	41.3	33.1	32.4	27.0	8.8	2.1	20.0	6.0	5.8	5.3	18	17	20	2.6	2.2	2.6	21.0	20.1	16.7
<b>Average</b>					<b>34.9</b>	<b>31.7</b>	<b>27.9</b>	<b>15.5</b>	<b>10.1</b>	<b>13.6</b>	<b>6.5</b>	<b>6.0</b>	<b>5.5</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>1.7</b>	<b>1.8</b>	<b>2.0</b>	<b>22.1</b>	<b>19.0</b>	<b>16.7</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, SEA OIL, 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, PPM, 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 การกระทำความผิดเกี่ยวกับหลักทรัพย์ การทุจริต คอร์รัปชัน เป็นต้น ซึ่งการใช้ข้อมูล CGR ควรตระหนักถึงข่าวดังกล่าวประกอบด้วย

### Anti-corruption Progress Indicator

#### Certified (ได้รับการรับรอง)

ADVANC, AKP, AMANAH, AP, APCS, ASK, ASP, AYUD, BAFS, BANPU, BAY, BBL, BCH, BCP, BCPG, BGRIM, BJCHI, BKI, BLA, BROOK, BRR, BSBM, BTS, BWG, CENTEL, CFRESH, CHEWA, CIG, CM, CNS, COM7, CPALL, CPF, CPI, CPN, CSC, DCC, DEMCO, DIMET, DRT, DTAC, DTC, EASTW, ECL, EGCO, EPCO, FE, FNS, FSS, GBX, GC, GCAP, GEL, GFPT, GGC, GJS, GLOW, GOLD, GPSC, GSTEL, GUNKUL, HANA, HARN, HMPRO, HTC, ICC, IFEC, IFS, INET, INTUCH, IRPC, IVL, K, KASET, KBANK, KBS, KCAR, KCE, KGI, KKP, KSL, KTB, KTC, KWC, L&E, LANNA, LHFG, LHK, LPN, M, MAKRO, MALEE, MBAX, MBK, MBKET, MC, MCOT, MFC, MINT, MONO, MOONG, MSC, MTI, NBC, NINE, NKI, NMG, NNCL, NSI, OCC, OCEAN, OGC, PATO, PB, PCSGH, PDG, PDI, PDJ, PE, PG, PHOL, PL, PLANET, PLAT, PM, PPP, PPM, PPS, PREB, PRG, PRINC, PSH, 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, SELIC, SENA, SGP, SINGER, SIRI, SIS, SITHAI, SMIT, SMK, SMPC, SNC, SNP, SORKON, SPACK, SPC, SPI, SPRC, SRICHA, SSF, SSI, SSSC, STA, 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, TNP, TOG, TOP, TPA, TPCORP, TRU, TRUE, TSC, TSTH, TTCL, TU, TVD, TVI, TWPC, U, UBIS, UOBKH, VGI, VNT, WACOAL, WHA, WICE, WIIK

#### Declared (ประกาศเจตนารมณ์)

A, ABICO, AIE, AJ, AMATA, AMATAV, ANAN, AOT, APCO, ARROW, ASIAN, B, BJC, BLAND, BLISS, BM, BPP, BR, BUI, CEN, CGH, CHG, CHO, CHOTI, CI, CIMBT, CITY, COL, CPR, DDD, EFORL, EKH, ESTAR, ETE, FLOYD, FN, FPI, FTE, GPI, GYT, ICHI, ILINK, INSURE, IRC, ITEL, JAS, JTS, KWG, LDC, LEE, LIT, LRH, MATCH, MATI, META, MFEC, MILL, MTC, NCL, NEP, NWR, ORI, PAP, PK, PLANB, POST, PRM, PRO, PSL, PYLON, QTC, ROJNA, RWI, SAPPE, SCI, SHANG, SPALI, SST, STANLY, SUPER, SWC, SYMC, SYNEX, TAKUNI, THE, THIP, TKN, TMC, TNR, TOPP, TPP, TRITN, TTI, TVO, UEC, UKEM, UP, UREKA, UV, 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, CAZ, CBG, CCET, CCP, CGD, CHARAN, CHAYO, CHOW, CHUO, CK, CKP, CMAN, CMC, CMO, CMR, CNT, COLOR, COMAN, COTTO, CPH, CPL, CPT, CRANE, CRD, CWP, CSR, CSS, CTW, CWT, D, DCON, DCORP, DELTA, DIGI, DNA, DOD, DTCL, EA, EARTH, EASON, ECF, EE, EIC, EMC, EPG, ERW, ESSO, 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, IRCP, IT, ITD, J, JCK, JCKH, JCT, JKN, JMART, JMT, JSP, JUBILE, JUTHA, JWD, KAMART, KC, 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, METCO, MGT, MIDA, MJD, MK, ML, MM, MODERN, MPG, MPIC, MVP, NC, NCH, NDR, NER, NETBAY, NEW, NEWS, NFC, NOBLE, NOK, NPK, NPPG, NTV, NUSA, NVD, NYT, OHTL, OISHI, OSP, OTO, PACE, PAE, PAF, PERM, PF, PICO, PIMO, PJW, PLE, PMTA, POLAR, POMPU, PORT, PPM, PR9, PRAKIT, PRECHA, PRIN, PTL, RAM, RCI, RCL, RICH, RICHY, RJH, ROCK, ROH, RP, RPC, RPH, RS, RSP, S, S11, SAAM, SAFARI, SALEE, SAM, SAMART, SAMCO, SAMTEL, SANKO, SAUCE, SAWAD, SAWANG, SCP, SDC, SE, SEAFCO, SEA OIL, SF, SFP, SGF, SIAM, SIMAT, SISB, SKE, SKN, SKR, SKY, SLP, SMART, SMM, SMT, SOLAR, SONIC, SPA, SPCG, SPG, SPORT, SPPT, SPVI, SQ, SR, SSC, SSP, STAR, STEC, STHAI, STI, STPI, SUC, SUN, SUTHA, SVH, SVOA, T, TACC, TAPAC, TBSP, TC, TCC, TCCC, TCJ, TCOAT, TEAM, TEAMG, TGPRO, TH, THAI, THANA, THG, THL, THMUI, TIC, TIGER, TITL, TIW, TH, TKS, TM, TMI, TMC, TNDT, TNH, TNPC, TOA, TPAC, TPBI, TPCH, TPIPL, TPIPP, TPPLAS, TPOLY, TQM, TR, TRC, TRT, TRUBB, TSE, TSF, TSI, TSR, TSTE, TTA, TTL, TTMT, TTW, TVT, TWP, TWZ, TYCN, UAC, UMI, UMS, UNIQ, UP, UPF, UPOIC, UT, UTP, UVAN, VARO, VCOM, VI, VIBHA, VNG, VPO, WAVE, WG, WHAUP, 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 August 31, 2018) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.