



# Chularat Hospital

Chularat Hospital  
Public Company Limited

# CHG

Bloomberg CHG TB  
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## 2Q19: Beat estimates on better operations

**CHG reported a 2Q19 net profit of Bt123mn, down 31% YoY and 32% QoQ. Excluding extra items, core profit was Bt161mn, up 7% YoY but down 10% QoQ, beating the market and SCBS by 20% due to stronger revenue and lower-than-expected losses at newly-opened hospitals. The good 2Q19 suggests earnings are back to an uptrend after turning down since 3Q18; we expect 20% growth in 2020 off lower losses at the two newer hospitals. CHG is our lead pick in the sector.**

**2Q19: Beat estimates.** CHG reported 2Q19 net profit of Bt123mn (Bt0.015/share), down 31% YoY and 32% QoQ. Excluding extra items consisting of Bt17mn staff expense to comply with the revised Labor Protection Act and Bt25mn from a social security service (SC) revenue write-off for high-cost care (RW>2), core profit was Bt161mn, up 7% YoY but down 10% QoQ, beating market and SCBS estimates by 20% on stronger revenue and lower-than-expected losses from newly-opened hospitals. 1H19 core profit was Bt341mn, down 1% YoY and accounting for 52% of our full-year forecast.

**Strong revenue growth.** In 2Q19, revenue was Bt1.2bn, up 13% YoY but down 4% QoQ. By service, revenue from cash patients (62% of revenue) grew 12% YoY (-5% QoQ) backed by growing operations at existing hospitals and additional revenue from the two newer hospitals: the expansion at *Chularat 304 Inter* (opened in Jul 2018) and a greenfield new hospital, *Ruampat Chachoengsao* (opened in Nov 2018). SC revenue (31% of revenue) grew 12% YoY (but slipped 6% QoQ) thanks to added insured persons and revenue per insured person.

**EBITDA margin down YoY and QoQ.** EBITDA margin came in at 23.1% in 2Q19, down from 24.3% in 1Q18 (from losses at the two newly-opened hospitals) and from 24.6% in 1Q19 (seasonally soft revenue).

**Stable losses at two recently opened hospitals.** Two recently opened hospitals contributed ~Bt25mn in losses (16% of CHG's core profit in 2Q19) stable from 1Q19. However, we view this as positive since the 2Q is normally weaker than 1Q and the losses are lower than the ~Bt50mn we had estimated, reflecting a strong ramp-up at both new hospitals.

**Dividend Bt0.02/share.** CHG announced a dividend of Bt0.02/share on 1H19 operations, 0.9% dividend yield. XD is on Aug 26, 2019 and payment is Sep 12, 2019.

**Earnings turning around. Lead pick in the sector.** CHG is our lead pick in the Healthcare Services sector. Its strong 2Q19 results indicate a resumption of an earnings uptrend after a downturn since 3Q18 and we expect 20% growth in 2020 off lower losses at the two newer hospitals. We rate BUY on CHG with a TP at 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	648	784	908
Reported profit	(Btmn)	565	634	648	784	908
Core EPS	(Bt)	0.054	0.059	0.059	0.071	0.083
DPS	(Bt)	0.036	0.050	0.041	0.050	0.058
P/E, core	(x)	42.0	38.6	38.4	31.7	27.4
EPS growth, core	(%)	5.0	8.8	0.5	21.1	15.8
P/BV, core	(x)	7.5	7.0	6.8	6.2	5.7
ROE	(%)	17.7	17.9	17.1	19.6	20.8
Dividend yield	(%)	1.6	2.2	1.8	2.2	2.6
FCF yield	(%)	1.3	0.2	1.4	2.9	3.4
EV/EBIT	(x)	35.5	32.4	32.5	25.8	21.8
EBIT growth, core	(%)	2.4	10.7	0.7	24.4	17.0
EV/CE	(x)	6.4	5.6	5.3	5.2	5.0
ROCE	(%)	14.2	13.6	12.7	15.6	18.0
EV/EBITDA	(x)	25.4	24.3	23.3	19.3	16.6
EBITDA growth	(%)	9.5	5.7	5.3	19.3	15.1

Source: SCBS Investment Research

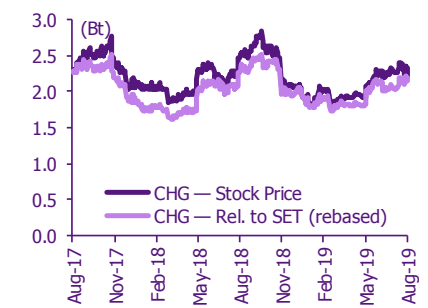
## BUY

### Stock data

Last close (Aug 14) (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)	807

Risk rating	L
Mkt cap (%) SET	0.15
Sector % SET	4.48
Shares issued (mn)	11,000
Par value (Bt)	0.10
12-m high / low (Bt)	2.9 / 1.8
Avg. daily 6m (US\$mn)	2.89
Foreign limit / actual (%)	49 / 11
Free float (%)	40.1
Dividend policy (%)	≥ 50

### Price performance



Source: SET, SCBS Investment Research

### Share performance

(%)	1M	3M	12M
Absolute	(0.9)	18.3	(11.0)
Relative to SET	6.0	19.8	(6.9)

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	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19
Total revenue	Btmn	1,032	1,016	1,080	1,039	1,149	1,139	1,228	1,179
Cost of goods sold	Btmn	699	686	712	715	826	819	853	866
<b>Gross profit</b>	<b>Btmn</b>	<b>334</b>	<b>330</b>	<b>368</b>	<b>325</b>	<b>323</b>	<b>320</b>	<b>375</b>	<b>312</b>
SG&A	Btmn	129	173	129	116	141	184	154	165
Other income	Btmn	5	4	5	7	7	5	4	8
Interest expense	Btmn	4	5	5	5	7	8	9	10
<b>Pre-tax profit</b>	<b>Btmn</b>	<b>206</b>	<b>157</b>	<b>238</b>	<b>212</b>	<b>182</b>	<b>133</b>	<b>216</b>	<b>146</b>
Corporate tax	Btmn	37	32	45	35	37	33	49	35
Equity a/c profits	Btmn	0	0	0	0	0	0	0	0
Minority interests	Btmn	(0)	(0)	0	1	5	12	12	12
<b>Core profit</b>	<b>Btmn</b>	<b>168</b>	<b>153</b>	<b>193</b>	<b>151</b>	<b>175</b>	<b>126</b>	<b>179</b>	<b>161</b>
Extra-ordinary items	Btmn	0	(27)	0	27	(24)	(14)	0	(39)
<b>Net Profit</b>	<b>Btmn</b>	<b>168</b>	<b>126</b>	<b>193</b>	<b>178</b>	<b>151</b>	<b>112</b>	<b>179</b>	<b>123</b>
EBITDA	Btmn	276	228	308	282	260	216	303	235
<b>Core EPS</b>	<b>Bt</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>	<b>0.01</b>
Net EPS	Bt	0.02	0.01	0.02	0.02	0.01	0.01	0.02	0.01

### Balance Sheet

FY December 31	Unit	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19
Total current assets	Btmn	1,460	1,332	1,564	1,597	1,633	1,592	1,797	1,728
Total fixed assets	Btmn	3,247	3,385	3,479	3,596	3,705	3,831	3,889	3,897
<b>Total assets</b>	<b>Btmn</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>	<b>5,929</b>
Total loans	Btmn	805	852	905	1,021	1,207	1,212	1,281	1,406
Total current liabilities	Btmn	1,163	1,024	1,091	1,138	1,329	1,295	1,343	1,503
Total long-term liabilities	Btmn	245	403	444	502	561	583	643	609
<b>Total liabilities</b>	<b>Btmn</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>	<b>2,238</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>3,479</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>3,691</b>
<b>BVPS</b>	<b>Bt</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>	<b>0.32</b>

### Cash Flow Statement

FY December 31	Unit	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19
Core Profit	Btmn	168	153	193	151	175	126	179	161
Depreciation and amortization	Btmn	66	66	65	65	71	75	78	79
Operating cash flow	Btmn	333	264	166	191	242	143	154	178
Investing cash flow	Btmn	(176)	(190)	(128)	(176)	(171)	(214)	(173)	(56)
Financing cash flow	Btmn	(123)	(85)	50	(17)	(31)	2	68	(206)
<b>Net cash flow</b>	<b>Bt</b>	<b>33</b>	<b>(11)</b>	<b>88</b>	<b>(2)</b>	<b>40</b>	<b>(70)</b>	<b>49</b>	<b>(84)</b>

### Key Financial Ratios

FY December 31	Unit	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19
Gross margin	%	32.3	32.5	34.1	31.2	28.1	28.1	30.5	26.5
Operating margin	%	19.8	15.5	22.1	20.1	15.8	11.9	18.0	12.5
EBITDA margin	%	26.6	25.0	28.4	24.3	22.5	20.1	24.6	23.1
EBIT margin	%	20.3	15.9	22.5	20.8	16.5	12.3	18.3	13.2
Net profit margin	%	16.3	12.4	17.9	17.1	13.1	9.8	14.6	10.4
ROE	%	17.5	17.7	21.8	19.2	19.4	17.9	18.9	18.3
ROA	%	12.5	12.5	15.6	13.5	13.1	12.1	12.7	12.0
Net D/E	x	0.1	0.1	0.1	0.1	0.5	0.5	0.5	0.7
Interest coverage	x	62.1	49.7	66.7	61.3	38.3	27.9	33.5	23.4
Debt service coverage	x	1.9	1.9	2.6	2.1	1.5	1.3	1.8	1.1

### Key statistics

FY December 31	Unit	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19
<b>Revenue breakdown</b>									
Cash service	(%)	61.2	59.2	60.6	62.9	65.4	61.0	62.1	61.9
Social security service (SC)	(%)	34.1	36.6	33.7	31.5	29.8	33.1	31.7	31.0
Universal coverage (UC)	(%)	4.7	4.2	5.7	5.6	4.9	5.9	6.2	7.1

**Figure 1: CHG's earnings review**

(Bt mn)	2Q18	3Q18	4Q18	1Q19	2Q19	YoY%	QoQ%	1H18	1H19	YoY%
Revenue	1,039	1,149	1,139	1,228	1,179	13.4	(4.1)	2,119	2,407	13.6
Gross profit	325	323	320	375	312	(3.7)	(16.7)	692	687	(0.7)
EBITDA	282	260	216	303	235	(16.4)	(22.2)	590	538	(8.8)
<b>Core profit</b>	<b>151</b>	<b>175</b>	<b>126</b>	<b>179</b>	<b>161</b>	<b>7.1</b>	<b>(10.0)</b>	<b>344</b>	<b>341</b>	<b>(1.0)</b>
<b>Net profit</b>	<b>178</b>	<b>151</b>	<b>112</b>	<b>179</b>	<b>123</b>	<b>(31.0)</b>	<b>(31.5)</b>	<b>371</b>	<b>302</b>	<b>(18.7)</b>
EPS (Bt/share)	0.014	0.016	0.011	0.016	0.015	7.1	(10.0)	0.031	0.031	(1.0)
<b>Balance Sheet</b>										
Total Assets	5,434	5,613	5,708	5,983	5,929	9.1	(0.9)	5,434	5,929	9.1
Total Liabilities	1,697	1,951	1,965	2,072	2,238	31.9	8.0	1,697	2,238	31.9
Total Equity	3,737	3,662	3,743	3,910	3,691	(1.2)	(5.6)	3,737	3,691	(1.2)
BVPS (Bt/share)	0.32	0.32	0.32	0.34	0.32	(0.1)	(5.5)	0.32	0.32	(0.1)
<b>Financial Ratio</b>										
Gross Margin (%)	31.2	28.1	28.1	30.5	26.5	(4.7)	(4.0)	32.7	28.6	(4.1)
EBITDA margin (%)	24.3	22.5	20.1	24.6	23.1	(1.2)	(1.5)	27.8	22.3	(5.5)
Net Profit Margin (%)	17.1	13.1	9.8	14.6	10.4	(6.7)	(4.2)	17.5	12.6	(5.0)
ROA (%)	11.8	13.3	9.4	12.7	11.4			13.5	12.0	
ROE (%)	16.9	19.6	13.9	18.9	17.4			19.2	18.3	
Debt to equity (X)	0.3	0.3	0.3	0.3	0.4			0.3	0.4	
<b>Revenue breakdown</b>										
Cash-OPD	336	389	377	392	380	13.2	(3.0)	679	772	13.7
Cash-IPD	318	362	318	371	349	9.7	(6.0)	629	720	14.4
SC	327	342	377	389	365	11.7	(6.1)	691	754	9.2
UC	58	56	67	76	84	45.2	10.8	120	160	33.5

Source: SCBS Investment Research

**Figure 2: Valuation summary** (price as of Aug 14 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	14.80	23.0	57.1	33.9	28.7	25.6	18.8	18.2	12.2	6.5	5.8	5.2	18	19	19	1.5	1.7	2.0	18.3	15.2	13.7
BDMS	Buy	23.70	30.0	28.2	37.3	33.7	28.8	22.7	10.7	16.8	5.3	4.5	4.2	14	14	15	1.4	1.6	1.9	23.7	20.1	17.6
BH	Neutral	141.50	175.0	25.6	24.8	25.4	23.9	5.3	(2.1)	6.1	5.6	5.1	4.6	23	21	20	2.0	2.0	2.1	18.8	15.3	14.1
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>33.6</b>	<b>31.4</b>	<b>27.4</b>	<b>13.9</b>	<b>7.2</b>	<b>13.8</b>	<b>6.1</b>	<b>5.6</b>	<b>5.1</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>1.8</b>	<b>1.8</b>	<b>2.0</b>	<b>21.3</b>	<b>18.5</b>	<b>16.2</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, 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

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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, 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, WIUK, 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, TCCC, TCMC, THE, THG, THMUI, SEG, 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, APCO, 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, GSTEEL, 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, 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, WIUK

#### 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, ACG, 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, ARIN, 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, CPI, NPC, CRANE, CRD, CSP, CSR, CSS, CTW, CWT, D, DCON, DCORP, DELTA, B52, DOD, DOHOME, DTICI, EA, EARTH, EASON, ECF, EE, EIC, EMC, EPG, ERW, ESSO, EVER, F&D, FANCY, PRIME, FMT, PROUD, FORTH, FSMART, FVC, GENCO, GIFT, GL, GLAND, GLOBAL, GRAMMY, GRAND, GREEN, GSC, GTB, GULF, HFT, HPT, HTECH, HUMAN, HYDRO, ICN, IHL, III, ILM, 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, KUMWEL, KWM, KYE, LALIN, LH, LOXLEY, LPH, LST, 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, POMPUI, PORT, PPM, PR9, PRAKTI, 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, STARK, 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, SEG, TIGER, TITLE, 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, TTT, 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, 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.