

Bangkok Expressway and Metro

(BEM.BK/BEM TB)*

Neutral · Maintained

Price as of 4 Aug 2016	8.05
12M target price (Bt/shr)	7.48
Unchanged / Revised up (down) (%)	9.2
Upside/downside (%)	(7.1)

Key messages

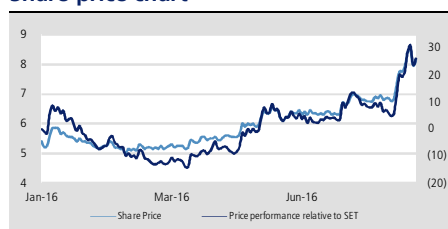
We expect BEM to report a 2Q16 net profit of Bt491mn, declining 30% QoQ. However, we think that the company's core operation should remain strong during the low season in this quarter though its 2Q16 result would be affected by a one-time item (penalty fee of around Bt200mn from loan refinancing). We raised our earnings forecast by 12.8% for 2017 and rolled our target price over to mid-2017 at Bt7.48, from Bt6.85, reflecting i) additional ridership from the Purple Line project, ii) more ridership from potential Blue Line Extension project, and iii) lower interest expense related to its recent debenture issuance. Further, additional upside of Bt1.90 per share would come from the IBL concession extension and awarded Yellow Line. For now, we maintain a Neutral rating due to the limited share price upside at this level.

Trading data

Mkt cap (Btbn/US\$mn)	123/3,524		
Outstanding shares (mn)	15,285		
Foreign ownership (mn)	1,611		
3M avg. daily trading (mn)	136		
52-week trading range (Bt)	5.0-8.5		
Performance (%)	3M	6M	12M
Absolute	38.1	56.7	58.3
Relative	27.4	35.8	31.6

Quarterly EPS

Bt	Q1	Q2	Q3	Q4
2015	0.04	N.A.	N.A.	N.A.
2016	0.05			

Share price chart


Source: SET

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Moves ahead positive news flow
Event

2Q16 earnings preview and rolling over the target price.

Impact
Expect 2Q16 earnings to soften QoQ, due to one-time expense

We expect BEM to report a 2Q16 net profit of Bt491mn, declining 30% QoQ. However, we think that the company's core operation should remain strong during the low season in this quarter, though its 2Q16 result will be affected by a one-time item (penalty fee of around Bt200mn from loan refinancing). Revenue is expected to decline 5% QoQ to Bt2.8bn, in line with traffic volume from its expressway and underground mass-transit. Further, gross margin should improve slightly QoQ to 41.5%, from 41.3% in 1Q16. Stripping out the one-time item, BEM's 2Q16 earnings would be stable QoQ. Based on our forecast, 1H16 earnings account for 47% of our full-year estimate.

Will benefit from Article 44 of the interim charter

Earlier, PM Prayut Chan-o-cha, exercised Article 44 of the interim charter to speed up negotiations between the Mass Rapid Transit Authority of Thailand (MRTA) and BEM, the operator of the Initial Blue Line (IBL), to run two extended routes. BEM will be the prime beneficiary of this order as the time frame for negotiations between MRTA and BEM is limited.

Expect continued growth with 24% CAGR during 2016-19F

We are optimistic about BEM's earnings in the next few years, as its overall performance should continue to grow with new mass transit lines coming into the system. As a result, the company will benefit from incremental ridership revenue, coupled with lower interest expense starting from 2H16.

Valuation and action

We raised our earnings forecast by 12.8% for 2017 and rolled our target price over to mid-2017 at Bt7.48, from Bt6.85, reflecting i) additional ridership from Purple Line project, ii) more ridership from potential Blue Line Extension project, and iii) lower interest expense related to its recent debenture issuance. Further, additional upside of Bt1.90 per share would come from the IBL concession extension and awarded Yellow Line. For now, we maintain a Neutral rating due to the limited share price upside at this level.

Risks

Major risks will come from slower-than-expected economic recovery and political uncertainty.

Key financials and valuations

	Dec-13A	Dec-14A	Dec-15A	Dec-16F	Dec-17F
Revenue (Bt mn)	10,568	11,234	11,738	12,443	14,050
Gross profit (Bt mn)	4,166	4,677	4,643	5,418	6,310
EBIT (Bt mn)	3,812	4,404	4,895	4,458	5,221
Net profit (Bt mn)	4,399	2,745	2,650	2,528	3,439
EPS (Bt)	0.29	0.18	0.17	0.17	0.22
DPS (Bt)	0.08	0.09	0.07	0.07	0.09
EPS growth (%)	N.A.	(37.6)	(3.5)	(4.6)	36.0
P/E (x)	28.0	44.8	46.4	48.7	35.8
P/B (x)	5.0	4.7	4.2	4.7	3.8
EV/EBITDA (x)	22.7	21.6	20.4	21.3	18.9
Net Debt to Equity (%)	136.0	132.8	134.6	154.1	121.4
Dividend Yield (%)	1.0	1.1	0.9	0.8	1.1
Return on Avg. Equity (%)	17.8	10.5	9.1	9.7	10.6

Source: KGI Research

Figure 1: 2Q16 earnings preview

Bt mn	2Q16F	1Q16	QoQ (%)
Sale revenue	2,874	3,026	(5.0)
Operating cost	(1,682)	(1,777)	(5.4)
Gross profit	1,193	1,248	(4.4)
SG&A	(430)	(233)	84.7
Pretax profit	891	1,142	(22.0)
Net profit	491	702	(30.0)
Normalized profit	491	702	(30.0)
EPS (Bt)	0.03	0.05	(30.0)
Percent	2Q16F	1Q16	QoQ (ppts)
Gross margin	41.5	41.3	0.2
Net profit margin	17.1	23.2	(6.1)

Source: Company data, KGI Research

Successful issuance of Bt16.5bn debenture

Recently, BEM launched a Bt16.5bn debenture in June 2016 to refinance its loans. Note that the company issued debenture with five tranches aging between 3-12 years. We calculate the average interest rate from the newly launched debenture at around 2.84%. This will help lower the company's average finance cost by 100bps. We expect lower interest expense to be seen next year. At the beginning, BEM will have a penalty fee of around Bt200mn from its loan prepayment of Bt10bn in 2Q16. However, the company will get more benefit from lower cost of debt starting in 3Q16 and onward. As a result, the positive impact will be seen in 2017.

Figure 2: Mass transit master plan

Mass transit line	Distance (kms.)	No. of stations
Red Line (Thammasat-Mahachai)	80.8	36
Light Red Line (Salaya-Hua Mak)	58.2	22
ARL Bang Sue Phraya Thai-Suvarnabhumi Airport	36.4	10
Green Line (Lamlukka-Samut Prakan)	66.5	55
Light Green (Yotse-Bang Wa)	15.5	14
Blue Line (Existing+Extension) (Bang Sue-Hua Lumphong-Tha Phra-Bang Khae)	55	42
Purple Line (Bang Yai-Rat Burana)	42.8	32
Orange Line (Talingchan-Min Buri)	37.5	27
Pink Line (Kae Rai-Min Buri)	36	24
Yellow Line (Lat Phrao-Samrong)	30.4	21
Grey Line (Watcharaphon-Rama IX bridge)	26	21
Light Blue Line (Din Dang-Sathorn)	9.5	9
Total	494.6	313

Source: Company data, KGI Research

More aggressive on Purple Line from the link of Tao Poon and Bang Sue

We are more positive about the operations of the Purple Line (Bang Yai-Bang Sue) which will begin August 6, 2016. Recently, the board of the Mass Rapid Transit Authority of Thailand approved a budget of Bt693mn to set up the rail-system link between Tao Poon and Bang Sue. This is positive for BEM as it will lead to direct negotiations between MRTA and BEM for the missing link at Tao Poon and Bang Sue. Further, BEM is the most likely operator for the whole loop of the Blue Line project (existing Blue Line and Blue Line Extension), due to efficiency and cost effectiveness regarding its current system.

At the beginning, there will be a missing station (with the Blue Line project) at Tao-Poon station for the rest of this year until 1Q17. Hence, we expect only 20% of the estimated 150K total riders to connect with the Blue Line. At an estimated average fare/rider of Bt30.00, we forecast revenue from the initial stage to be Bt108mn for the rest of the year. However, the connection will be in place from 2Q17 after the negotiations with MRTA are completed. We expect the ridership numbers to increase to 60% (from 20% during the initial stage) at the same average fare price. As a result, the company will recognize additional revenue following the completion of Tao-Poon station of Bt890mn per year. The opening of the Purple Line will help feed in riders to the Blue Line project.

Blue Line Extension to add more passengers for BEM

Looking ahead, the Blue Line Extension (BLE) project (Bang Sue-Tha Phra & Hua Lamphong-Bang Kae) will be negotiated between MRTA and BEM. BEM will be a prime beneficiary of the project as it will provide more earnings upside in the longer term. Conservatively, we estimate 120K passengers (accounts for 20% of IFA's forecast of around 600K passengers) during the early stage and the numbers would rise further to 360K passengers in the next stage, coupled with average fare/rider of Bt29.00. Based on this assumption, BEM would gain additional revenue of Bt1.1bn-Bt3.4bn from this extension project per year. The project is expected to begin operations in 2019.

Figure 3: Outlook for Purple Line and Blue Line Extension

Purple Line*	Before connection of Tao-Poon station	After connection of Tao-Poon station
No. of passengers (people)	30,000	90,000
Avg. fare/ridership (Bt)	30	30
Additional revenue per year (Bt)	108,000,000	891,000,000
<i>*Bang Yai-Bang Sue</i>		
Blue Line Extension**	Initial stage	Normal stage
No. of passengers (people)	120,000	360,000
Avg. fare/ridership (Bt)	29	29
Additional revenue per year (Bt)	1,148,400,000	3,445,200,000
<i>**Bang Sue-Tha Phra & Hua Lamphong-Bang Kae</i>		

Source: Company data

Figure 4: Assumptions

	2013	2014	2015	2016F	2017F	2018F
Avg. traffic volume (m trips/day)	1.1	1.1	1.2	1.2	1.2	1.2
Avg. toll fee (Bt/trip)	20.0	20.9	20.9	20.9	22.0	22.0
Avg. ridership (m trips/year)	92.0	95.0	104.0	114.4	125.8	135.9
Avg. fare (Bt/trip)	24.2	25.0	27.0	28.1	30.0	31.5

Source: Company data, KGI Research

Figure 5: BEM valuation

BEM	
NPV of Enterprise Value (Bt)	114,355
Ke (%)	10.4
Kd (%)	5.0
WACC (%)	7.0
Number of shares	15,285
BEM Value (Bt/Shr)	7.48

Source: Company data, KGI Research

Figure 6: BEM current and potential valuations

Business	Value (Bt/Shr)
i) Expressway	3.38
ii) Mass transit	4.13
a) Initial Blue Line & Extension	3.60
b) Purple Line	0.30
c) Red Line	0.20
Current valuation	7.48
d) Blue Line (contract extension)	1.20
e) Yellow Line	0.70
Potential valuation	9.38

Source: Company data, KGI Research

Maintain Neutral with a new target price of Bt7.48

We rolled BEM's DCF target price over to Bt7.48, from Bt6.85, reflecting i) additional ridership from Purple Line project, ii) more ridership from potential Blue Line Extension project, and iii) lower interest expense related to its recent debenture issuance. For now, BEM's current share price has already priced in the positive factors. Hence, we maintain a Neutral rating. However, BEM would have more upside from the extension of IBL concession project and awarded Yellow Line in the future. Preliminarily, we expect these projects to provide around an additional Bt1.9 per share, or 25% to our current target price.

Figure 7: Company profile

BEM is the merged company between BECL and BMCL. BECL is the operator of i) Second Stage Expressway System under two concession agreements ending in 2020 and 2027, respectively, and ii) Si-Rat Outer Ring Road Expressway (SOE), under construction and expected to start operations in 2016. Further, NECL, a subsidiary of BECL, is the operator of Bangpain-Pak Kret expressway (Sector C+) under a concession agreement ending in 2026. BMCL is granted two concession agreements to construct and operate: i) Initial Blue Line (IBL) with the rights to operate commercial development ending in 2029, and ii) Purple Lines, which is now under construction and expected to start operations in 2016.

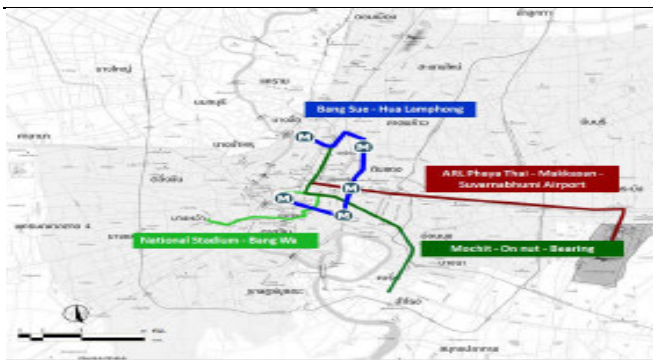
Source: KGI Research

Figure 8: Merger between BECL and BMCL



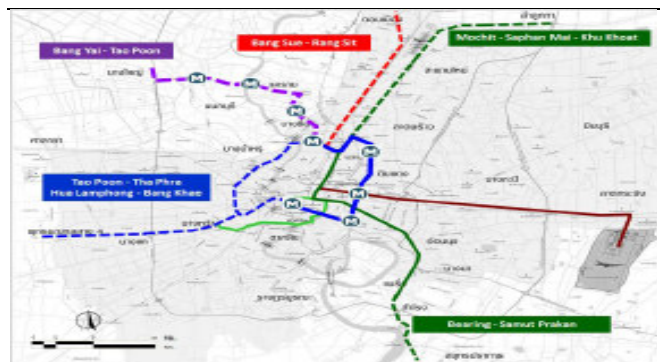
Source: Company data, KGI Research

Figure 9: Existing metro lines



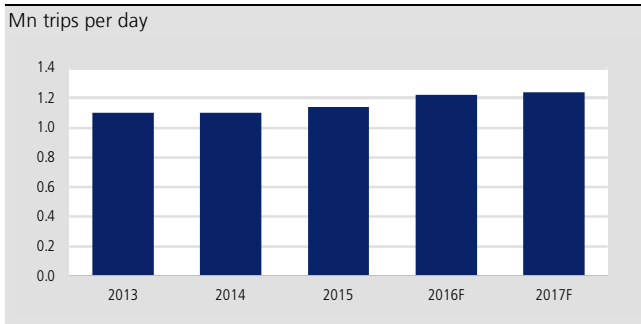
Source: Company data, KGI Research

Figure 10: Five more lines under construction



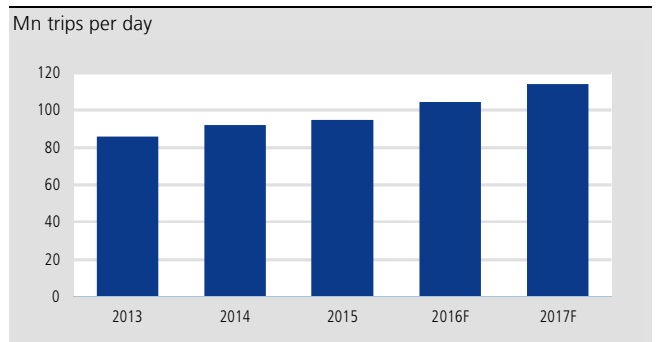
Source: Company data, KGI Research

Figure 11: Expressway daily traffic volume



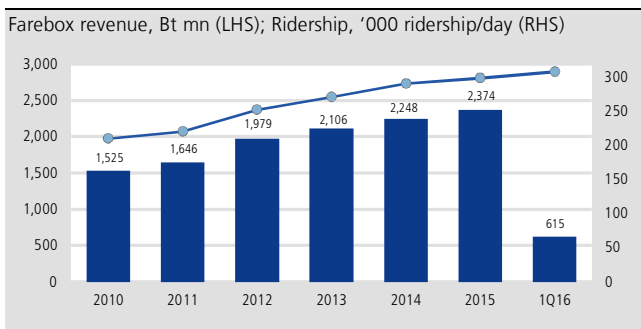
Source: Company data, KGI Research

Figure 12: MRT daily ridership



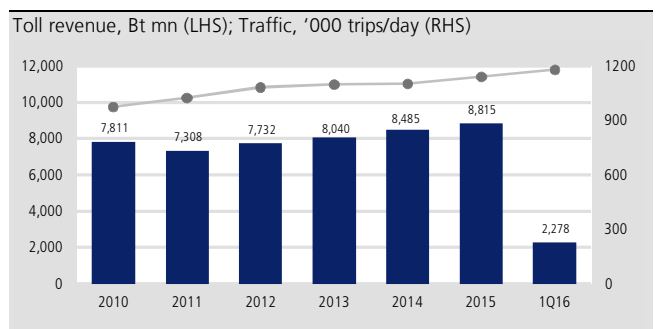
Source: Company data, KGI Research

Figure 13: Fare box revenue & ridership



Source: Company data, KGI Research

Figure 14: Toll revenue & traffic



Source: Company data, KGI Research

Balance Sheet

As of 31 Dec (Bt mn)	2013	2014	2015	2016F	2017F
Total Assets	65,361	70,026	78,120	77,871	86,821
Current Assets	4,087	5,025	5,869	7,374	10,374
Cash & ST Investments	3,807	4,725	4,981	7,042	9,999
Inventories	0	0	0	0	0
Accounts Receivable	83	102	85	113	127
Others	198	198	804	220	248
Non-current Assets	61,273	65,001	72,251	70,497	76,446
LT Investments	10,020	9,714	10,870	10,870	10,870
Net fixed Assets	17,737	17,432	17,178	17,697	18,231
Others	33,516	37,855	44,202	41,930	47,345
Total Liabilities	40,647	43,817	48,990	51,756	54,294
Current Liabilities	7,182	9,637	27,315	28,113	29,854
Accounts Payable	1,495	2,009	2,580	2,153	2,372
ST Borrowings	3,943	5,354	22,529	23,643	25,049
Others	1,743	2,274	2,207	2,317	2,433
Long-term Liabilities	33,465	34,180	21,675	23,643	24,440
Long-term Debts	26,836	28,474	17,354	17,528	17,703
Others	6,629	5,707	4,321	6,115	6,737
Shareholders' Equity	24,714	26,209	29,130	26,115	32,527
Common Stock	28,200	28,200	15,285	15,285	15,285
Capital Surplus	5,817	5,817	5,817	5,817	5,817
Retained Earnings	(7,821)	(6,391)	7,254	8,265	9,641
Others	(1,482)	(1,418)	774	(3,252)	1,784

Source: KGI Research

Key Ratios

Year to 31 Dec (Bt mn)	2013	2014	2015	2016F	2017F
Growth (% YoY)					
Sales	N.A.	6.3	4.5	6.0	12.9
OP	N.A.	15.5	11.2	(8.9)	17.1
EBITDA	N.A.	7.8	8.5	(4.5)	11.5
NP	N.A.	(37.6)	(3.5)	(4.6)	36.0
EPS	N.A.	(37.6)	(3.5)	(4.6)	36.0
Profitability (%)					
Gross Margin	39.4	41.6	39.6	43.5	44.9
Operating Margin	36.1	39.2	41.7	35.8	37.2
EBITDA Margin	62.9	63.7	66.2	59.6	58.8
Net Profit Margin	41.6	24.4	22.6	20.3	24.5
ROAA	6.7	3.9	3.4	3.2	4.0
ROAE	17.8	10.5	9.1	9.7	10.6
Stability					
Gross Debt/Equity (%)	124.5	129.1	136.9	157.7	131.4
Net Debt/Equity (%)	136.0	132.8	134.6	154.1	121.4
Interest Coverage (x)	91.3	1.9	3.1	2.5	2.6
Interest & ST Debt Coverage (x)	0.6	0.6	0.2	0.2	0.2
Cash Flow Interest Coverage (x)	1.0	3.9	1.9	2.0	3.3
Cash Flow/Interest & ST Debt (x)	0.3	0.8	0.2	0.1	0.2
Current Ratio (x)	0.6	0.5	0.2	0.3	0.3
Quick Ratio (x)	0.6	0.5	0.2	0.3	0.3
Net Debt (Bt mn)	33,601	34,810	39,223	40,244	39,490
Per Share Data (Bt)					
EPS	0.3	0.2	0.2	0.2	0.2
CFPS	0.2	0.3	0.3	0.5	0.7
BVPS	1.6	1.7	1.9	1.7	2.1
SPS	0.7	0.7	0.8	0.8	0.9
EBITDA/Share	0.4	0.5	0.5	0.5	0.5
DPS	0.1	0.1	0.1	0.1	0.1
Activity					
Asset Turnover (x)	0.2	0.2	0.2	0.2	0.2
Days Receivables	2.9	3.3	2.6	3.3	3.3

Source: KGI Research

Profit & Loss

Year to 31 Dec (Bt mn)	2013	2014	2015	2016F	2017F
Sales	10,568	11,234	11,738	12,443	14,050
Cost of Goods Sold	(6,402)	(6,556)	(7,094)	(7,025)	(7,740)
Gross Profit	4,166	4,677	4,643	5,418	6,310
Operating Expenses	(853)	(923)	(1,115)	(1,033)	(1,166)
Operating Profit	3,313	3,754	3,528	4,385	5,144
Net Interest	(2,029)	(1,437)	(1,934)	(1,741)	(1,393)
Net other Non-op. Income/(Loss)	499	650	1,367	73	77
Net Extraordinaries	3,106	546	461	507	558
Pretax Income	1,783	2,966	2,961	2,717	3,828
Income Taxes	(467)	(702)	(721)	(645)	(877)
Net Profit	4,399	2,745	2,650	2,528	3,439
EBITDA	6,642	7,157	7,766	7,415	8,266
EPS (Bt)	0.29	0.18	0.17	0.17	0.22

Source: KGI Research

Cash Flow

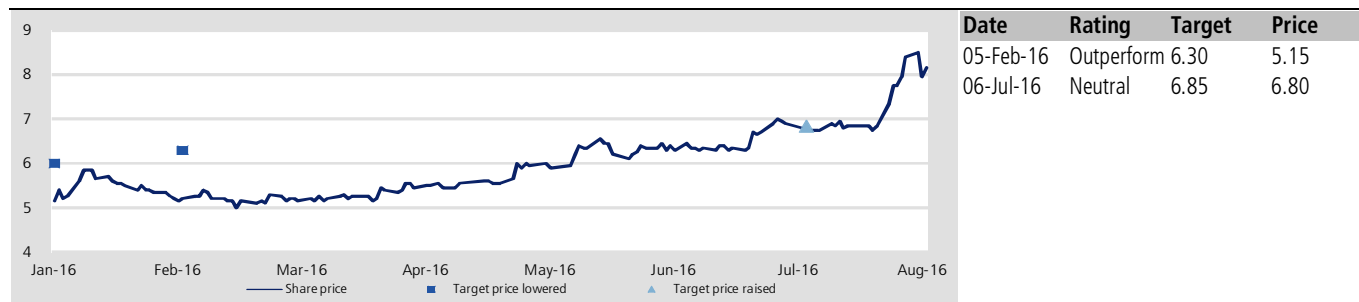
Year to 31 Dec (Bt mn)	2013	2014	2015	2016F	2017F
Operating Cash Flow	1,930	5,547	3,754	3,501	4,601
Pretax Profit	4,864	3,513	3,422	3,224	4,386
Depreciation & Amortization	2,830	2,754	2,871	2,957	3,046
Change in Working Capital	(3,293)	(1,751)	(2,245)	(2,357)	(2,475)
Others	(2,471)	1,032	(294)	(323)	(356)
Investment Cash Flow	(2,717)	(7,128)	(4,758)	(5,079)	(5,417)
Net CAPEX	(5,281)	6,362	(7,064)	(7,418)	(7,788)
Change in LT Investment	(2,600)	(400)	(1,402)	(1,444)	(1,488)
Change in Other Assets	5,164	(13,089)	3,709	3,783	3,859
Free Cash Flow	(787)	(1,580)	(1,003)	(1,578)	(816)
Financing Cash Flow	3,875	1,471	3,571	4,077	4,189
Change in Share Capital	8,550	0	0	0	0
Net Change in Debt	(3,458)	2,780	5,496	5,606	5,718
Change in Other LT Liab.	(1,217)	(1,309)	(1,925)	(1,529)	(1,529)
Net Cash Flow	3,089	(109)	2,568	2,499	3,373

Source: KGI Research

Rates of Return on Invested Capital

Year	1- $\frac{\text{COGS Revenue}}{\text{Revenue}}$	+ $\frac{\text{Depreciation Revenue}}{\text{Revenue}}$	+ $\frac{\text{Operating Exp. Revenue}}{\text{Revenue}}$	= Operating Margin
2013	60.6%	26.8%	8.1%	4.6%
2014	58.4%	24.5%	8.2%	8.9%
2015	60.4%	24.5%	9.5%	5.6%
2016F	56.5%	23.8%	8.3%	11.5%
2017F	55.1%	21.7%	8.3%	14.9%
Year	1/ $\frac{\text{Working Capital Revenue}}{\text{Revenue}}$	+ $\frac{\text{Net PPE Revenue}}{\text{Revenue}}$	+ $\frac{\text{Other Assets Revenue}}{\text{Revenue}}$	= Capital Turnover
2013	0.15	0.01	6.18	0.16
2014	0.04	0.01	6.23	0.16
2015	0.17	0.01	6.66	0.15
2016F	0.36	0.01	6.26	0.15
2017F	0.52	0.01	6.18	0.15
Year	$\frac{\text{Operating Margin}}{\text{Capital Turnover}}$	x	$\frac{\text{Cash Tax Rate}}{\text{Tax Rate}}$	= After-tax Return on Inv. Capital
2013	4.6%	x	73.8%	0.5%
2014	8.9%	x	76.3%	1.1%
2015	5.6%	x	75.6%	0.6%
2016F	11.5%	x	76.3%	1.3%
2017F	14.9%	x	77.1%	1.7%

Source: KGI Research

Bangkok Expressway and Metro – Recommendation & target price history


Source: KGI Research

KGI Locations

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Hong Kong		41/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong Telephone 852.2878.6888 Facsimile 852.2878.6800
Thailand	Bangkok	8th - 11th floors, Asia Centre Building 173 South Sathorn Road, Bangkok 10120, Thailand Telephone 66.2658.8888 Facsimile 66.2658.8014

KGI's Ratings

Rating	Definition
Outperform (OP)	The stock's excess return* over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Neutral (N)	The stock's excess return* over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).1.3
Under perform (U)	The stock's excess return* over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Not Rated (NR)	The stock is not rated by KGI Securities.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances. <i>Excess return = 12M target price/current price-</i>
Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.

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Corporate Governance Report of Thai Listed Companies



Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
EGCO	ELECTRICITY GENERATING	KTB	KRUNG THAI BANK	TISCO	TISCO FINANCIAL GROUP
KBANK	KASIKORN BANK	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING		
KKP	KIATNAKIN BANK	SCB	THE SIAM COMMERCIAL BANK		



Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	ERW	THE ERAWAN GROUP	SCC	THE SIAM CEMENT
AOT	AIRPORTS OF THAILAND	GFPT	GFPT	SPALI	SUPALAI
AP	ASIAN PROPERTY DEVELOPMENT	IFEC	INTER FAR EAST ENGINEERING	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
BBL	BANGKOK BANK	LPN	L.P.N. DEVELOPMENT	SVI	SVI
BH	BUMRUNGRAD HOSPITAL	MINT	MINOR INTERNATIONAL	TASCO	TIPCO ASPHALT
BIGC	BIG C SUPERCENTER	PS	PRUKSA REAL ESTATE	TCAP	THANACHART CAPITAL
CK	CH. KARNCHANG	QH	QUALITY HOUSES	TMB	TMB BANK
CPALL	CP ALL	ROBINS	ROBINSON DEPARTMENT STORE	TRUE	TRUE CORPORATION
CPN	CENTRAL PATTANA	RS	RS		
DRT	DIAMOND ROOFING TILES	SAMART	SAMART CORPORATION		



Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
CENTEL	CENTRAL PLAZA HOTEL	HMPRO	HOME PRODUCT CENTER	MAKRO	SIAM MAKRO
DCC	DYNASTY CERAMIC	ILINK	INTERLINK COMMUNICATION	MODERN	MODERNFORM GROUP
GL	GROUP LEASE	KTC	KRUNGTHAI CARD	TRT	TIRATHAI
GLOW	GLOW ENERGY	MAJOR	MAJOR CINEPLEX GROUP	TVO	THAI VEGETABLE OIL

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	CHG	CHULARAT HOSPITAL	NOK	NOK AIRLINES
ANAN	ANANDA DEVELOPMENT	CKP	CK POWER	PACE	PACE DEVELOPMENT CORPORATION
BA	BANGKOK AIRWAYS	DTAC	TOTAL ACCESS COMMUNICATION	SAWAD	SRI SAWAD POWER 1979
BCH	BANGKOK CHAIN HOSPITAL	GLOBAL	SIAM GLOBAL HOUSE	TMT	THAI METAL TRADE
BDMS	BANGKOK DUSIT MEDICAL SERVICES	GPSC	GLOBAL POWER SYNERGY	TPCH	TPC POWER HOLDING
BEM	BANGKOK EXPRESSWAY AND METRO	GUNKUL	GUNKUL ENGINEERING	WHA	WHA CORPORATION
BJCHI	BJC HEAVY INDUSTRIES	LPH	LADPRAO GENERAL HOSPITAL	WORK	WORKPOINT ENTERTAINMENT
CBG	CARABAO GROUP	MTLS	MUANGTHAI LEASING		

Source: www.thai-iod.com

Disclaimer: 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 assessment 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 or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.

Anti-corruption Progress Indicator

Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
CPN	CENTRAL PATTANA	SCC	THE SIAM CEMENT		

Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	IFEC	INTER FAR EAST ENGINEERING	SVI	SVI
BBL	BANGKOK BANK	KBANK	KASIKORNBANK	TCAP	THANACHART CAPITAL
DCC	DYNASTY CERAMIC	KKP	KIATNAKIN BANK	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	KTB	KRUNG THAI BANK	TMB	TMB BANK
EGCO	ELECTRICITY GENERATING	MINT	MINOR INTERNATIONAL		
ERW	THE ERAWAN GROUP	SCB	THE SIAM COMMERCIAL BANK		

Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	DTAC	TOTAL ACCESS COMMUNICATION	PACE	PACE DEVELOPMENT CORPORATION
ANAN	ANANDA DEVELOPMENT	GFPT	GFPT	PS	PRUKSA REAL ESTATE
AP	ASIAN PROPERTY DEVELOPMENT	GL	GROUP LEASE	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BA	BANGKOK AIRWAYS	GLOW	GLOW ENERGY	ROBINS	ROBINSON DEPARTMENT STORE
BDMS	BANGKOK DUSIT MEDICAL SERVICES	GPSC	GLOBAL POWER SYNERGY	SAMART	SAMART CORPORATION
BIGC	BIG C SUPERCENTER	HMPRO	HOME PRODUCT CENTER	SPALI	SUPALAI
BJCHI	BJC HEAVY INDUSTRIES	KTC	KRUNGTHAI CARD	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
CENTEL	CENTRAL PLAZA HOTEL	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CHG	CHULARAT HOSPITAL	MAKRO	SIAM MAKRO	TMT	THAI METAL TRADE
CK	CH. KARNCHANG	MODERN	MODERNFORM GROUP	TPCH	TPC POWER HOLDING
CKP	CK POWER	NOK	NOK AIRLINES	WHA	NOK AIRLINES

Level 2: Declared

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	GUNKUL	GUNKUL ENGINEERING	QH	QUALITY HOUSES
BH	BUMRUNGRAD HOSPITAL	ILINK	INTERLINK COMMUNICATION	TRT	TIRATHAI
GLOBAL	SIAM GLOBAL HOUSE	MTLS	MUANGTHAI LEASING	TVO	THAI VEGETABLE OIL

Level 1: Committed

Stock	Company name	Stock	Company name	Stock	Company name
CBG	CARABAO GROUP	RS	RS	SAWAD	SRI SAWAD POWER 1979
MAJOR	MAJOR CINEPLEX GROUP				

No progress

Stock	Company name	Stock	Company name	Stock	Company name
BCH	BANGKOK CHAIN HOSPITAL	CPALL	CP ALL	WORK	WORKPOINT ENTERTAINMENT
BEM	BANGKOK EXPRESSWAY AND METRO	LPH	LADPRAO GENERAL HOSPITAL		

Source: www.cgthailand.org

Disclaimer: The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.