



# Chularat Hospital

Chularat Hospital  
Public Company Limited

# CHG

Bloomberg CHG TB  
Reuters CHG.BK

## Earnings on the path to growth

**CHG share price has gained 4% QTD, outperforming SETHELTH's -9% and the SET's -6%, indicating market assurance of an earnings turnaround. However, share price is still 17% below its 2018 peak. After moving down since 3Q18, we expect CHG's earnings to resume an uptrend in 2H19, followed by 20% growth in 2020, as losses from newly-opened hospitals diminish on the ramp-up of operations. CHG is our lead pick in the sector.**

**Ramping up newly-opened hospitals.** In 2Q19, two newer hospitals: the expansion at *Chularat 304 Inter* (opened in Jul 2018) and a greenfield new hospital, *Ruampat Chachoengsao* (opened in Nov 2018) contributed revenue of Bt70mn (up 8% QoQ and accounting for 6% of CHG's revenue) and loss of Bt25mn (16% of CHG's core profit). Operations are gearing up with revenue growing off a greater number of patients on private/corporate insurance and from referrals from its physician network (note that *Ruampat Chachoengsao* is 64.58% held by CHG with the remainder held by doctors and health professionals working in the area). CHG's management expects to see net profit on monthly basis for *Chularat 304 Inter* in 3Q19 and *Ruampat Chachoengsao* in 1Q20.

**Growing cash patient service.** *Chularat 3* is CHG's flagship hospital, accounting for 42% of revenue. In 2Q19, revenue at *Chularat 3* grew 5% YoY, below CHG's 13% YoY revenue growth. Management said the slow revenue growth at *Chularat 3* was due to slow international patients (3% of CHG's revenue), mainly from Oman, and patient congestion at the existing building. To alleviate congestion and free up more capacity for cash patients, CHG plans to move social security service to a new building (near the current facility) in September; renovations at the existing building will complete in 4Q19, enabling it to serve more cash patients.

**New hospital will not burden.** A new facility, *Suvarnabhumi Cancer and Radiologist Center Hospital*, will open in 1H20. This 10-bed hospital focuses on OPD service, specifically radiation treatment. We are positive toward this investment as demand for specialized hospitals is growing. This will increase revenue intensity as time goes by. In our view, short-term earnings pressure from this cancer center will be smaller than from the expansion of *Chularat 304 Inter* and *Ruampat Chachoengsao* as investment is much lower at ~Bt250mn (vs. ~Bt1bn).

**Lead pick in the sector.** After a downturn since 3Q18, we expect CHG's earnings to resume an uptrend in 2H19 (+12% YoY and +4% HoH) with 20% growth in 2020 off lower losses at the two newer hospitals. CHG's share price has increased 4% QTD, outperforming SETHELTH's -9% and the SET's -6%, reflecting market confidence in an earnings turnaround. However the share price is still 17% below its 2018 peak. CHG is our lead pick in the sector. Rate BUY with 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	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)	43.8	40.3	39.4	32.9	28.5
EPS growth, core	(%)	5.0	8.8	2.1	20.1	15.3
P/BV, core	(x)	7.9	7.3	7.1	6.5	6.0
ROE	(%)	17.7	17.9	17.3	19.7	20.9
Dividend yield	(%)	1.5	2.1	1.8	2.1	2.5
FCF yield	(%)	1.2	0.2	1.4	2.8	3.2
EV/EBIT	(x)	37.0	33.8	33.8	26.9	22.8
EBIT growth, core	(%)	2.4	10.7	0.7	24.4	17.0
EV/CE	(x)	6.7	5.9	5.6	5.4	5.3
ROCE	(%)	14.2	13.6	12.7	15.6	18.0
EV/EBITDA	(x)	26.5	25.4	24.3	20.1	17.3
EBITDA growth	(%)	9.5	5.7	5.3	19.3	15.1

Source: SCBS Investment Research

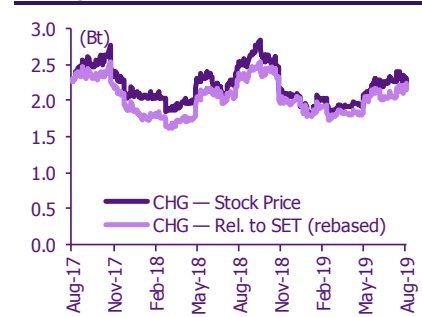
## BUY

### Stock data

Last close (Aug 20) (Bt)	2.36
12-m target price (Bt)	2.70
Upside (Downside) to TP (%)	14.41
Mkt cap (Btmn)	25.96
Mkt cap (US\$mn)	843

Risk rating	L
Mkt cap (%) SET	0.15
Sector % SET	4.41
Shares issued (mn)	11,000
Par value (Bt)	0.10
12-m high / low (Bt)	2.9 / 1.8
Avg. daily 6m (US\$mn)	2.94
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	4.4	12.4	(6.3)
Relative to SET	11.5	11.2	(2.0)

Source: SET, SCBS Investment Research

### Expected total return (ETR)

Target price	(Bt)	2.70
12-month dividend	(Bt)	0.04
Capital gain	(%)	14.41
Dividend yield	(%)	1.77
Total return	(%)	16.18

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: Valuation summary** (price as of Aug 20 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	15.80	20.5	31.2	36.2	33.7	29.0	18.8	7.3	16.4	6.9	6.3	5.7	18	17	19	1.4	1.5	1.7	19.5	17.7	15.7
BDMS	Buy	23.10	30.0	31.5	36.4	32.8	28.1	22.7	10.7	16.8	5.1	4.4	4.1	14	14	15	1.4	1.7	2.0	23.2	19.6	17.1
BH	Neutral	141.00	175.0	26.1	24.7	25.3	23.8	5.3	(2.1)	6.1	5.6	5.1	4.6	23	21	20	2.1	2.0	2.1	18.7	15.2	14.0
CHG	Buy	2.36	2.7	16.2	40.3	39.4	32.9	8.8	2.1	20.1	7.3	7.1	6.5	18	17	20	2.1	1.8	2.1	25.4	24.3	20.1
<b>Average</b>					<b>34.4</b>	<b>32.8</b>	<b>28.4</b>	<b>13.9</b>	<b>4.5</b>	<b>14.9</b>	<b>6.2</b>	<b>5.7</b>	<b>5.2</b>	<b>18</b>	<b>17</b>	<b>18</b>	<b>1.7</b>	<b>1.7</b>	<b>2.0</b>	<b>21.7</b>	<b>19.2</b>	<b>16.8</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, 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, TITTLE, 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 ควรตระหนักถึง ข้อดังกล่าวประกอบด้วย

### 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, 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, CPL, NPT, 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, 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, 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, TITTLE, TIW, TK, TKS, TM, TMI, TMD, 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.