

Bangkok Expressway and Metro (BEM.BK/BEM TB)*

Outperform • Upgraded

Price as of 21 Dec 2018	9.75
12M target price (Bt/shr)	11.10
Unchanged/Revised up(down)(%)	29.1
Upside/downside (%)	13.8

Key messages

On December 20, EXAT's board said BEM's second stage expressway extension has been cleared as the board decided to extend the expressway contract for 37 years following the expiration on February 27, 2020. We conservatively estimate additional valuation of Bt2.50 per share from this, raising our target price to Bt11.10 (+29% from the previous target price of Bt8.60). We maintain our FY18-19F earnings. We upgrade BEM to Outperform, from Neutral, with a new sum-of-the-parts target price.

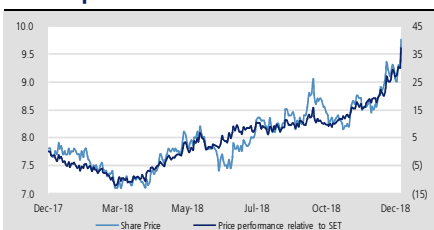
Trading data

Mkt cap (Btbn/US\$mn)	149/4,563		
Outstanding shares (mn)	15,285		
Foreign ownership (mn)	1,598		
3M avg. daily trading (mn)	37		
52-week trading range (Bt)	7.1-9.8		
Performance (%)	3M	6M	12M
Absolute	7.7	28.3	25.8
Relative	18.6	31.5	37.3

Quarterly EPS

Bt	Q1	Q2	Q3	Q4
2015	0.04	0.03	0.10	0.00
2016	0.05	0.03	0.05	0.04
2017	0.05	0.05	0.06	0.05
2018	0.05	0.06	0.20	

Share price chart



Source: SET

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Positive news coming

Event

Expressway Authority of Thailand (EXAT) announced its board had approved the extension of BEM's expressway contract by 37 years.

Impact

Expressway contract extended 37 years

On December 20, EXAT's board said BEM's second stage expressway extension has been cleared as the board decided to extend the expressway contract for 37 years following the expiration on February 27, 2020. The new concession contract was longer than our expectation of two extensions for ten years each. Meanwhile, toll price will be raised by Bt10 every ten years without considering Thailand's consumer price index (CPI) versus our assumption of an increase every five years based on CPI. All-in, this news is positive for BEM since the extension of the contract has been uncertain for years. We think that this issue was chiefly driven by i) BEM's right to refusal, and ii) the court already settling the case of compensation for Don Muang Tollway at Rangsit. We conservatively estimate additional valuation of Bt2.50 per share from this decision, raising our target price to Bt11.10 (+29% from the previous target price of Bt8.60). Note that the deal will be concluded once the cabinet approves it.

Maintain our 2018-19F earnings

We maintain our FY18-19F earnings forecasts of Bt3.62bn (+15.8% YoY) and Bt4.30bn (+19.0% YoY). For now, the positive effect from lengthening the expressway contract would be seen from 2020. We believe there would be positive impact from potentially lower-than-expected depreciation and amortization considering the longer length of the concession contract.

Positive catalysts for future

There will be two highlight projects: i) bidding on the Orange Line and ii) bidding on the Southern Purple Line. Preliminarily, we expect the Orange Line (management phase only) to add around Bt0.9/share to BEM's valuation.

Valuation & Action

YTD, BEM's share price has been performing well, rising around 27%. Based on potential extension of the expressway concession contract, we upgrade BEM to Outperform, from Neutral, with a new sum-of-parts target price of Bt11.10, from Bt8.60.

Risks

Slower-than-expected economic recovery and political uncertainty.

Key financials and valuations

	Dec-15A	Dec-16A	Dec-17A	Dec-18F	Dec-19F
Revenue (Bt mn)	11,738	13,104	15,153	15,938	17,540
Gross profit (Bt mn)	4,643	5,110	5,947	6,655	7,466
EBIT (Bt mn)	4,895	4,254	5,043	5,695	6,450
Net profit (Bt mn)	2,650	2,606	3,123	3,615	4,302
EPS (Bt)	0.17	0.17	0.20	0.24	0.28
DPS (Bt)	0.07	0.11	0.13	0.15	0.18
EPS growth (%)	(3.5)	(1.7)	19.9	15.8	19.0
P/E (x)	56.2	57.2	47.7	41.2	34.6
P/B (x)	5.1	5.0	4.8	4.2	3.5
EV/EBITDA (x)	23.7	25.4	24.2	21.9	19.8
Net Debt to Equity (%)	134.6	146.1	190.9	163.8	132.6
Dividend Yield (%)	0.7	1.1	1.3	1.6	1.9
Return on Avg. Equity (%)	9.1	8.7	10.0	10.2	10.0

Source: Company data, KGI Research

We conservatively estimate additional valuation from the extension of the contract to be Bt2.50 per share, raising our target price to Bt11.10 (+29% from the previous target price of Bt8.60).

Potential extension of expressway contract

Upgrade to Outperform with a new target of Bt11.10

On December 20, EXAT's board said BEM's second stage expressway extension has been cleared as the board decided to extend the expressway contract for 37 years following the expiration on February 27, 2020. The new concession contract will be extended more than our expectation as we expect i) the future contract will be extended for twice (10 years each) and ii) no ticket price adjustment (versus Bt10 added every ten years without considering Thailand's consumer price index). All-in, this news is positive for BEM since the extension of the contract has been uncertain for years. We think that this issue was chiefly driven by i) BEM's right to refusal, and ii) the court already settling the case of compensation for Don Muang Tollway at Rangsit. We conservatively estimate additional valuation of Bt2.50 per share from this decision, raising our target price to Bt11.10 (+29% from the previous target price of Bt8.60). Note that the deal will be concluded once the cabinet approves it.

Figure 1: Key assumptions

	2013	2014	2015	2016	2017	2018F	2019F
Avg. traffic volume (m trips/day)	1.10	1.10	1.14	1.18	1.21	1.23	1.25
Avg. toll fee (Bt/trip)	20.0	20.9	20.9	20.9	22.0	22.0	22.1
Avg. ridership (m trips/day)	0.3	0.3	0.3	0.3	0.3	0.4	0.4
Avg. fare (Bt/trip)	24.2	25.0	27.0	28.1	30.0	31.5	32.0

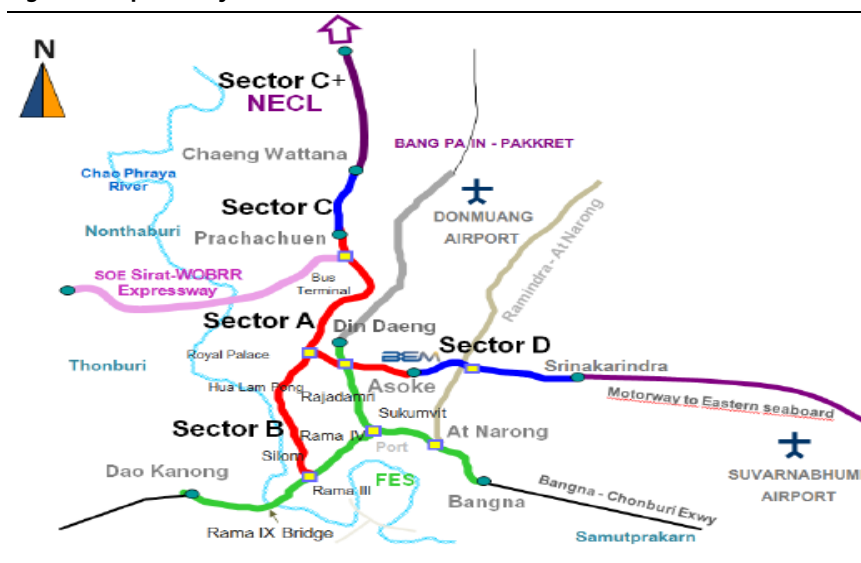
Source: Company data, KGI Research

Figure 2: Current and potential valuation

Business	Value (Bt/Shr)
i) Expressway	3.30
ii) Mass transit	4.13
a) Initial Blue Line & Extension	3.60
b) Purple Line	0.30
c) Red Line	0.20
d) Blue Line Extension	1.20
iii) Expressway extension	2.50
Current valuation	11.10
iii) Orange Line	0.90
Potential valuation	12.00

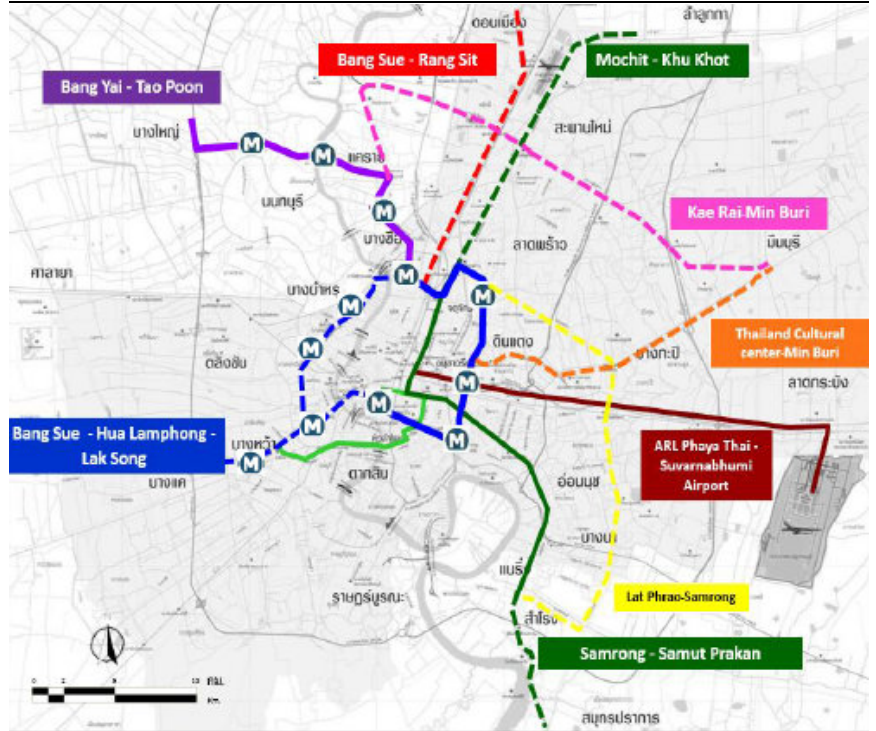
Source: Company data, KGI Research

Figure 3: Expressway network



Source: Company data

Figure 4: Six more lines under construction



Source: Company data

Figure 5: Company profile

Bangkok Expressway and Metro (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), started 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 started operations in 2016.

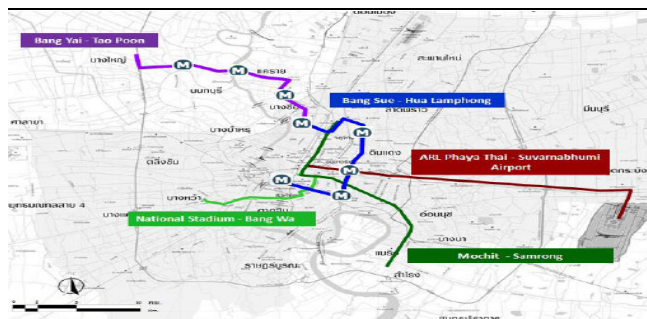
Source: Company data

Figure 6: Merger between BECL and BMCL



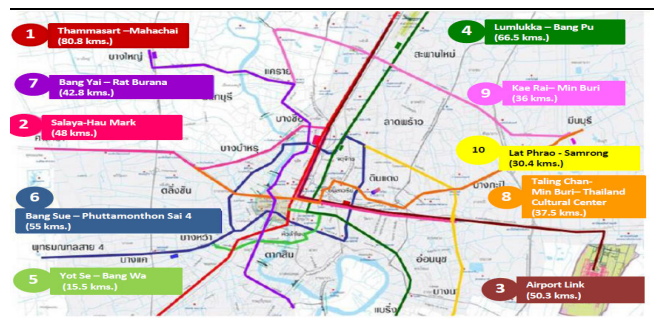
Source: Company data, KGI Research

Figure 7: Existing metro lines



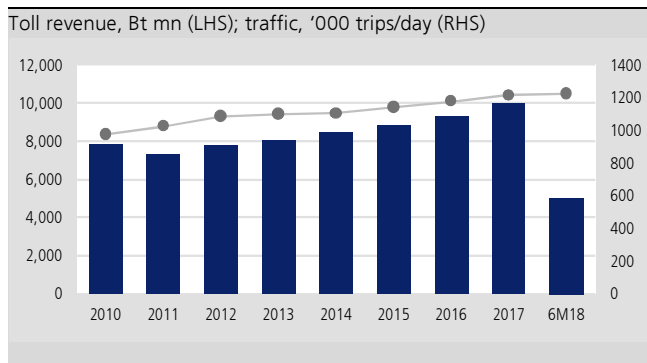
Source: Company data, KGI Research

Figure 8: Future mass transit network



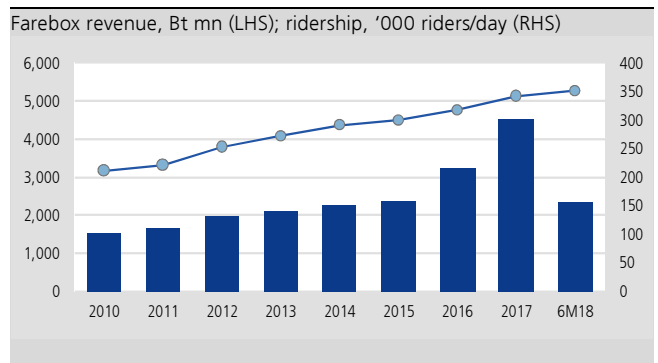
Source: Company data, KGI Research

Figure 9: Toll revenue and traffic



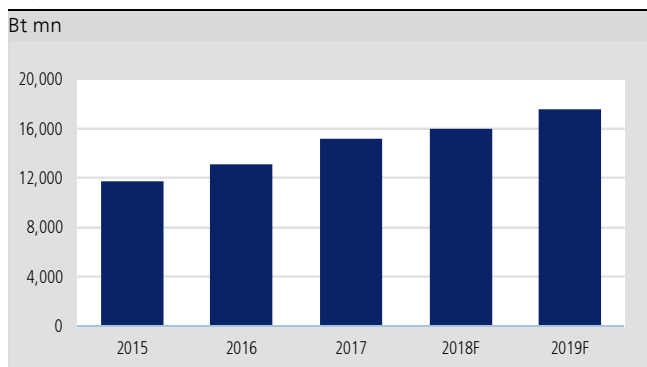
Source: Company data, KGI Research

Figure 10: Fare box revenue and ridership



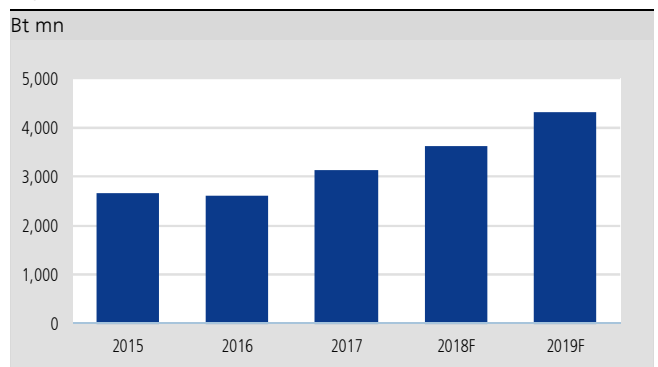
Source: Company data, KGI Research

Figure 11: Total revenue



Source: Company data, KGI Research

Figure 12: Net profit



Source: Company data, KGI Research

Quarterly Income Statement

	Mar-15A	Jun-15A	Sep-15A	Dec-15A	Mar-16A	Jun-16A	Sep-16A	Dec-16A	Mar-17A	Jun-17A	Sep-17A	Dec-17A	Mar-18A	Jun-18A	Sep-18A
Income Statement (Bt mn)															
Revenue	2,921	2,859	2,953	3,004	3,026	2,919	3,431	3,728	3,731	3,705	3,900	3,817	3,886	3,799	3,947
Cost of Goods Sold	(1,724)	(1,722)	(1,781)	(1,866)	(1,809)	(1,734)	(2,043)	(2,408)	(2,330)	(2,279)	(2,305)	(2,293)	(2,363)	(2,321)	(2,394)
Gross Profit	1,197	1,136	1,172	1,138	1,217	1,185	1,389	1,320	1,402	1,427	1,595	1,524	1,523	1,479	1,553
Operating Expenses	(253)	(253)	(238)	(371)	(204)	(218)	(262)	(301)	(257)	(283)	(251)	(354)	(296)	(312)	(275)
Other incomes	168	148	45	1,006	126	127	34	(158)	109	116	26	(11)	227	228	123
Operating Profit	1,112	1,031	979	1,773	1,139	1,094	1,161	861	1,254	1,260	1,370	1,159	1,454	1,395	1,401
Non-Operating Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-op Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Operating Expenses	(355)	(395)	(358)	(826)	(276)	(484)	(291)	(376)	(379)	(380)	(364)	(487)	(594)	(430)	(420)
Interest Expense	(355)	(395)	(358)	(826)	(276)	(484)	(291)	(376)	(379)	(380)	(364)	(487)	(594)	(430)	(420)
Other Non-op Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Investment Income/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pre-tax Profit	757	636	621	947	863	610	870	485	875	880	1,006	672	861	965	981
Current taxation	(161)	(126)	(413)	(22)	(162)	(104)	(171)	(127)	(172)	(159)	(198)	(166)	(163)	(229)	(128)
Minorities	(18)	(14)	(12)	505	0	(2)	(3)	353	(2)	(5)	(6)	419	(3)	(2)	(3)
Extraordinary items	-	-	1,323	(1,323)	-	-	113	(113)	2	7	139	(149)	42	245	2,270
Net Profit	578	496	1,519	57	702	504	808	592	702	723	941	757	736	978	3,119
EPS (Bt)	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.2
Margins (%)															
Gross profit margin	41.0	39.7	39.7	(61.0)	40.2	40.6	40.5	35.4	37.6	38.5	40.9	39.9	39.2	38.9	39.4
Operating margin	38.1	36.1	33.2	(95.0)	37.6	37.5	33.8	23.1	33.6	34.0	35.1	30.4	37.4	36.7	35.5
Net profit margin	19.8	17.4	51.4	(3.0)	23.2	17.3	23.5	15.9	18.8	19.5	24.1	19.8	18.9	25.7	79.0
Growth (%)															
Revenue growth	(50.6)	(36.8)	(41.3)	(55.9)	3.6	2.1	16.2	24.1	23.3	26.9	13.7	2.4	4.1	2.5	1.2
Operating growth	24.2	N.A.	316.7	(46.7)	2.4	6.1	18.5	(51.5)	10.1	15.2	18.1	34.6	16.0	10.7	2.2
Net profit growth	9.8	N.A.	N.A.	N.A.	21.5	1.6	(46.8)	946.7	0.0	43.3	16.5	28.0	4.8	35.4	231.6

Source: KGI Research

Balance Sheet

As of 31 Dec (Bt mn)	2015	2016	2017	2018F	2019F
Total Assets	78,120	82,786	98,919	104,008	112,445
Current Assets	5,869	9,219	6,280	8,248	10,603
Cash & ST Investments	4,981	6,718	4,077	5,931	8,052
Inventories	0	0	0	0	0
Accounts Receivable	85	1,615	426	448	493
Others	804	886	1,777	1,869	2,057
Non-current Assets	72,251	73,566	92,639	95,759	101,843
LT Investments	10,870	11,026	11,367	11,367	11,367
Net fixed Assets	17,178	17,457	26,391	26,669	26,951
Others	44,202	45,083	54,881	57,723	63,524
Total Liabilities	48,990	53,003	67,740	68,445	69,516
Current Liabilities	27,315	9,558	11,583	11,730	12,068
Accounts Payable	2,580	898	2,108	2,126	2,307
ST Borrowings	22,529	6,783	7,438	7,465	7,515
Others	2,207	1,877	2,037	2,139	2,246
Long-term Liabilities	21,675	43,445	56,157	56,715	57,448
Long-term Debts	17,354	40,120	53,972	54,511	55,057
Others	4,321	3,325	2,186	2,204	2,392
Shareholders' Equity	29,130	29,783	31,179	35,563	42,930
Common Stock	15,285	15,285	15,285	15,285	15,285
Capital Surplus	5,817	5,817	5,817	5,817	5,817
Retained Earnings	7,254	7,764	8,948	10,879	13,201
Others	774	917	1,129	3,582	8,626

Source: KGI Research

Key Ratios

Year to 31 Dec (Bt mn)	2015	2016	2017	2018F	2019F
Growth (% YoY)					
Sales	4.5	11.6	15.6	5.2	10.1
OP	11.2	(13.1)	18.5	12.9	13.3
EBITDA	8.5	(1.1)	11.9	9.7	10.0
NP	(3.5)	(1.7)	19.9	15.8	19.0
EPS	(3.5)	(1.7)	19.9	15.8	19.0
Profitability (%)					
Gross Margin	39.6	39.0	39.2	41.8	42.6
Operating Margin	41.7	32.5	33.3	35.7	36.8
EBITDA Margin	66.2	58.6	56.7	59.1	59.1
Net Profit Margin	22.6	19.9	20.6	22.7	24.5
ROAA	3.4	3.1	3.2	3.5	3.8
ROAE	9.1	8.7	10.0	10.2	10.0
Stability					
Gross Debt/Equity (%)	136.9	157.5	197.0	174.3	145.8
Net Debt/Equity (%)	134.6	146.1	190.9	163.8	132.6
Interest Coverage (x)	3.1	2.5	3.0	3.1	3.7
Interest & ST Debt Coverage (x)	0.2	0.5	0.6	0.6	0.7
Cash Flow Interest Coverage (x)	1.9	2.7	4.5	5.9	6.9
Cash Flow/Interest & ST Debt (x)	0.2	0.5	0.8	1.0	1.1
Current Ratio (x)	0.2	1.0	0.5	0.7	0.9
Quick Ratio (x)	0.2	1.0	0.5	0.7	0.9
Net Debt (Bt mn)	39,223	43,509	59,519	58,250	56,911
Per Share Data (Bt)					
EPS	0.2	0.2	0.2	0.2	0.3
CFPS	0.3	0.4	0.3	0.4	0.5
BVPS	1.9	1.9	2.0	2.3	2.8
SPS	0.8	0.9	1.0	1.0	1.1
EBITDA/Share	0.5	0.5	0.6	0.6	0.7
DPS	0.1	0.1	0.1	0.2	0.2
Activity					
Asset Turnover (x)	0.2	0.2	0.2	0.2	0.2
Days Receivables	2.6	45.0	10.3	10.3	10.3

Source: KGI Research

Profit & Loss

Year to 31 Dec (Bt mn)	2015	2016	2017	2018F	2019F
Sales	11,738	13,104	15,153	15,938	17,540
Cost of Goods Sold	(7,094)	(7,994)	(9,206)	(9,283)	(10,074)
Gross Profit	4,643	5,110	5,947	6,655	7,466
Operating Expenses	(1,115)	(985)	(1,144)	(1,211)	(1,280)
Operating Profit	3,528	4,125	4,803	5,443	6,185
Net Interest	(1,934)	(1,426)	(1,611)	(1,530)	(1,454)
Net other Non-op. Income/(Loss)	1,367	129	240	252	264
Net Extraordinary	461	347	406	447	491
Pretax Income	2,961	2,828	3,432	4,165	4,996
Income Taxes	(721)	(563)	(696)	(922)	(1,097)
Net Profit	2,650	2,606	3,123	3,615	4,302
EBITDA	7,766	7,677	8,587	9,417	10,358
EPS (Bt)	0.17	0.17	0.20	0.24	0.28

Source: KGI Research

Cash Flow

Year to 31 Dec (Bt mn)	2015	2016	2017	2018F	2019F
Operating Cash Flow	3,754	3,876	7,191	8,965	9,979
Pretax Profit	3,422	3,176	3,838	3,615	4,302
Depreciation & Amortization	2,871	3,423	3,545	3,722	3,908
Change in Working Capital	1,813	(2,787)	1,338	1,378	1,419
Others	(4,351)	65	(1,529)	250	350
Investment Cash Flow	(4,758)	(11,663)	(2,798)	(5,192)	(5,651)
Net CAPEX	(7,064)	(6,507)	(8,102)	(8,500)	(8,500)
Change in LT Investment	(1,402)	(5,420)	4,534	2,500	2,000
Change in Other Assets	3,709	264	770	808	849
Free Cash Flow	(1,003)	(7,787)	4,393	3,773	4,327
Financing Cash Flow	3,571	4,112	(2,501)	(1,875)	(2,160)
Change in Share Capital	0	0	0	0	0
Net Change in Debt	5,496	5,946	(667)	(190)	(181)
Change in Other LT Liab.	(1,925)	(1,834)	(1,834)	(1,685)	(1,979)
Net Cash Flow	2,568	(3,675)	1,892	1,898	2,167

Source: KGI Research

Rates of Return on Invested Capital

Year	1- $\frac{\text{COGS}}{\text{Revenue}}$	+ $\frac{\text{Depreciation}}{\text{Revenue}}$	+ $\frac{\text{Operating Exp.}}{\text{Revenue}}$	= Operating Margin	
2015	60.4%	24.5%	9.5%	5.6%	
2016	61.0%	26.1%	7.5%	5.4%	
2017	60.8%	23.4%	7.6%	8.3%	
2018F	58.2%	23.4%	7.6%	10.8%	
2019F	57.4%	22.3%	7.3%	13.0%	
Year	1/ $\frac{\text{Working Capital}}{\text{Revenue}}$	+ $\frac{\text{Net PPE}}{\text{Revenue}}$	+ $\frac{\text{Other Assets}}{\text{Revenue}}$	= Capital Turnover	
2015	0.17	0.01	6.66	0.15	
2016	0.11	0.03	6.32	0.15	
2017	0.06	0.02	6.53	0.15	
2018F	0.18	0.02	6.53	0.15	
2019F	0.27	0.02	6.41	0.15	
Year	$\frac{\text{Operating Margin}}{\text{Capital Turnover}}$	x	$\frac{\text{Cash Tax Rate}}{\text{Capital Turnover}}$	x	= After-tax Return on Inv. Capital
2015	5.6%	x	0.1	x	75.6%
2016	5.4%	x	0.2	x	80.1%
2017	8.3%	x	0.2	x	79.7%
2018F	10.8%	x	0.1	x	79.7%
2019F	13.0%	x	0.1	x	79.7%

Source: KGI Research

Bangkok Expressway and Metro – Recommendation & target price history

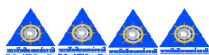

Source: KGI Research

Corporate Governance Report of Thai Listed Companies



Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	HMPRO	HOME PRODUCT CENTER	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	INTUCH	SHIN CORPORATION	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
AOT	AIRPORTS OF THAILAND	IRPC	IRPC	ROBINS	ROBINSON DEPARTMENT STORE
AP	ASIAN PROPERTY DEVELOPMENT	IVL	INDORAMA VENTURES	SAMART	SAMART CORPORATION
BANPU	BANPU	KBANK	KASIKORN BANK	SAMTEL	SAMART TELCOMS
BCP	THE BANGCHAK PETROLEUM	KCE	KCE ELECTRONICS	SCB	THE SIAM COMMERCIAL BANK
BTS	BTS GROUP HOLDINGS	KKP	KIATNAKIN BANK	SCC	THE SIAM CEMENT
CK	CH. KARNCHANG	KTB	KRUNG THAI BANK	SCCC	SIAM CITY CEMENT
CPF	CHAROEN POKPHAND FOODS	KTC	KRUNGTHAI CARD	SPALI	SUPALAI
CPN	CENTRAL PATTANA	LPN	L.P.N. DEVELOPMENT	SPRC	STAR PETROLEUM REFINING
DELTA	DELTA ELECTRONICS (THAILAND)	MINT	MINOR INTERNATIONAL	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DTAC	TOTAL ACCESS COMMUNICATION	MONO	MONO TECHNOLOGY	SVI	SVI
EASTW	EASTERN WATER RESOURCES DEVELOPMENT AND MANAGE	PLANB	PLAN B MEDIA	TCAP	THANACHART CAPITAL
EGCO	ELECTRICITY GENERATING	PSH	PRUKSA HOLDING	THCOM	THAICOM
GFPT	GFPT	PTT	PTT	TISCO	TISCO FINANCIAL GROUP
GPSC	GLOBAL POWER SYNERGY	PTTEP	PTT EXPLORATION AND PRODUCTION	TMB	TMB BANK
GUNKUL	GUNKUL ENGINEERING	PTTGC	PTT GLOBAL CHEMICAL	TOP	THAI OIL
HANA	HANA MICROELECTRONICS	PYLON	PYLON	TRUE	TRUE CORPORATION



Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERAWAN GROUP	SAWAD	SRISAWAD POWER 1979
AMATA	AMATA CORPORATION	GLOBAL	SIAM GLOBAL HOUSE	SCI	SCI ELECTRIC
BBL	BANGKOK BANK	GLOW	GLOW ENERGY	SCN	SCAN INTER
BCPG	BCPG	LH	LAND AND HOUSES	SEAFKO	SEAFKO
BDMS	BANGKOK DUSIT MEDICAL SERVICES	MAJOR	MAJOR CINEPLEX GROUP	SIRI	SANSIRI
BEM	BANGKOK EXPRESSWAY AND METRO	MAKRO	SIAM MAKRO	SMT	STARS MICROELECTRONICS (THAILAND)
CENTEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TASCO	TIPCO ASPHALT
CHG	CHULARAT HOSPITAL	MTLS	MUANGTHAI LEASING	TKN	TAOKAENOI FOOD & MARKETING
CKP	CK POWER	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
DCC	DYNASTY CERAMIC	RS	RS	TWPC	THAI WAH



Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AMA	AMA MARINE	BPP	BANPU POWER	SQ	SAHAKOL EQUIPMENT
BA	BANGKOK AIRWAYS	CBG	CARABAO GROUP	TPCH	TPC POWER HOLDING
BCH	BANGKOK CHAIN HOSPITAL	LPH	LADPRAO GENERAL HOSPITAL		
BH	BUMRUNGRAD HOSPITAL	SAPPE	SAPPE		

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
BGRIM	B.GRIMM POWER	TOA	TOA PAINT (THAILAND)	WHAUP	WHA UTILITIES AND POWER
CPALL	CP ALL	UNIQ	UNIQUE ENGINEERING AND CONSTRUCTION	WORK	WORKPOINT ENTERTAINMENT
THAI	THAI AIRWAYS INTERNATIONAL	WHA	WHA CORPORATION		

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	KASIKORN BANK	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
CENDEL	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.

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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)
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.
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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