



# LH Financial Group

LH Financial Group  
Public Company Limited

# LHFG

Bloomberg LHFGB  
Reuters LHFGBK

## 1Q20: Large loss on investment

**LHFG surprised with a large loss on investment in 1Q10 on a mark-to-market; it also had weak operating earnings. We expect the investment loss in 1Q20 to be temporary. We downgrade to Sell with a cut in TP to Bt0.8 from Bt1.**

**1Q20: Large loss on investment.** LHFG surprisingly reported a large loss of Bt709mn in 1Q20. The loss came from huge Bt3bn loss from mark-to-market of investments.

### Highlights:

- 1) Loan growth: -2.5% QoQ in 1Q20, mainly due to a contraction in corporate loans.
- 2) NIM: Expanded 31 bps QoQ as a result of a 20 bps fall in cost of funds (from lower deposit cost and reduction in FIDF cost to 0.23% from 0.46%) and an 8 bps QoQ rise in yield on earning assets from the adoption of the effective interest rate method under TFRS9.
- 3) Non-NII: Plunged 467% YoY and 382% QoQ, mainly due to a huge Bt3bn loss from mark-to-market of investments.
- 4) Asset quality: Saw a 9% rise in reported NPLs but surprisingly reversed Bt708mn in provisions, which we view as imprudent. This could lead to a rise in provisions in the near future.

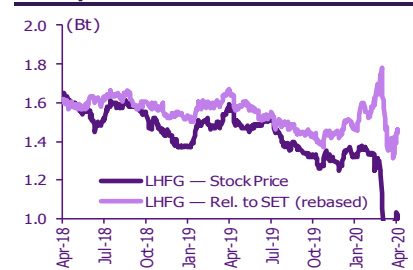
**Downgrade to Sell.** We downgrade to Sell with a cut in TP to Bt0.8 (0.4x 2020F BVPS) from Bt1.

## SELL

### Stock data

Last close (Apr 21) (Bt)	1.04
12-m target price (Bt)	0.80
Upside (Downside) to TP (%)	(23.08)
Mkt cap (Btbn)	22.03
Mkt cap (US\$mn)	678
Risk rating	L
Mkt cap (%) SET	0.16
Sector % SET	9.35
Shares issued (mn)	21,184
Par value (Bt)	1.00
12-m high / low (Bt)	1.6 / 0.8
Avg. daily 6m (US\$mn)	0.19
Foreign limit / actual (%)	49 / 36

### Price performance



Source: SET, SCBS Investment Research

### Share performance

(%)	1M	3M	12M
Absolute	20.9	(23.0)	(23.0)
Relative to SET	(1.1)	(3.2)	2.9

Source: SET, SCBS Investment Research

### Expected total return (ETR)

Target price	(Bt)	0.80
12-month dividend	(Bt)	0.04
Capital gain	(%)	(23.08)
Dividend yield	(%)	4.17
Total return	(%)	(18.91)

Source: SET, SCBS Investment Research

### Forecasts and valuation

Year to 31 Dec	Unit	2018	2019	2020F	2021F	2022F
Pre-provision profit	(Bt mn)	3,678	4,307	3,141	3,507	3,606
Net profit	(Bt mn)	3,108	3,215	1,836	2,587	2,657
PPP/Sh	(Bt)	0.17	0.20	0.15	0.17	0.17
EPS	(Bt)	0.15	0.15	0.09	0.12	0.13
BVPS	(Bt)	1.87	1.94	1.95	2.03	2.09
DPS	(Bt)	0.08	0.08	0.04	0.06	0.06
P/PPP	(x)	5.99	5.11	7.01	6.28	6.11
PPP growth	(%)	14.21	17.10	(27.08)	11.67	2.80
P/E	(x)	7.09	6.85	12.00	8.52	8.29
EPS growth	(%)	19.39	3.42	(42.88)	40.89	2.73
P/BV	(x)	0.55	0.54	0.53	0.51	0.50
ROE	(%)	7.94	7.95	4.45	6.14	6.09
Dividend yield	(%)	7.69	7.69	4.17	5.87	6.03

Source: SCBS Investment Research

### Analyst

**Kittima Sattayapan, CFA**

Fundamental Investment

Analyst on Securities

(66-2) 949-1003

kittima.sattayapan@scb.co.th

## Financial statement

### Profit and Loss Statement

FY December 31	Unit	2015	2016	2017	2018	2019	2020F	2021F	2022F
Interest & dividend income	(Btmn)	8,494	8,810	8,646	8,500	8,643	8,174	8,342	8,707
Interest expense	(Btmn)	4,127	3,971	3,667	3,695	4,157	3,975	4,112	4,353
<b>Net interest income</b>	(Btmn)	<b>4,366</b>	<b>4,839</b>	<b>4,979</b>	<b>4,805</b>	<b>4,486</b>	<b>4,199</b>	<b>4,229</b>	<b>4,354</b>
Non-interest income	(Btmn)	1,177	2,128	1,514	2,255	3,418	2,285	2,910	3,043
Non-interest expenses	(Btmn)	2,400	2,602	2,721	2,768	3,005	2,994	3,139	3,285
Pre-provision profit	(Btmn)	3,144	4,366	3,773	4,292	4,899	3,491	4,000	4,112
Provision	(Btmn)	1,090	1,025	617	570	1,093	1,305	921	948
Pre-tax profit	(Btmn)	2,054	3,341	3,156	3,722	3,806	2,186	3,079	3,164
Tax	(Btmn)	402	644	552	614	591	350	493	506
Equities & minority interest	(Btmn)	0	0	0	0	0	0	0	0
<b>Core net profit</b>	(Btmn)	<b>1,652</b>	<b>2,696</b>	<b>2,603</b>	<b>3,108</b>	<b>3,215</b>	<b>1,836</b>	<b>2,587</b>	<b>2,657</b>
Extra item	(Btmn)	0	0	0	0	0	0	0	0
<b>Net profit</b>	(Btmn)	<b>1,652</b>	<b>2,696</b>	<b>2,603</b>	<b>3,108</b>	<b>3,215</b>	<b>1,836</b>	<b>2,587</b>	<b>2,657</b>
<b>EPS</b>	(Bt)	<b>0.12</b>	<b>0.20</b>	<b>0.12</b>	<b>0.15</b>	<b>0.15</b>	<b>0.09</b>	<b>0.12</b>	<b>0.13</b>
DPS	(Bt)	0.03	0.05	0.06	0.08	0.08	0.04	0.06	0.06

### Balance Sheet

FY December 31	Unit	2015	2016	2017	2018	2019	2020F	2021F	2022F
Cash	(Btmn)	2,243	2,109	1,995	1,840	1,636	1,498	1,759	1,942
Interbank assets	(Btmn)	17,676	17,326	19,085	18,997	18,569	16,712	15,041	13,537
Investments	(Btmn)	47,203	52,676	59,623	67,360	66,289	69,603	73,083	76,737
<b>Gross loans</b>	(Btmn)	<b>133,097</b>	<b>141,070</b>	<b>153,684</b>	<b>159,314</b>	<b>155,840</b>	<b>151,165</b>	<b>155,700</b>	<b>160,371</b>
Accrued interest receivable	(Btmn)	224	231	261	227	217	217	217	217
Loan loss reserve	(Btmn)	2,564	3,102	3,422	3,801	4,017	5,322	6,242	7,190
<b>Net loans</b>	(Btmn)	<b>130,758</b>	<b>138,200</b>	<b>150,524</b>	<b>155,740</b>	<b>152,041</b>	<b>146,061</b>	<b>149,675</b>	<b>153,398</b>
<b>Total assets</b>	(Btmn)	<b>199,667</b>	<b>212,147</b>	<b>233,111</b>	<b>245,933</b>	<b>240,731</b>	<b>236,171</b>	<b>241,959</b>	<b>248,123</b>
Deposits	(Btmn)	137,064	149,097	143,731	168,164	164,985	160,283	164,402	169,203
Interbank liabilities	(Btmn)	20,639	20,010	15,346	9,231	10,467	10,467	10,467	10,467
Borrowings	(Btmn)	21,664	20,327	32,896	26,203	21,806	21,806	21,806	21,806
<b>Total liabilities</b>	(Btmn)	<b>181,716</b>	<b>191,832</b>	<b>194,557</b>	<b>206,224</b>	<b>199,569</b>	<b>194,866</b>	<b>198,986</b>	<b>203,786</b>
Minority interest	(Btmn)	0	0	0	0	0	0	0	0
Paid-up capital	(Btmn)	13,639	13,639	21,184	21,184	21,184	21,184	21,184	21,184
<b>Total Equities</b>	(Btmn)	<b>17,951</b>	<b>20,316</b>	<b>38,555</b>	<b>39,709</b>	<b>41,163</b>	<b>41,304</b>	<b>42,973</b>	<b>44,337</b>
<b>BVPS</b>	(Bt)	<b>1.32</b>	<b>1.49</b>	<b>1.82</b>	<b>1.87</b>	<b>1.94</b>	<b>1.95</b>	<b>2.03</b>	<b>2.09</b>

### Key Assumptions and Financial Ratios

FY December 31	Unit	2015	2016	2017	2018	2019	2020F	2021F	2022F
<b>Growth</b>									
YoY loan growth	(%)	15.10	5.99	8.94	3.66	(2.18)	(3.00)	3.00	3.00
YoY non-NII growth	(%)	36.11	80.81	(28.84)	48.90	51.58	(33.14)	27.33	4.60
<b>Profitability</b>									
Yield on earn'g assets	(%)	4.71	4.31	3.90	3.56	3.55	3.42	3.47	3.52
Cost on int-bear'g liab	(%)	2.53	2.15	1.92	1.87	2.07	2.04	2.11	2.19
Spread	(%)	2.18	2.15	1.98	1.69	1.48	1.38	1.35	1.33
Net interest margin	(%)	2.42	2.37	2.25	2.01	1.84	1.76	1.76	1.76
ROE	(%)	9.65	14.09	8.84	7.94	7.95	4.45	6.14	6.09
ROA	(%)	0.91	1.31	1.17	1.30	1.32	0.77	1.08	1.08
<b>Asset Quality</b>									
NPLs/Total Loans	(%)	2.11	1.96	2.12	2.21	2.02	2.09	2.28	2.45
LLR/NPLs	(%)	91.09	112.13	104.84	107.99	127.78	168.13	176.18	182.86
Provision expense/Total loans	(%)	0.82	0.73	0.40	0.36	0.70	0.86	0.59	0.59
<b>Liquidity</b>									
Loans/Deposits & borrowings	(%)	83.85	83.26	87.01	81.97	83.43	83.02	83.62	83.96
<b>Efficiency</b>									
Cost to income ratio	(%)	49.27	45.02	43.51	41.20	44.14	46.17	47.28	47.63
<b>Capital Fund</b>									
Capital adequacy ratio	(%)	14.30	13.94	21.64	20.24	17.43	16.89	16.59	16.33
Tier-1	(%)	10.61	10.58	18.67	17.50	15.14	14.87	14.93	14.88
Tier-2	(%)	3.69	3.37	2.96	2.74	2.29	2.02	1.67	1.45

## Financial statement

### Profit and Loss Statement

FY December 31	Unit	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20
Interest & dividend income	(Btmn)	2,128	2,132	2,130	2,184	2,171	2,162	2,126	2,145
Interest expense	(Btmn)	900	913	981	1,027	1,047	1,065	1,018	866
<b>Net interest income</b>	(Btmn)	<b>1,228</b>	<b>1,219</b>	<b>1,149</b>	<b>1,158</b>	<b>1,124</b>	<b>1,097</b>	<b>1,108</b>	<b>1,279</b>
Non-interest income	(Btmn)	542	467	513	619	983	1,012	804	(2,271)
Non-interest expenses	(Btmn)	685	681	716	731	759	738	777	704
Earnings before tax & provision	(Btmn)	1,085	1,004	947	1,045	1,347	1,371	1,135	(1,696)
Provision	(Btmn)	110	70	60	100	470	450	73	(708)
Pre-tax profit	(Btmn)	975	934	887	945	877	921	1,062	(988)
Tax	(Btmn)	168	155	135	139	116	154	183	(279)
Equities & minority interest	(Btmn)	0	0	0	0	0	0	0	0
<b>Core net profit</b>	(Btmn)	<b>806</b>	<b>779</b>	<b>752</b>	<b>807</b>	<b>761</b>	<b>767</b>	<b>880</b>	<b>(709)</b>
Extra item	(Btmn)	0	0	0	0	0	0	0	0
<b>Net profit</b>	(Btmn)	<b>806</b>	<b>779</b>	<b>752</b>	<b>807</b>	<b>761</b>	<b>767</b>	<b>880</b>	<b>(709)</b>
<b>EPS</b>	(Bt)	<b>0.04</b>	<b>0.04</b>	<b>0.04</b>	<b>0.04</b>	<b>0.04</b>	<b>0.04</b>	<b>0.04</b>	<b>(0.03)</b>

### Balance Sheet

FY December 31	Unit	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20
Cash	(Btmn)	1,816	1,617	1,840	1,601	1,512	1,573	1,636	1,338
Interbank assets	(Btmn)	16,359	17,864	18,997	19,535	20,139	14,400	18,569	18,690
Investments	(Btmn)	60,591	61,176	67,360	69,589	69,201	68,758	66,289	60,926
<b>Gross loans</b>	(Btmn)	<b>151,966</b>	<b>155,241</b>	<b>159,314</b>	<b>161,583</b>	<b>158,898</b>	<b>153,904</b>	<b>155,840</b>	<b>151,320</b>
Accrued interest receivable	(Btmn)	234	260	227	264	216	205	217	0
Loan loss reserve	(Btmn)	3,850	3,870	3,801	3,888	4,106	4,187	4,017	0
<b>Net loans</b>	(Btmn)	<b>148,351</b>	<b>151,632</b>	<b>155,740</b>	<b>157,959</b>	<b>155,008</b>	<b>149,922</b>	<b>152,041</b>	<b>151,320</b>
<b>Total assets</b>	(Btmn)	<b>229,079</b>	<b>234,263</b>	<b>245,933</b>	<b>250,821</b>	<b>247,947</b>	<b>236,776</b>	<b>240,731</b>	<b>236,175</b>
Deposits	(Btmn)	143,303	145,619	168,164	170,808	165,261	156,564	164,985	163,319
Interbank liabilities	(Btmn)	12,942	15,975	9,231	7,890	9,729	9,986	10,467	11,802
Borrowings	(Btmn)	31,324	29,808	26,203	28,006	28,474	25,053	21,806	15,859
<b>Total liabilities</b>	(Btmn)	<b>190,082</b>	<b>193,798</b>	<b>206,224</b>	<b>209,296</b>	<b>206,350</b>	<b>194,812</b>	<b>199,569</b>	<b>196,022</b>
Minority interest	(Btmn)	0	0	0	0	0	0	0	0
Paid-up capital	(Btmn)	21,184	21,184	21,184	21,184	21,184	21,184	21,184	21,184
<b>Total Equities</b>	(Btmn)	<b>38,996</b>	<b>40,464</b>	<b>39,709</b>	<b>41,525</b>	<b>41,597</b>	<b>41,964</b>	<b>41,163</b>	<b>40,154</b>
<b>BVPS</b>	(Bt)	<b>1.84</b>	<b>1.91</b>	<b>1.87</b>	<b>1.96</b>	<b>1.96</b>	<b>1.98</b>	<b>1.94</b>	<b>1.90</b>

### Financial Ratios

FY December 31	Unit	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20
<b>Growth</b>									
YoY loan growth	(%)	3.65	5.42	3.66	9.06	4.56	(0.86)	(2.18)	(6.35)
YoY non-NII growth	(%)	39.84	28.62	22.68	(15.49)	81.37	116.59	56.68	(466.76)
<b>Profitability</b>									
Yield on earn'g assets	(%)	3.68	3.68	3.55	3.52	3.48	3.56	3.56	3.64
Cost on int-bear'g liab	(%)	1.90	1.93	1.86	2.00	2.04	2.16	1.98	1.78
Spread	(%)	1.79	1.75	1.69	1.52	1.44	1.41	1.58	1.85
Net interest margin	(%)	2.12	2.10	1.92	1.87	1.80	1.81	1.86	2.17
ROE	(%)	8.24	7.84	7.50	7.94	7.32	7.34	8.47	(6.97)
ROA	(%)	1.39	1.35	1.25	1.30	1.22	1.27	1.47	(1.19)
<b>Asset Quality</b>									
NPLs/Total Loans	(%)	2.23	2.24	2.21	2.31	2.13	1.75	2.02	2.28
LLR/NPLs	(%)	113.38	111.18	107.99	104.35	121.32	155.08	127.78	NA.
Provision expense/Total loans	(%)	0.29	0.18	0.15	0.25	1.18	1.17	0.19	(1.87)
<b>Liquidity</b>									
Loans/Deposits & borrowings	(%)	87.02	88.49	81.97	81.27	82.02	84.74	83.43	84.45
<b>Efficiency</b>									
Cost to income ratio	(%)	40.96	40.39	43.03	41.42	46.21	44.10	44.98	(61.71)
<b>Capital Fund</b>									
Capital adequacy ratio	(%)	22.47	22.25	20.24	19.86	21.96	22.53	17.43	19.12
Tier-1	(%)	19.43	19.30	17.50	17.17	19.32	19.66	15.14	16.52
Tier-2	(%)	3.04	2.94	2.74	2.69	2.64	2.87	2.29	2.60

Figure 1: Quarterly results

P & L (Bt mn)	1Q19	4Q19	1Q20	%YoY ch	%QoQ ch	% full year
Interest income	2,184	2,126	2,145	(2)	1	26
Interest expense	1,027	1,018	866	(16)	(15)	22
Net interest income	1,158	1,108	1,279	10	15	30
Non-interest income	619	804	(2,271)	(467)	(382)	(99)
Operating expenses	731	777	704	(4)	(9)	24
Pre-provision profit	1,045	1,135	(1,696)	(262)	(249)	(49)
Provision	100	73	(708)	(808)	(1,072)	(54)
Pre-tax profit	945	1,062	(988)	(204)	(193)	(45)
Income tax	139	183	(279)	(301)	(253)	(80)
Net profit	807	880	(709)	(188)	(181)	(39)
EPS (Bt)	0.04	0.04	(0.03)	(188)	(181)	(39)
B/S (Bt mn)	1Q19	4Q19	1Q20	%YoY ch	%QoQ ch	% full year
Gross loans	161,583	155,840	NA.	NA.	NA.	NM
Deposits	170,808	164,985	163,319	(4)	(1)	NM
BVPS (Bt)	1.96	1.94	1.90	(3)	(2)	NM
Ratios (%)	1Q19	4Q19	1Q20	%YoY ch*	%QoQ ch*	% full year
Yield on earn. asset	3.52	3.56	3.64	0.12	0.08	NM
Cost of funds	2.00	1.98	1.78	(0.22)	(0.20)	NM
Net interest margin	1.87	1.86	2.17	0.30	0.31	NM
Cost to income	41.42	44.98	(61.71)	(103.14)	(106.69)	NM
NPLs/total loans	2.31	2.02	2.28	(0.03)	0.26	NM
LLR/NPLs	104.35	127.78	NA.	NA.	NA.	NM

Source: SCBS Investment Research

Note: \* Percentage points

Figure 2: Valuation summary (price as of Apr 21, 2020)

	Rating	Price (Bt/Sh)	Target (Bt/Sh)	ETR (%)	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)		
					19A	20F	21F	19A	20F	21F	19A	20F	21F	19A	20F	21F	19A	20F	21F
BAY	Buy	21.10	26.0	26.5	4.7	6.0	5.7	32	(21)	5	0.6	0.5	0.5	12.8	9.2	9.0	4.0	3.3	3.5
BBL	Buy	111.00	135.0	27.9	5.9	7.5	5.8	1	(22)	30	0.5	0.5	0.5	9	7	8	6.3	6.3	6.3
KBANK	Neutral	97.00	97.0	5.2	6.0	8.8	6.4	1	(32)	38	0.6	0.6	0.5	10	6	8	5.2	5.2	5.4
KKP	Neutral	42.50	42.0	5.7	6.0	8.7	6.9	(1)	(31)	27	0.8	0.8	0.8	14	9	11	10.0	6.9	8.7
KTB	Buy	10.90	14.0	34.0	5.2	6.8	5.3	3	(23)	27	0.5	0.4	0.4	9	7	8	6.9	5.6	7.1
LHFG	Sell	1.04	0.80	(18.9)	6.9	12.0	8.5	3	(43)	41	0.5	0.5	0.5	8	4	6	7.7	4.2	5.9
TCAP	Buy	35.75	42.0	28.2	3.9	5.6	7.1	38	(31)	(21)	0.6	0.6	0.6	16	11	9	19.6	10.7	8.5
TISCO	Neutral	81.50	84.0	11.1	9.0	10.0	8.9	4	(10)	12	1.7	1.7	1.6	19	17	18	9.5	8.0	9.0
TMB	Buy	0.92	1.20	35.0	12.3	6.6	5.3	(72)	86	24	0.5	0.4	0.4	4.9	6.7	7.8	4.3	4.5	5.7
<b>Average</b>					<b>6.6</b>	<b>8.0</b>	<b>6.7</b>	<b>6</b>	<b>(26)</b>	<b>19</b>	<b>0.7</b>	<b>0.7</b>	<b>0.6</b>	<b>11</b>	<b>8</b>	<b>9</b>	<b>8.2</b>	<b>6.0</b>	<b>6.6</b>

Source: SCBS Investment Research

**Disclaimer**

The information in this report has been obtained from sources believed to be reliable. However, its accuracy or completeness is not guaranteed. Any opinions expressed herein reflect our judgment at this date and are subject to change without notice. This report is for information only. It is not to be construed as an offer, or solicitation of an offer to sell or buy any securities. We accept no liability for any loss arising from the use of this document. We or our associates may have an interest in the companies mentioned therein.

SCB Securities Company Limited ("SCBS") is a wholly-owned subsidiary of The Siam Commercial Bank Public Company Limited ("SCB"). Any information related to SCB is for sector comparison purposes.

SCB Securities Company Limited ("SCBS") acts as market maker and issuer of Derivative Warrants on the ordinary shares INTUCH.

Before making an investment decision over a derivative warrant, an investor should carefully read the prospectus for the details of the said derivative warrants. Any opinion, news, research, analyse, price, statement, forecast, projection and/or other information contained in this document (the "Information") is provided as general purpose information only, and shall not be construed as a recommendation to any person of an offer to buy or sell, or the solicitation of an offer to buy or sell, any securities. SCBS and/or its directors, officers, employees, and agents shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of, or reliance on, the Information, including without limitation, damages for loss of profits. The investor should use the Information in association with other information and opinion, including his/her own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and SCBS cannot guarantee the accuracy, completeness and/or correctness of the Information.

SCBS reserves the right to modify the Information from time to time at its sole discretion without giving any notice. This document is delivered to intended recipient(s) only and is not permitted to reproduce, retransmit, disseminate, sell, distribute, republish, circulate or commercially exploit the Information in any manner without the prior written consent of SCBS.

This document is prepared by SCB Securities Company Limited ("SCBS") which is wholly-owned by The Siam Commercial Bank Public Company Limited ("SCB"). SCB has acted as Financial Advisor of SCG Packaging Public Company Limited. SCBS has acted as Joint Lead Underwriter of SCG Packaging Public Company Limited. Any opinions, news, research, analyses, prices, statements, forecasts, projections and/or other information contained in this document (the "Information") is provided as general information purposes only, and shall not be construed as individualized recommendation of an offer to buy or sell or the solicitation of an offer to buy or sell any securities. SCBS and/or its directors, officers and employees shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of or reliance on the Information, including without limitation to, damages for loss of profits. The investors shall use the Information in association with other information and opinion, including their own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and SCBS cannot guarantee the accuracy, completeness and/or correctness of the Information.

This document is prepared by SCB Securities Company Limited ("SCBS") which is wholly-owned by The Siam Commercial Bank Public Company Limited ("SCB"). SCB has acted as Financial Advisor of Charoen Pokphand Group Company Limited. and its affiliates including CP All Public Company Limited. and Charoen Pokphand Foods Public Company Limited. Any opinions, news, research, analyses, prices, statements, forecasts, projections and/or other information contained in this document (the "Information") is provided as general information purposes only, and shall not be construed as individualized recommendation of an offer to buy or sell or the solicitation of an offer to buy or sell any securities. SCBS and/or its directors, officers and employees shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of or reliance on the Information, including without limitation to, damages for loss of profits. The investors shall use the Information in association with other information and opinion, including their own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and SCBS cannot guarantee the accuracy, completeness and/or correctness of the Information.

This document is prepared by SCB Securities Company Limited ("SCBS") which is wholly-owned by The Siam Commercial Bank Public Company Limited ("SCB"). SCB has acted as Financial Advisor, Lead Arranger of Global Power Synergy Public Company Limited. Any opinions, news, research, analyses, prices, statements, forecasts, projections and/or other information contained in this document (the "Information") is provided as general information purposes only, and shall not be construed as individualized recommendation of an offer to buy or sell or the solicitation of an offer to buy or sell any securities. SCBS and/or its directors, officers and employees shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of or reliance on the Information, including without limitation to, damages for loss of profits. The investors shall use the Information in association with other information and opinion, including their own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and SCBS cannot guarantee the accuracy, completeness and/or correctness of the Information.

This document is prepared by SCB Securities Company Limited ("SCBS") which is wholly-owned by The Siam Commercial Bank Public Company Limited ("SCB"). SCB Asset Management Company Limited ("SCBAM") which is wholly-owned by The Siam Commercial Bank Public Company Limited ("SCB"). SCB has acted as Financial Advisor of Digital Telecommunications Infrastructure Fund. SCBAM has acted as Fund Manager of Digital Telecommunications Infrastructure Fund. Any opinions, news, research, analyses, prices, statements, forecasts, projections and/or other information contained in this document (the "Information") is provided as general information purposes only, and shall not be construed as individualized recommendation of an offer to buy or sell or the solicitation of an offer to buy or sell any securities. SCBS and/or its directors, officers and employees shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of or reliance on the Information, including without limitation to, damages for loss of profits. The investors shall use the Information in association with other information and opinion, including their own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and SCBS cannot guarantee the accuracy, completeness and/or correctness of the Information.

SCBS reserves the right to modify the Information from time to time without notice and in its sole discretion. This document is delivered to intended recipient(s) only and is not permitted to reproduce, retransmit, disseminate, sell, distribute, republish, circulate or commercially exploit the Information in any manner without the prior written consent of SCBS.

Futures and Options trading carry a high level of risk with the potential for substantial losses, and are not suitable for all persons. Before deciding to trade Futures and Options, you should carefully consider your financial position, investment objectives, level of experience, and risk appetite if Futures and Options trading are appropriate. The possibility exists that you could sustain a loss of some or all of your initial investment. You should be aware of all the risks associated with Futures and Options trading, and you are advised to rely on your own judgment while making investment decision and/or should seek advice from professional investment advisor if you have any doubts.

This document is delivered to intended recipient(s) only and is not permitted to reproduce, retransmit, disseminate, sell, distribute, republish, circulate or commercially exploit the Information in any manner without the prior written consent of SCBS.

Copyright©2012 SCB Securities Company Limited. All rights reserved.

**CG Rating 2019 Companies with CG Rating****Companies with Excellent CG Scoring**

AAV, ADVANC, AIRA, AKP, AKR, AMA, AMATA, AMATAV, ANAN, AOT, AP, ARROW, BAFS, BANPU, BAY, BCP, BCPG, BOL, BRR, BTS, BTW, BWG, CFRESH, CHEWA, CHO, CK, CKP, CM, CNT, COL, COMAN, CPALL, CPF, CPI, CPN, CSS, DELTA, DEMCO, DRT, DTAC, DTC, EA, EASTW, ECF, EGCO, GBX, GC, GCAP, GEL, GFPT, GGC, GOLD, GPSC, GRAMMY, GUNKUL, HANA, HARN, HMPRO, ICC, ICHI, III, ILINK, INTUCH, IRPC, IVL, JKN, JSP, K, KBANK, KCE, KKP, KSL, KTB, KTC, KTIS, LH, LHFG, LIT, LPN, MAKRO, MALEE, MBK, MBKET, MC, MCOT, MFEC, MINT, MONO\*, MTC, NCH, NCL, NKI, NSI, NVD, NYT, OISHI, OTO, PAP, PCSGH, PDJ, PG, PHOL, PJW, PLANB, PLANET, PORT, PPS, PR9, PREB, PRG, PRM, PSH, PSL, PTG, PTT, PTTEP, PTTGC, PYLON, Q-CON, QH, QTC, RATCH, ROBINS, RS, S, S & J, SABINA, SAMART, SAMTEL, SAT, SC, SCB, SCC, SCCC, SCN, SDC, SEAFCO, SEAOL, SE-ED, SELIC, SENA, SIS, SITHAI, SNC, SORKON, SPALI, SPI, SPRC, SSSC, STA, STEC, SVI, SYNTEC, TASCO, TCAP, THAI, THANA, THANI, THCOM, THIP, THREL, TIP, TISCO, TK, TKT, TMB, TMILL, TNDT, TOA, TOP, TRC, TRU, TRUE, TSC, TSR, TSTH, TTA, TTCL, TTW, TU, TVD, TVO, U, UAC, UV, VGI, VIH, WACOAL, WAVE, WHA, WHAUP, WICE, WINNER

**Companies with Very Good CG Scoring**

2S, ABM, ADB, AF, AGE, AH, AHC, AIT, ALLA, ALT, AMANAH, AMARIN, APCO, APCS, AQUA, ARIP, ASAP, ASIA, ASIAN, ASIMAR, ASK, ASN, ASP, ATP30, AUCT, AYUD, B, BA, BBL, BDMS, BEC, BEM, BFIT, BGC, BGRIM, BIZ, BJC, BJCHI, BLA, BPP, BROOK, CBG, CEN, CENTEL, CGH, CHG, CHOTI, CHOW, CI, CIMBT, CNS, COLOR, COM7, COTTO, CRD, CSC, CSP, DCC, DCON, DDD, DOD, EASON, ECL, EE, EPG, ERW, ESTAR, ETE, FLOYD, FN, FNS, FORTH, FPI, FPT, FSMART, FSS, FVC, GENCO, GJS, GL, GLOBAL, GLOW, GULF, HPT, HTC, HYDRO, ICN, IFS, INET, INSURE, IRC, IRCP, IT, ITD\*, ITEL, J, JAS\*, JCK, JCKH, JMART, JMT, JWD, KBS, KCAR, KGI, KIAT, KOOL, KWC, KWM, L&E, LALIN, LANNA, LDC, LHK, LOXLEY, LRH, LST, M, MACO, MAJOR, MBAX, MEGA, METCO, MFC, MK, MODERN, MOONG, MPG, MSC, MTI, NEP, NETBAY, NEX, NINE, NOBLE, NOK, NTV, NWR, OCC, OGC, ORI, OSP, PATO, PB, PDG, PDI, PL, PLAT, PM, PPP, PRECHA, PRIN, PRINC, PSTC, PT, QLT, RCL, RICHY, RML, RWI, S11, SAAM, SALEE, SAMCO, SANKO, SAPPE, SAWAD, SCG, SCI, SCP, SE, SFP, SIAM, SINGER, SIRI, SKE, SKR, SKY, SMIT, SMK, SMPC, SMT, SNP, SONIC, SPA, SPC, SPCG, SPVI, SR, SRICHA, SSC, SSF, SST, STANLY, SUC, SUN, SUSCO, SUTHA, SWC, SYMC, SYNEX, T, TACC, TAE, TAKUNI, TBSP, TCC, TCMC, TEAM, TEAMG, TFG, TFMAMA, THG, THRE, TIPCO, TITLE, TIW, TKN, TKS, TM, TMC, TMD, TMI, TMT, TNITY, TNL, TNP, TNR, TOG, TPA, TPAC, TPBI, TPCORP, TPOLY, TRITN, TRT, TSE, TSTE, TVI, TVT, TWP, TWPC, UBIS, UEC, UMI, UOBKH, UP, UPF, UPOIC, UT, UWC, VNT, WIJK, XO, YUASA, ZEN, ZMICO

**Companies with Good CG Scoring**

A, ABICO, ACAP\*, AEC, AEONTS, AJ, ALUCON, AMC, APURE, AS, ASEFA, AU, B52, BCH, BEAUTY, BGT, BH, BIG, BLAND, BM, BR, BROCK, BSBM, BSM, BTNC, CCET, CCP, CGD, CHARAN, CHAYO, CITY, CMAN, CMC, CMO, CMR, CPL, CSR, CTW, CWT, D, DIMET, EKH, EMC, EPCO, ESSO, FE, FTE, GIFT, GLAND, GLOCON, GPI, GREEN, GTB, GYT, HTECH, HUMAN, IHL, INGRS, INOX, JTS, JUBILE, KASET, KCM, KKC, KWG, KYE, LEE, LPH, MATCH, MATI, M-CHAI, MCS, MDX, META, MGT, MJD, MM, MVP, NC, NDR, NER, NNCL, NPK, NUSA, OCEAN, PAF, PF, PICO, PIMO, PK, PLE, PMTA, POST, PPM, PROUD, PTL, RCI, RJH, ROJNA, RPC, RPH, SF, SGF, SGP, SKN, SLP, SMART, SOLAR, SPG, SQ, SSP, STI, SUPER, SVOA, TCCC, THE, THMUI, TIC, TIGER, TNH, TOPP, TPCH, TPIPP, TPLAS, TQM, TTI, TYCN, UTP, VCOM, VIBHA, VPO, WIN, WORK, WP, WPH, ZIGA

**Corporate Governance Report**

The material contained in this publication is for general information only and is not intended as advice on any of the matters discussed herein. Readers and others should perform their own independent analysis as to the accuracy or completeness or legality of such information. The Thai Institute of Directors, its officers, the authors and editor make no representation or warranty as to the accuracy, completeness or legality of any of the information contained herein. By accepting this document, each recipient agrees that the Thai Institute of Directors Association, its officers, the authors and editor shall not have any liability for any information contained in, or for any omission from, this publication.

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 2018 to 25 October 2019) is publicized.

\* บริษัทหรือกรรมการหรือผู้บริหารของบริษัทที่มีข่าวด้านการกำกับดูแลกิจการ เช่น การกระทำผิดเกี่ยวกับหลักทรัพย์ การทุจริต คอรัปชั่น เป็นต้น ซึ่งการใช้ข้อมูล CGR ควรตระหนักถึงข้อจำกัดกล่าวประกอบด้วย

**Anti-corruption Progress Indicator****Certified (ได้รับการรับรอง)**

ADVANC, AIE, AKP, AMANAH, AP, APCS, AQUA, ARROW, ASK, ASP, AYUD, BAFS, BANPU, BAY, BBL, BCH, BCP, BCPG, BGRIM, BJCHI, BKI, BLA, BROCK, BRR, BSBM, BTS, BWG, CEN, CENTEL, CFRESH, CGH, CHEWA, CIG, CIMBT, CM, CNS, COM7, CPALL, CPF, CPI, CPN, CSC, DCC, DEMCO, DIMET, DRT, DTAC, DTC, EASTW, ECL, EGCO, FE, FNS, FSS, GBX, GC, GCAP, GEL, GFPT, GGC, GJS, GOLD, GPSC, GSTEEL, GUNKUL, HANA, HARN, HMPRO, HTC, ICC, IFS, INET, INSURE, INTUCH, IRPC, IVL, K, KASET, KBANK, KBS, KCAR, KCE, KGI, KKP, KSL, KTB, KTC, KWC, L&E, LANNA, LHK, LPN, LRH, M, MAKRO, MALEE, MBAX, MBK, MBKET, MC, MCOT, MFC, MINT, MONO, MOONG, MSC, MTI, NBC, NINE, NKI, NMG, NNCL, NSI, OCC, OCEAN, OGC, PAP, PATO, PB, PCSGH, PDG, PDI, PDJ, PE, PG, PHOL, PL, PLANB, PLANET, PLAT, PM, PPP, PPS, PREB, PRG, PRINC, PSH, PSTC, PT, PTG, PTT, PTTEP, PTTGC, PYLON, Q-CON, QH, QLT, QTC, RATCH, RML, ROBINS, S & J, SABINA, SAT, SC, SCB, SCC, SCCC, SCG, SCN, SE-ED, SELIC, SENA, SGP, SIRI, SIS, SITHAI, SMIT, SMK, SMPC, SNC, SNP, SORKON, SPACK, SPC, SPI, SPRC, SRICHA, SSF, SSI, SSSC, SST, STA, TNSCO, SVI, SYNTEC, TASCO, TCAP, TFG, TFI, TFMAMA, THANI, THCOM, THIP, THRE, THREL, TIP, TIPCO, TISCO, TKT, TMB, TMD, TMILL, TMT, TNITY, TNL, TNP, TNR, TOG, TOP, TPA, TPCORP, TRU, TRUE, TSC, TSTH, TTCL, TU, TVD, TVI, TWPC, U, UBIS, UEC, UKEM, UOBKH, VGI, VIH, VNT, WACOAL, WHA, WICE, WIJK

**Declared (ประกาศเจตนาสมัคร)**

2S, ABICO, AF, AI, AIRA, ALT, AMA, AMARIN, AMATA, ANAN, B, BM, BPP, BUI, CHG, CHO, CHOTI, CHOW, CI, CMC, COL, DDD, DELTA, EFORL, EPCO, ESTAR, ETE, FPI, FTE, ICHI, INOX, IRC, ITEL, JAS, JSP, JTS, KWG, LDC, LIT, META, MFEC, MPG, NEP, NOK, NWR, ORI, PRM, PSL, ROJNA, RWI, SAAM, SAPPE, SCI, SEAOL, SHANG, SKR, SPALI, STANLY, SYNEX, TAE, TAKUNI, TMC, TOPP, TPP, TRITN, TVO, UV, UWC, WHAUP, XO

**N/A**

7UP, A, A5, AAV, ABM, ACAP, ACC, ACE, ACG, ADB, AEC, AEONTS, AFC, AGE, AH, AHC, AIT, AJ, AJA, AKR, ALL, ALLA, ALUCON, AMATAV, AMC, AOT, APCO, APEX, APP, APURE, AQ, ARIN, ARIP, AS, ASAP, ASEFA, ASIA, ASIAN, ASIMAR, ASN, ATP30, AU, AUCT, AWC, B52, BA, BAM, BAT-3K, BC, BCT, BDMS, BEAUTY, BEC, BEM, BFIT, BGC, BGT, BH, BIG, BIZ, BJC, BKD, BLAND, BLISS, BOL, BR, BROCK, BSM, BTNC, BTW, CAZ, CBG, CCET, CCP, CGD, CHARAN, CHAYO, CHUO, CITY, CK, CKP, CMAN, CMO, CMR, CNT, COLOR, COMAN, COTTO, CPH, CPL, CPR, CPT, CPW, CRANE, CRC, CRD, CSP, CSR, CSS, CTW, CWT, D, DCON, DCORP, DOD, DOHOME, DTCL, EA, EASON, ECF, EE, EIC, EKH, EMC, EPG, ERW, ESSO, EVER, F&D, FANCY, FLOYD, FMT, FN, FORTH, FPT, FSMART, FVC, GENCO, GIFT, GL, GLAND, GLOBAL, GLOCON, GPI, GRAMMY, GRAND, GREEN, GSC, GTB, GULF, GYT, HFT, HPT, HTECH, HUMAN, HYDRO, ICN, IFEC, IHL, III, ILINK, ILM, IMH, INGRS, INSET, IP, IRCP, IT, ITD, J, JCK, JCKH, JCT, JKN, JMART, JMT, JUBILE, JUTHA, JWD, KAMART, KC, KCM, KDH, KIAT, KKC, KOOL, KTECH, KTIS, KUMWEL, KUN, KWM, KYE, LALIN, LEE, LH, LHFG, LOXLEY, LPH, LST, MACO, MAJOR, MANRIN, MATCH, MATI, MAX, M-CHAI, MCS, MDX, MEGA, METCO, MGT, MIDA, MILL, MITSIB, MJD, MK, ML, MM, MODERN, MORE, MPIC, MTC, MVP, NC, NCH, NCL, NDR, NER, NETBAY, NEW, NEWS, NEX, NFC, NOBLE, NPK, NTV, NUSA, NVD, NYT, OHTL, OISHI, OSP, OTO, PACE, PAE, PAF, PERM, PF, PICO, PIMO, PJW, PK, PLE, PMTA, POLAR, POMPUL, PORT, POST, PPM, PPPM, PR9, PRAKIT, PRECHA, PRIME, PRIN, PRO, PROUD, PTL, RAM, RBF, RCI, RCL, RICH, RICHY, RJH, ROCK, ROH, RP, RPC, RPH, RS, RSP, S, S11, SAFARI, SALEE, SAM, SAMART, SAMCO, SAMTEL, SANKO, SAUCE, SAWAD, SAWANG, SCP, SDC, SE, SEAFCO, SEG, SF, SFLEX, SFP, SGF, SHR, SIAM, SIMAT, SINGER, SISB, SKE, SKN, SKY, SLP, SMART, SMT, SOLAR, SONIC, SPA, SPCG, SPG, SPORT, SPVI, SQ, SR, SSC, SSP, STAR, STARK, STC, STEC, STHAI, STI, STPI, SUC, SUN, SUPER, SUTHA, SVH, SVOA, SWC, SYMC, T, TACC, TAPAC, TBSP, TC, TCC, TCCC, TCJ, TCMC, TCOAT, TEAM, TEAMG, TGPRO, TH, THAI, THANA, THE, THG, THL, THMUI, TIGER, TITLE, TIW, TK, TKN, TKS, TM, TMI, TMW, TNDT, TNH, TNPC, TOA, TPAC, TPBI, TPCH, TPIPL, TPIPP, TPLAS, TPOLY, TPS, TQM, TR, TRC, TRT, TRUBB, TSE, TSF, TSI, TSR, TSTE, TTA, TTI, TTT, TTW, TVT, TWP, TWZ, TYCN, UAC, UMI, UMS, UNIQ, UP, UPA, UPF, UPOIC, UREKA, UT, UTP, UVAN, VARO, VCOM, VI, VIBHA, VL, VNG, VPO, VRANDA, WAVE, WG, WIN, WINNER, WORK, WORLD, WP, WPH, WR, YCI, YGG, 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 June 24, 2019) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.