



# Chularat Hospital

Chularat Hospital  
Public Company Limited

# CHG

Bloomberg CHG TB  
Reuters CHG.BK

## Earnings gaining ground

**We place CHG as our lead pick in the healthcare service sector. After a downturn since 3Q18, we expect earnings to resume an uptrend in 2H19, followed by 20% growth in 2020, as losses from newly-opened hospitals diminish in tandem with the ramp-up of operations. CHG share price rose 18% over the past month after the 1Q19 beat, but is still 20% below its 2018 peak. We like CHG's earnings conviction and see the soft 2Q19F as a buying opportunity. BUY with TP at Bt2.7/share.**

**2Q19F to be soft.** Besides seasonality, 2Q19 earnings are expected to be pulled down by extra expenses including: 1) ~Bt16mn staff expense to comply with the revised Labor Protection Act and 2) ~Bt20mn possible provisions against a lower actual payment from the Social Security Office than earlier booked as revenue for high-cost care (RW>2) in Nov-Dec 2018 due to a shortfall in the pool budget with payments down to ~Bt8,000/RW from the announced rate of Bt12,800/RW. This is similar to 2Q18 when CHG had to write off Bt17mn in revenue when the actual payment in 4Q17 was cut to Bt10,200/RW. We preliminarily forecast 2Q19 core profit at Bt130mn, down 14% YoY and 27% QoQ.

**Ramping up operations at newly-opened hospitals.** CHG's earnings have been falling since 3Q18 because of losses at two newly-opened hospitals: the expansion at *Chularat 304 Inter Hospital* (opened in Jul 2018) and a new hospital, *Ruampat Chachoengsao Hospital* (opened in Nov 2018). Together, these contributed Bt25mn in losses to CHG in 1Q19 (14% of 1Q19's core profit) dragged down by initial operating costs. CHG's management guides that neither hospital will require significant investment and revenue is rising, with more patients from private/corporate insurance. We estimate the losses from both at Bt115mn in 2019, falling to Bt60mn in 2020 after operational ramp up. We maintain our view that healthcare demand in those provinces is rising, gaining from a growing economy in Thailand's eastern region as EEC develops.

**Earnings gaining ground in 2H19-2020.** We expect CHG's earnings to resume YoY growth in 2H19 (at +15% YoY and +10% HoH) and then grow 20% in 2020 off lower losses at newly-opened hospitals. The market is concerned about earnings volatility from the uncertain social security service. In our view, risk will be diluted by rising revenue from cash patients that we expect to increase to 70% of CHG's revenue in 2021 from 66% in 2019.

**Placed as lead pick.** We now place CHG as our lead pick in response to our earnings conviction. CHG's share price rose 18% over the past month after the 1Q19 beat, but is still 20% below its 2018 peak - before it sank into an earnings downturn. The soft earnings in 2Q19F may lead to a share price correction, but we see this as a buying opportunity. We BUY CHG with a TP of Bt2.7/share.

### 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)	42.0	38.6	37.8	31.5	27.3
EPS growth, core	(%)	5.0	8.8	2.1	20.1	15.3
P/BV, core	(x)	7.5	7.0	6.8	6.2	5.7
ROE	(%)	17.7	17.9	17.3	19.7	20.9
Dividend yield	(%)	1.6	2.2	1.9	2.2	2.6
FCF yield	(%)	1.3	0.2	1.5	2.9	3.4
EV/EBIT	(x)	33.0	27.7	32.4	25.8	21.8
EBIT growth, core	(%)	2.4	10.7	0.7	24.4	17.0
EV/CE	(x)	5.9	4.8	5.3	5.2	5.0
ROCE	(%)	14.2	13.6	12.7	15.6	18.0
EV/EBITDA	(x)	23.7	20.8	23.3	19.3	16.6
EBITDA growth	(%)	9.5	5.7	5.3	19.3	15.1

Source: SCBS Investment Research

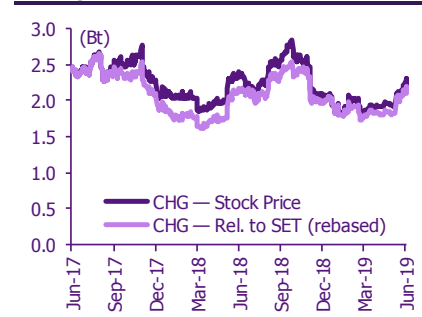
## BUY

### Stock data

Last close (Jun 10) (Bt)	2.26
12-m target price (Bt)	2.70
Upside (Downside) to TP (%)	19.47
Mkt cap (Btbn)	24.86
Mkt cap (US\$mn)	794

Risk rating	L
Mkt cap (%) SET	0.15
Sector % SET	4.77
Shares issued (mn)	11,000
Par value (Bt)	0.10
12-m high / low (Bt)	2.9 / 1.8
Avg. daily 6m (US\$mn)	2.80
Foreign limit / actual (%)	49 / 9
Free float (%)	40.1
Dividend policy (%)	≥ 50

### Price performance



Source: SET, SCBS Investment Research

### Share performance

(%)	1M	3M	12M
Absolute	17.7	20.9	(3.4)
Relative to SET	16.4	18.3	(0.1)

Source: SET, SCBS Investment Research

### Expected total return (ETR)

Target price	(Bt)	2.70
12-month dividend	(Bt)	0.04
Capital gain	(%)	19.47
Dividend yield	(%)	1.85
Total return	(%)	21.32

Source: SET, SCBS Investment Research

### Analyst

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## 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	34	34
<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>954</b>	<b>1,122</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	27	14
<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	1,766	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>4,183</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	1,108	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	13.3	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	38.4	44.2
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	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19
Total revenue	Btmn	890	1,032	1,016	1,080	1,039	1,149	1,139	1,228
Cost of goods sold	Btmn	624	699	686	712	715	826	819	853
<b>Gross profit</b>	<b>Btmn</b>	<b>266</b>	<b>334</b>	<b>330</b>	<b>368</b>	<b>325</b>	<b>323</b>	<b>320</b>	<b>375</b>
SG&A	Btmn	124	129	173	129	116	141	184	154
Other income	Btmn	7	5	4	5	7	7	5	4
Interest expense	Btmn	3	4	5	5	5	7	8	9
<b>Pre-tax profit</b>	<b>Btmn</b>	<b>146</b>	<b>206</b>	<b>157</b>	<b>238</b>	<b>212</b>	<b>182</b>	<b>133</b>	<b>216</b>
Corporate tax	Btmn	27	37	32	45	35	37	33	49
Equity a/c profits	Btmn	0	0	0	0	0	0	0	0
Minority interests	Btmn	(0)	(0)	(0)	0	1	5	12	12
<b>Core profit</b>	<b>Btmn</b>	<b>119</b>	<b>168</b>	<b>153</b>	<b>193</b>	<b>151</b>	<b>175</b>	<b>126</b>	<b>179</b>
Extra-ordinary items	Btmn	0	0	(27)	0	27	(24)	(14)	0
<b>Net Profit</b>	<b>Btmn</b>	<b>119</b>	<b>168</b>	<b>126</b>	<b>193</b>	<b>178</b>	<b>151</b>	<b>112</b>	<b>179</b>
EBITDA	Btmn	211	276	228	308	282	260	216	303
<b>Core EPS</b>	<b>Bt</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>	<b>0.02</b>
Net EPS	Bt	0.01	0.02	0.01	0.02	0.02	0.01	0.01	0.02

### Balance Sheet

FY December 31	Unit	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19
Total current assets	Btmn	1,416	1,460	1,332	1,564	1,597	1,633	1,592	1,797
Total fixed assets	Btmn	3,127	3,247	3,385	3,479	3,596	3,705	3,831	3,889
<b>Total assets</b>	<b>Btmn</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>	<b>5,983</b>
Total loans	Btmn	795	805	852	905	1,021	1,207	1,212	1,281
Total current liabilities	Btmn	1,085	1,163	1,024	1,091	1,138	1,329	1,295	1,343
Total long-term liabilities	Btmn	239	245	403	444	502	561	583	643
<b>Total liabilities</b>	<b>Btmn</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>	<b>2,072</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>3,416</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>3,910</b>
<b>BVPS</b>	<b>Bt</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>	<b>0.34</b>

### Cash Flow Statement

FY December 31	Unit	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19
Core Profit	Btmn	119	168	153	193	151	175	126	179
Depreciation and amortization	Btmn	62	66	66	65	65	71	75	78
Operating cash flow	Btmn	168	333	264	166	191	242	143	154
Investing cash flow	Btmn	(126)	(176)	(190)	(128)	(176)	(171)	(214)	(173)
Financing cash flow	Btmn	(20)	(123)	(85)	50	(17)	(31)	2	68
<b>Net cash flow</b>	<b>Bt</b>	<b>22</b>	<b>33</b>	<b>(11)</b>	<b>88</b>	<b>(2)</b>	<b>40</b>	<b>(70)</b>	<b>49</b>

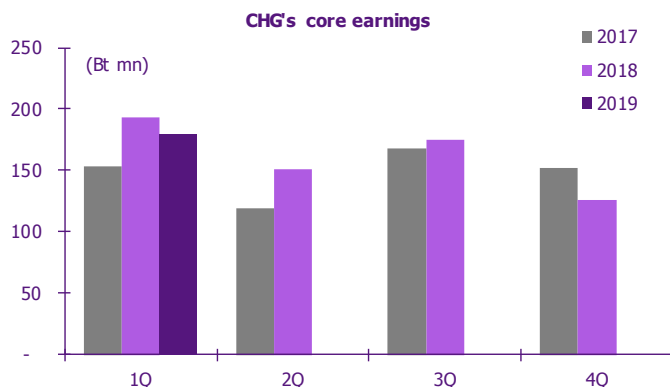
### Key Financial Ratios

FY December 31	Unit	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19
Gross margin	%	29.9	32.3	32.5	34.1	31.2	28.1	28.1	30.5
Operating margin	%	16.0	19.8	15.5	22.1	20.1	15.8	11.9	18.0
EBITDA margin	%	23.5	26.6	25.0	28.4	24.3	22.5	20.1	24.6
EBIT margin	%	16.8	20.3	15.9	22.5	20.8	16.5	12.3	18.3
Net profit margin	%	13.3	16.3	12.4	17.9	17.1	13.1	9.8	14.6
ROE	%	16.6	17.5	17.7	21.8	19.2	19.4	17.9	18.9
ROA	%	12.2	12.5	12.5	15.6	13.5	13.1	12.1	12.7
Net D/E	x	0.1	0.1	0.1	0.1	0.1	0.5	0.5	0.5
Interest coverage	x	64.6	62.1	49.7	66.7	61.3	38.3	27.9	33.5
Debt service coverage	x	1.5	1.9	1.9	2.6	2.1	1.5	1.3	1.8

### Key statistics

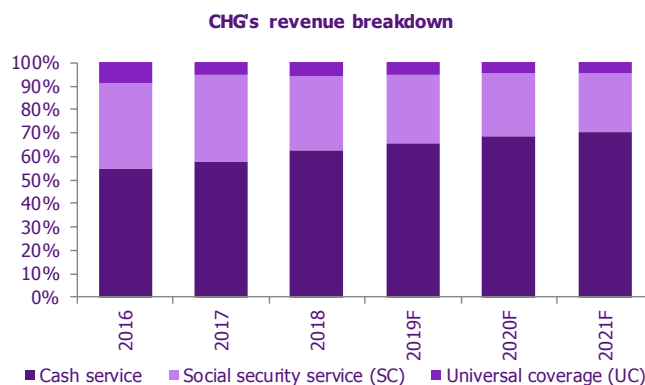
FY December 31	Unit	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19
<b>Revenue breakdown</b>									
Cash service	(%)	56.1	61.2	59.2	60.6	62.9	65.4	61.0	62.1
Social security service (SC)	(%)	38.8	34.1	36.6	33.7	31.5	29.8	33.1	31.7
Universal coverage (UC)	(%)	5.2	4.7	4.2	5.7	5.6	4.9	5.9	6.2

**Figure 1: CHG's earnings downtrend since 3Q18**



Source: Company data and SCBS Investment Research

**Figure 2: Revenue breakdown by service**



Source: Company data and SCBS Investment Research

**Figure 3: Valuation summary** (price as of Jun 10, 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	16.70	23.0	39.3	38.2	32.3	28.8	18.8	18.2	12.2	7.3	6.6	5.9	18	19	19	1.3	1.5	1.7	20.5	17.0	15.3
BDMS	Buy	26.00	30.0	17.7	40.9	37.0	31.6	22.7	10.7	16.8	5.8	5.2	4.8	14	14	15	1.2	2.3	1.7	25.5	22.1	19.3
BH	Neutral	171.00	185.0	9.9	30.0	28.5	26.7	5.3	5.3	6.7	6.8	6.1	5.5	23	22	21	1.7	1.8	1.9	22.9	17.6	16.2
CHG	Buy	2.26	2.7	21.3	38.6	37.8	31.5	8.8	2.1	20.1	7.0	6.8	6.2	18	17	20	2.2	1.9	2.2	24.3	23.3	19.3
<b>Average</b>					<b>36.9</b>	<b>33.9</b>	<b>29.7</b>	<b>13.9</b>	<b>9.1</b>	<b>13.9</b>	<b>6.7</b>	<b>6.2</b>	<b>5.6</b>	<b>18</b>	<b>18</b>	<b>19</b>	<b>1.6</b>	<b>1.9</b>	<b>1.9</b>	<b>23.3</b>	<b>20.0</b>	<b>17.6</b>

Source: SCBS Investment Research

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**CG Rating 2018 Companies with CG Rating**

★★★★★

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, TASCOC, 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

★★★★

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, NEX, 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, B52, DIMET, EKH, EMC, EPCO, ESSO, ESTAR, FE, FLOYD, PROUD, 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, TACC, 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, 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, FPT, 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, NMI, NMG, NNCL, NSI, OCC, OCEAN, OGC, PATO, PB, PCSGH, PDG, PDI, PDJ, PE, PG, PHOL, PL, PLANET, PLAT, PM, PPP, PPPM, 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, TASCOC, TCAP, TCMC, TFG, TFI, TFMAMA, THANI, THCOM, THRE, THREL, 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, ALL, 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, CSP, CSR, CSS, CTW, CWT, D, DCON, DCORP, DELTA, B52, DOD, DTCL, EA, EARTH, EASON, ECF, EE, EIC, EMC, EPG, ERW, ESSO, EVER, F&D, FANCY, FC, FMT, PROUD, FORTH, FSMART, FVC, GENCO, GIFT, GL, GLAND, GLOBAL, GRAMMY, GRAND, GREEN, GSC, 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, MITSIB, MJD, MK, ML, MM, MODERN, MORE, 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, SEAOLIL, SF, SFP, SGF, SIAM, SIMAT, SISB, SKE, SKN, SKR, SKY, SLP, SMART, SMM, SMT, SOLAR, SONIC, SPA, SPCG, SPG, SPORT, NEX, 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, TK, TKS, TM, TMI, TMW, TNDT, TNH, TNPC, TOA, TPAC, TPBI, TPCH, TPIPL, TPIPP, TPLAS, TPOLY, TQM, TR, TRC, TRT, TRUBB, TSE, TSF, TSI, TSR, TSTE, TTA, TTL, TTTM, TTW, TVT, TWP, TWZ, TYCN, UAC, UMI, UMS, UNIQ, UP, UPF, UPOIC, UT, UTP, UVAN, VARO, VCOM, VI, VIBHA, VL, VNG, VPO, VRANDA, WAVE, WG, WHAUP, WIN, WINNER, WORK, WORLD, WP, WPH, WR, YCI, YNP, ZEN, 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 November 30, 2018) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.