



# KCE Electronics

(KCE.BK/KCE TB)\*

## Underperform·Maintained

Price as of 14 Feb 2018	73.50
12M target price (Bt/shr)	75.00
Unchanged/Revised up(down)(%)	Unchanged
Upside/downside (%)	2.0

### Key messages

KCE held its analyst meeting on February 14 and guided for positive sales growth of 12-15% in 2018, while gross margin could be maintained at around 30% given stable exchange rate and copper price. However, a weak earnings cycle should continue at least in 1Q18, which could pressure the share price. We recommend wait and see and rate the counter Underperform, with a 2018 target price of Bt75.00.

### Trading data

Mkt cap (Btbn/US\$bn)	43.1/1.1
Outstanding share (mn)	586
Foreign ownership (mn)	166.2
3M avg. daily trading (mn)	3
52-week trading range (Bt)	72.3-113
Performance (%)	3M 6M 12M
Absolute	-10.6 -15.5 -28.3
Relative	-15.7 -26.1 -37.1

### Quarterly EPS

EPS	Q1	Q2	Q3	Q4
2015	0.90	0.86	1.00	1.16
2016	1.30	1.39	1.34	1.18
2017	1.13	1.15	1.04	1.02

### Share price chart



Source: SET

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## Weak earnings cycle continues

### Event

KCE held its analyst meeting on February 14.

### Impact

#### Solid sales growth in 2018...

The company guided that 2018 sales growth should be in the range of 12-15% compared with our conservative assumption of 10%. The company's new capacity of 500K sq.ft/month, accounting for 14% of its total capacity of 3.65mn sq.ft/month, would be operational this year. This would be split into two periods; 200K sq.ft/month in 2Q18 and 300K sq.ft/month in 4Q18. The new capacity could drive solid sales growth and this would provide some benefit from economies of scale.

#### ...but weak earnings cycle would continue

KCE expects 2018 gross margin to be stable from 2017 at around 30% given stable copper price and exchange rate. We assume a GPM of 30.9% in 2018. Note that every 10% increase in copper price would deteriorate gross margin by 0.5%, while every Bt1 appreciation against the US dollar could hurt gross margin by 1.5%. However, both the copper price and exchange rate remain volatile and are likely to move in unfavorable directions for the company's profitability.

#### A YoY drop in 1Q18

We expect earnings to drop YoY in 1Q18 given the exchange rate of Bt35/US\$ in 1Q17 versus a year-to-date rate of Bt31.8/US\$ and copper price of US\$5,700/mt in 1Q17 versus a year-to-date price of US\$7,100/mt.

### Valuation & Action

We maintain a rating of Underperform with a 2018 target price of Bt75.00 based on PER 17.0x (+1.0 S.D. sector average). The brighter sales outlook would be offset by lower profitability from uncontrolled factors, namely exchange rate and copper price. Benefits from economies of scale on new capacity would only partially cushion gross margin, but it should be able to in 2H18. The weak earnings cycle, which should continue at least in 1Q18, is expected to pressure the share price. We recommend investors wait and see improvement before taking action.

### Risks

Natural disasters, unplanned plant shutdowns, customers shifting to other suppliers, increasing raw material prices and Bt/US\$ appreciation (our assumption is Bt32.2/US\$ in 2018).

### Key financials and valuations

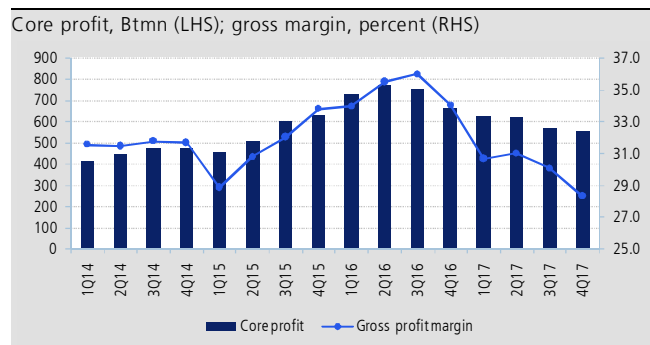
	Dec - 16A	Dec - 17F	Dec - 18F	Dec - 19F	Dec - 20F
Revenue (Btmn)	13,797	14,195	14,952	15,640	16,209
Gross Profit (Btmn)	4,813	4,262	4,613	4,876	5,068
SG&A (Btmn)	1,695	1,818	1,915	1,973	2,045
Net Profit (Btmn)	3,039	2,545	2,618	2,843	2,985
Normalized Profit (Btmn)	2,912	2,341	2,618	2,843	2,985
EPS (Bt)	5.18	4.34	4.47	4.85	5.09
Normalized EPS (Bt)	4.97	3.99	4.47	4.85	5.09
DPS (Bt)	2.10	1.74	1.79	1.94	2.04
EPS Growth (%)	33.0	(16.3)	2.9	8.6	5.0
Normalized EPS Growth	30.3	(19.6)	11.8	8.6	5.0
P/E (X)	23.5	16.9	16.5	15.2	14.4
P/B (X)	7.1	3.8	3.4	3.0	2.6
EV/EBITDA (X)	11.0	12.2	11.5	10.5	9.8
Net Debt to Equity (%)	36.3	21.1	8.5	(5.8)	(17.4)
Dividend Yield (%)	1.7	2.4	2.4	2.6	2.8
Return on Average Equity (%)	30.3	22.6	20.4	19.5	18.3

Source: KGI Research

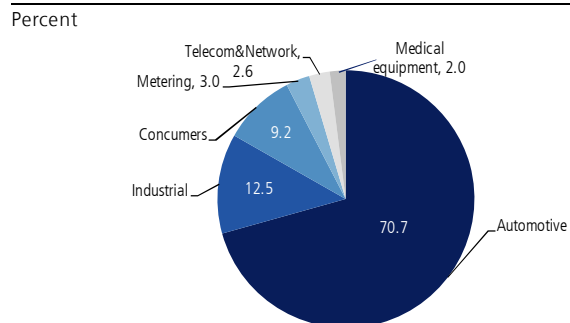
**Figure 1: Company profile**

KCE Electronics PCL (KCE), originally known as Kuang Charoen Electronics Company Limited, was established on November 5, 1982, with initial registered capital of Bt12.0mn. The company's core business is to produce and distribute custom printed circuit boards (PCBs), which are manufactured from copper clad laminate under the KCE trademark. KCE's PCB products are well-known and used in a variety of applications such as automotive, industrial, computer, and telecom systems. Its customers consist of the world's biggest names.

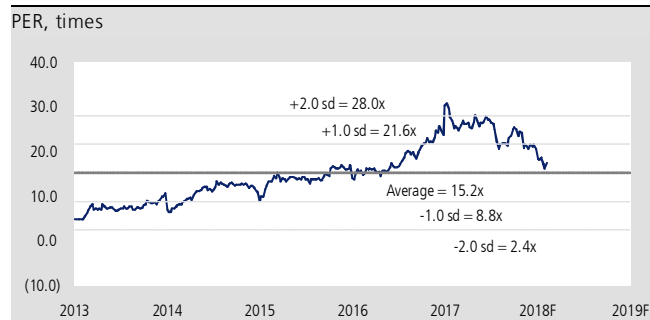
Source: Company data

**Figure 3: Slowdown in core profit and gross margin**


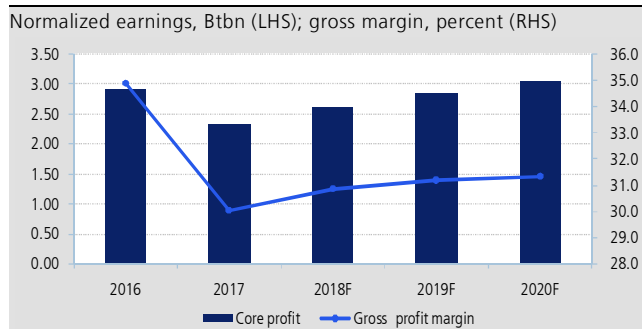
Source: Company data, KGI Research

**Figure 5: KCE's main production segment is automotive**


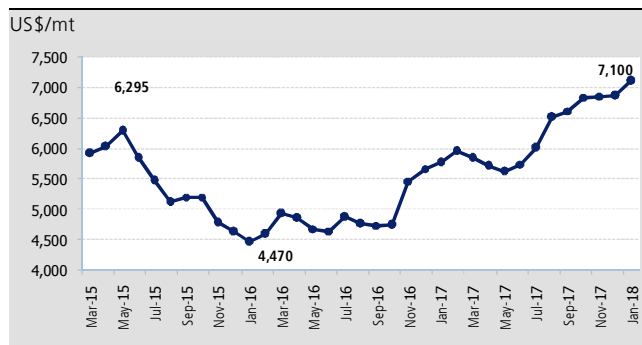
Source: Company data, KGI Research

**Figure 7: Company's PER**


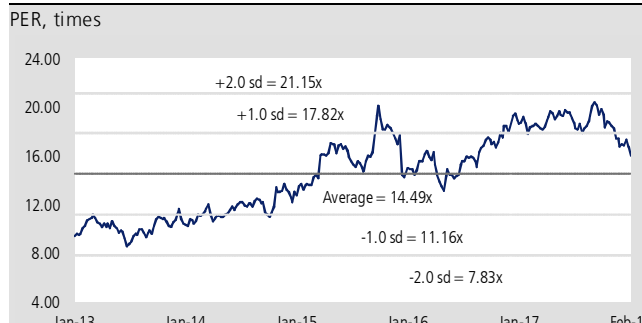
Source: KGI Research

**Figure 2: Core profit improve in 2018**


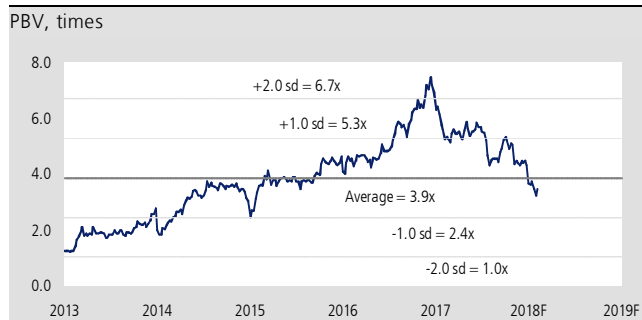
Source: Company data, KGI Research

**Figure 4: Upbeat on copper price**


Source: Biznews, KGI Research

**Figure 6: 5-year electronics sector's PER**


Source: Company data, KGI Research

**Figure 8: Company's PBV**


Source: KGI Research

## Quarterly Income Statement

	Mar-14A	Jun-14A	Sep-14A	Dec-14A	Mar-15A	Jun-15A	Sep-15A	Dec-15A	Mar-16A	Jun-16A	Sep-16A	Dec-16A	Mar-17A	Jun-17A	Sep-17A	Dec-17A
<b>Income Statement (Bt mn)</b>																
Revenue	2,765	2,819	2,999	2,702	2,882	3,047	3,301	3,218	3,529	3,579	3,515	3,174	3,536	3,664	3,602	3,393
Cost of Goods Sold	(1,893)	(1,932)	(2,047)	(1,846)	(2,050)	(2,110)	(2,243)	(2,131)	(2,331)	(2,309)	(2,251)	(2,094)	(2,452)	(2,528)	(2,519)	(2,433)
Gross Profit	872	886	952	856	832	937	1,058	1,087	1,198	1,270	1,264	1,080	1,084	1,135	1,083	960
Operating Expense	(443)	(417)	(441)	(382)	(344)	(383)	(434)	(359)	(423)	(454)	(437)	(381)	(444)	(485)	(485)	(404)
Other incomes	13	19	15	12	9	20	37	(31)	9	17	12	17	23	18	22	54
Operating Profit	442	488	527	485	496	575	660	697	784	833	839	716	663	668	619	609
Depreciation of fixed asset	(133)	(137)	(141)	(143)	(136)	(153)	(195)	(199)	(203)	(211)	(216)	(219)	(217)	(220)	(222)	(224)
Operating EBITDA	575	626	668	628	632	728	855	896	987	1,044	1,056	935	881	889	842	834
Non-Operating Income	29	34	140	109	54	(12)	(28)	35	23	43	30	29	39	56	45	45
Interest Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Non-op Income	29	34	140	109	54	(12)	(28)	35	23	43	30	29	39	56	45	45
Non-Operating Expense	(32)	(34)	(29)	(23)	(21)	(35)	(49)	(48)	(46)	(46)	(42)	(37)	(30)	(33)	(32)	(32)
Interest Expense	(32)	(34)	(29)	(23)	(21)	(35)	(49)	(48)	(46)	(46)	(42)	(37)	(30)	(33)	(32)	(32)
Other Non-op Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity Income/(Loss)	11	9	7	7	3	6	10	2	6	7	10	6	4	6	5	6
Pre-tax profit	450	497	645	578	531	534	593	686	767	837	837	714	676	698	638	629
Current Taxation	(7)	(14)	(30)	5	(17)	(40)	(17)	(18)	(10)	(20)	(47)	(21)	(10)	(21)	(21)	(27)
Minorities	3	4	3	3	3	4	3	3	6	5	4	3	4	5	5	5
Extraordinary items																
Net Profit	439	479	611	580	511	490	573	665	751	812	786	690	662	672	612	598
Normalized Profit	411	445	471	472	457	502	602	631	728	768	756	661	623	616	567	552
EPS (Bt)	0.80	0.86	1.08	1.03	0.90	0.86	1.00	1.16	1.30	1.39	1.34	1.18	1.13	1.15	1.04	1.02
Normalized EPS (Bt)	0.75	0.80	0.83	0.83	0.80	0.88	1.05	1.10	1.26	1.31	1.29	1.13	1.06	1.05	0.97	0.94
<b>Margins</b>																
Gross profit margin	31.5	31.4	31.8	31.7	28.9	30.8	32.0	33.8	33.9	35.5	36.0	34.0	30.7	31.0	30.1	28.3
Operating EBIT margin	16.0	17.3	17.6	18.0	17.2	18.9	20.0	21.7	22.2	23.3	23.9	22.6	18.8	18.2	17.2	18.0
Operating EBITDA margin	20.8	22.2	22.3	23.3	21.9	23.9	25.9	27.8	28.0	29.2	30.0	29.5	24.9	24.3	23.4	24.6
Net profit margin	15.9	17.0	20.4	21.5	17.7	16.1	17.4	20.7	21.3	22.7	22.4	21.7	18.7	18.4	17.0	17.6
<b>Growth</b>																
Revenue growth	10.9	1.9	6.4	(9.9)	6.7	5.7	8.3	(2.5)	9.7	1.4	(1.8)	(9.7)	11.4	3.6	(1.7)	(5.8)
Operating EBIT growth	13.1	10.5	8.0	(7.9)	2.2	15.8	14.9	5.6	12.5	6.2	0.8	(14.7)	(7.4)	0.8	(7.3)	(1.6)
Operating EBITDA growth	12.8	8.8	6.8	(5.9)	0.7	15.0	17.6	4.7	10.1	5.8	1.2	(11.4)	(5.9)	0.9	(5.3)	(1.0)
Net profit growth	16.8	9.0	27.6	(5.0)	(11.9)	(4.1)	17.0	16.0	12.9	8.1	(3.2)	(12.2)	(4.0)	1.5	(8.9)	(2.4)
Normalized profit growth	19.6	8.3	5.8	0.2	(3.0)	9.8	19.8	4.8	15.4	5.6	(1.7)	(12.5)	(5.8)	(1.1)	(7.9)	(2.6)

Source: KGI Research

## Peer comparison – Key valuation stats

	Rating	Target price (Bt)	Current price (Bt)	Upside (%)	16 core EPS (Bt)	17F core EPS (Bt)	18F core EPS (Bt)	17F PER (x)	18F PER (x)	17F PBV (x)	18F PBV (x)	17F Div yield (%)	18F Div yield (%)	17F ROAE (%)	18F ROAE (%)	17F Core profit Growth (%)	18F Core profit Growth (%)	2017 Sales growth in US\$ (%)	2018 Sales growth in US\$ (%)
DELTA	N	86.00	72.25	19.0	4.28	4.53	4.65	18.7	15.6	2.7	2.6	4.0	4.2	11.4	13.0	6.0	2.6	2.6	9.5
HANA*	N	48.00	42.25	13.6	2.52	3.07	3.31	12.4	12.9	1.6	1.6	4.7	4.7	11.0	10.1	22.0	7.7	11.0	14.0
KCE*	U	75.00	73.50	2.0	4.97	3.99	4.47	16.9	16.5	3.8	3.4	2.4	2.4	14.3	14.4	(19.6)	11.8	6.8	10.3
SVI	N	4.90	4.40	11.4	0.25	0.22	0.31	20.3	14.3	1.4	1.3	2.0	2.8	4.4	6.1	(13.8)	42.1	14.3	5.6
<b>Sector</b>	<b>Neutral</b>							<b>17.1</b>	<b>14.8</b>	<b>2.4</b>	<b>2.2</b>	<b>3.3</b>	<b>3.5</b>	<b>10.3</b>	<b>10.9</b>	<b>(1.3)</b>	<b>16.0</b>	<b>8.7</b>	<b>9.8</b>

Source: KGI Research

## Balance Sheet

As of 31 Dec (Bt mn)	2016	2017	2018F	2019F	2020F
<b>Total Assets</b>	<b>17,328</b>	<b>17,850</b>	<b>18,165</b>	<b>19,183</b>	<b>20,273</b>
<b>Current Assets</b>	<b>7,296</b>	<b>7,505</b>	<b>8,006</b>	<b>9,426</b>	<b>10,877</b>
Cash & ST Investment	892	1,140	1,535	2,668	3,876
Inventories	2,265	2,428	2,124	2,212	2,289
Account Receivable	4,080	3,876	4,301	4,499	4,663
Others	59	61	45	47	49
<b>Non-current Assets</b>	<b>10,032</b>	<b>10,346</b>	<b>10,160</b>	<b>9,757</b>	<b>9,396</b>
LT Investment	318	276	318	318	318
Net fixed Assets	9,137	9,510	9,259	8,833	8,450
Others	576	560	582	606	628
<b>Total Liabilities</b>	<b>7,300</b>	<b>6,576</b>	<b>5,310</b>	<b>4,622</b>	<b>3,921</b>
<b>Current Liabilities</b>	<b>4,944</b>	<b>4,595</b>	<b>3,818</b>	<b>3,620</b>	<b>3,410</b>
Account Payable	2,520	2,802	2,408	2,507	2,595
ST Borrowing	1,808	1,156	856	556	256
Others	616	636	555	557	559
<b>Long-term Liabilities</b>	<b>2,356</b>	<b>1,981</b>	<b>1,492</b>	<b>1,002</b>	<b>511</b>
Long-term Debts	2,155	1,771	1,271	771	271
Others	201	210	221	231	239
<b>Shareholders' Equity</b>	<b>10,028</b>	<b>11,274</b>	<b>12,855</b>	<b>14,561</b>	<b>16,352</b>
Common Stock	586	586	586	586	586
Capital Surplus	1,895	1,907	1,907	1,907	1,907
Retained Earnings	7,478	8,732	10,303	12,009	13,800
Preferred Stock	0	0	0	0	0

Source: KGI Research

## Key Ratios

Year to 31 Dec	2016	2017	2018F	2019F	2020F
<b>Growth (%YoY)</b>					
Sales	10.8	2.9	5.3	4.6	3.6
OP	30.6	(19.8)	9.7	7.5	4.1
EBITDA	31.3	(12.5)	3.1	4.9	2.1
NP	35.7	(16.3)	2.9	8.6	5.0
Normalized Profit	32.8	(19.6)	11.8	8.6	5.0
EPS	33.0	(16.3)	2.9	8.6	5.0
Normalized EPS	30.3	(19.6)	11.8	8.6	5.0
<b>Profitability (%)</b>					
Gross Margin	34.9	30.0	30.9	31.2	31.3
Operating Margin	23.0	17.9	18.6	19.2	19.2
EBITDA Margin	30.3	25.7	25.2	25.2	24.9
Net Margin	22.0	17.9	17.5	18.2	18.4
ROAA	17.5	14.3	14.4	14.8	14.7
ROAE	30.3	22.6	20.4	19.5	18.3
<b>Stability</b>					
Gross Debt/Equity (%)	0.7	0.6	0.4	0.3	0.2
Net Debt/Equity (%)	0.4	0.2	0.1	(0.1)	(0.2)
Interest Coverage (x)	19.4	21.8	30.6	45.3	73.7
Interest & ST Debt Coverage (x)	1.7	2.2	3.0	4.9	10.5
Cash Flow Interest Coverage (x)	23.7	29.6	33.5	53.8	87.1
Cash Flow/Interest & ST Debt (x)	2.1	2.9	3.3	5.8	12.5
Current Ratio (x)	1.5	1.6	2.1	2.6	3.2
Quick Ratio (x)	1.0	1.1	1.5	2.0	2.5
Net Debt (Bt mn)	3,637	2,380	1,092	(841)	(2,848)
<b>Per Share Data (Bt)</b>					
EPS	5.2	4.3	4.5	4.8	5.1
Normalized EPS	5.0	4.0	4.5	4.8	5.1
CFPS	6.9	6.4	5.3	6.1	6.3
BVPS	17.1	19.2	21.9	24.8	27.9
SPS	23.5	24.2	25.5	26.7	27.6
EBITDA/Share	7.1	6.2	6.4	6.7	6.9
DPS	2.1	1.7	1.8	1.9	2.0
<b>Activity</b>					
Asset Turnover (x)	0.8	0.8	0.8	0.8	0.8
Days Receivables	108	100	105	105	105
Days Inventory	92	89	75	75	75
Days Payable	102	103	85	85	85
Cash Cycle	98	86	95	95	95

Source: KGI Research

## Profit & Loss

Year to Dec 31 (Btmn)	2016	2017	2018F	2019F	2020F
<b>Revenue</b>	<b>13,797</b>	<b>14,195</b>	<b>14,952</b>	<b>15,640</b>	<b>16,209</b>
Cost of Goods Sold	(8,985)	(9,933)	(10,338)	(10,765)	(11,142)
<b>Gross Profit</b>	<b>4,813</b>	<b>4,262</b>	<b>4,613</b>	<b>4,876</b>	<b>5,068</b>
Operating Expenses	(1,695)	(1,818)	(1,915)	(1,973)	(2,045)
Other Incomes	54	98	90	94	97
<b>Operating Profit</b>	<b>3,171</b>	<b>2,543</b>	<b>2,788</b>	<b>2,997</b>	<b>3,120</b>
Depreciation of fixed assets	(849)	(884)	(951)	(926)	(883)
<b>Operating EBITDA</b>	<b>4,176</b>	<b>3,653</b>	<b>3,764</b>	<b>3,948</b>	<b>4,028</b>
<b>Non-Operating Income</b>	<b>127</b>	<b>203</b>	<b>0</b>	<b>0</b>	<b>0</b>
Interest Income					
Other Non-op Income	127	203	0	0	0
<b>Non-Operating Expense</b>	<b>(171)</b>	<b>(127)</b>	<b>(92)</b>	<b>(67)</b>	<b>(43)</b>
Interest Expense	(171)	(127)	(92)	(67)	(43)
Other Non-op Expense	0	0	0	0	0
<b>Equity Income/(Loss)</b>	<b>28</b>	<b>22</b>	<b>25</b>	<b>25</b>	<b>25</b>
<b>Pretax Profit</b>	<b>3,155</b>	<b>2,641</b>	<b>2,721</b>	<b>2,955</b>	<b>3,103</b>
Current Taxation	(98)	(78)	(84)	(92)	(96)
Minorities	18	18	18	20	21
Extraordinaries items	0	0	0	0	0
<b>Net Profit</b>	<b>3,039</b>	<b>2,545</b>	<b>2,618</b>	<b>2,843</b>	<b>2,985</b>
<b>Normalized Profit</b>	<b>2,912</b>	<b>2,341</b>	<b>2,618</b>	<b>2,843</b>	<b>2,985</b>
EPS (Bt)	5.18	4.34	4.47	4.85	5.09
Normalized EPS (Bt)	4.97	3.99	4.47	4.85	5.09

Source: KGI Research

## Cash Flow

Year to 31 Dec (Bt mn)	2016	2017	2018F	2019F	2020F
<b>Operating Cash Flow</b>	<b>4,069</b>	<b>3,758</b>	<b>3,085</b>	<b>3,587</b>	<b>3,719</b>
Net Profit	3,039	2,545	2,618	2,843	2,985
Depreciation & Amortization	849	884	951	926	883
Change in Working Capital	181	329	(484)	(182)	(150)
Others					
<b>Investment Cash Flow</b>	<b>(956)</b>	<b>(1,203)</b>	<b>(759)</b>	<b>(517)</b>	<b>(517)</b>
Net CAPEX	(770)	(1,257)	(700)	(500)	(500)
Change in LT Investment	(211)	42	(42)	0	0
Change in Other Assets	25	12	(17)	(17)	(17)
<b>Free Cash Flow</b>	<b>3,114</b>	<b>2,555</b>	<b>2,326</b>	<b>3,070</b>	<b>3,202</b>
<b>Financing Cash Flow</b>	<b>(2,895)</b>	<b>(2,307)</b>	<b>(1,930)</b>	<b>(1,937)</b>	<b>(1,994)</b>
Change in Share Capital	11	0	0	0	0
Net Change in Debt	(1,784)	(1,009)	(892)	(800)	(800)
Change in Other LT Liab.	(1,123)	(1,298)	(1,038)	(1,137)	(1,194)
<b>Net Cash Flow</b>	<b>218</b>	<b>248</b>	<b>396</b>	<b>1,133</b>	<b>1,208</b>

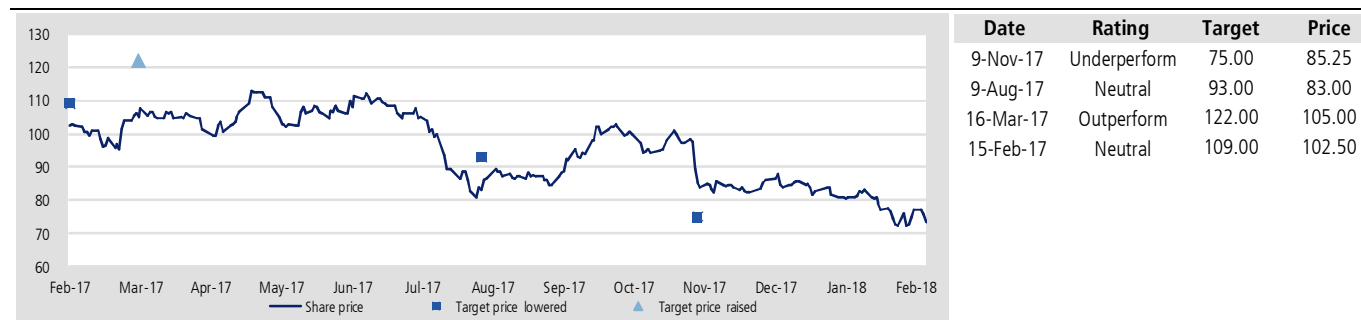
Source: KGI Research

## 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		
2016	65.1%	6.2%	12.7%		16.1%		
2017F	70.0%	6.2%	13.5%		10.3%		
2018F	69.1%	6.4%	13.4%		11.1%		
2019F	68.8%	5.9%	13.2%		12.0%		
2020F	68.7%	5.4%	13.2%		12.6%		
Year	1/ $\frac{\text{Working Capital}}{\text{Revenue}}$	+ $\frac{\text{Net PPE}}{\text{Revenue}}$	+ $\frac{\text{Other Assets}}{\text{Revenue}}$	=	Capital Turnover		
2016	0.0	0.7	0.6		0.8		
2017F	0.0	0.7	0.6		0.8		
2018F	(0.0)	0.6	0.6		0.8		
2019F	(0.0)	0.6	0.7		0.8		
2020F	(0.0)	0.5	0.7		0.8		
Year	Operating Margin	x	Capital Turnover	x	Cash Tax Rate	=	After-tax Return on Inv. Capital
2016	16.1%		0.8		3.1%		0.4%
2017F	10.3%		0.8		3.0%		0.2%
2018F	11.1%		0.8		3.1%		0.3%
2019F	12.0%		0.8		3.1%		0.3%
2020F	12.6%		0.8		3.1%		0.3%

Source: KGI Research

## KCE Electronics – Recommendation & target price history



Source: KGI Research

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### 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
AOT	AIRPORTS OF THAILAND	GPSC	GLOBAL POWER SYNERGY	PTTGC	PTT GLOBAL CHEMICAL
BCP	THE BANGCHAK PETROLEUM	HMPRO	HOME PRODUCT CENTER	QH	QUALITY HOUSES
BIGC	BIG C SUPERCENTER	IRPC	IRPC	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BTS	BTS GROUP HOLDINGS	KBANK	KASIKORNBANK	SCB	THE SIAM COMMERCIAL BANK
CK	CH. KARNCHANG	KCE	KCE ELECTRONICS	SCC	THE SIAM CEMENT
CPF	CHAROEN POKPHAND FOODS	KKP	KIATNAKIN BANK	SPALI	SUPALAI
CPN	CENTRAL PATTANA	KTB	KRUNG THAI BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DELTA	DELTA ELECTRONICS (THAILAND)	KTC	KRUNGTHAI CARD	SVI	SVI
DRT	DIAMOND ROOFING TILES	LPN	L.P.N. DEVELOPMENT	TCAP	THANACHART CAPITAL
DTAC	TOTAL ACCESS COMMUNICATION	MINT	MINOR INTERNATIONAL	TISCO	TISCO FINANCIAL GROUP
EGCO	ELECTRICITY GENERATING	PTT	PTT	TMB	TMB BANK
GFPT	GFPT	PTTEP	PTT EXPLORATION AND PRODUCTION	TOP	THAI OIL



## Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	CKP	CK POWER	PYLON	PYLON
ADVANC	ADVANCED INFO SERVICE	DCC	DYNASTY CERAMIC	ROBINS	ROBINSON DEPARTMENT STORE
ANAN	ANANDA DEVELOPMENT	ERW	THE ERAWAN GROUP	SEAFECO	SEAFECO
AP	ASIAN PROPERTY DEVELOPMENT	GLOBAL	SIAM GLOBAL HOUSE	SPRC	STAR PETROLEUM REFINING
BANPU	BANPU	GLOW	GLOW ENERGY	TASCO	TIPCO ASPHALT
BBL	BANGKOK BANK	GUNKUL	GUNKUL ENGINEERING	TMT	THAI METAL TRADE
BDMS	BANGKOK DUSIT MEDICAL SERVICES	LH	LAND AND HOUSES	TRUE	TRUE CORPORATION
BEM	BANGKOK EXPRESSWAY AND METRO	MALEE	MALEE SAMPRAN	TVO	THAI VEGETABLE OIL
CENTEL	CENTRAL PLAZA HOTEL	MTLS	MUANGTHAI LEASING		
CHG	CHULARAT HOSPITAL	PACE	PACE DEVELOPMENT CORPORATION		



## Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BA	BANGKOK AIRWAYS	MAKRO	SIAM MAKRO	SCN	SCAN INTER
BH	BUMRUNGRAD HOSPITAL	MODERN	MODERNFORM GROUP	SIRI	SANSIRI
BJCHI	BJC HEAVY INDUSTRIES	NOK	NOK AIRLINES	TKN	TAOKAENOI FOOD & MARKETING
CBG	CARABAO GROUP	SAPPE	SAPPE	TPCH	TPC POWER HOLDING
ILINK	INTERLINK COMMUNICATION	SAWAD	SRISAWAD POWER 1979	TRT	TIRATHAI
LPH	LADPRAO GENERAL HOSPITAL	SCI	SCI ELECTRIC		

## Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
BCH	BANGKOK CHAIN HOSPITAL	BPP	BANPU POWER	FN	FN FACTORY OUTLET
BCPG	BCPG	CPALL	CP ALL		

Source: [www.thai-iod.com](http://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
ADVANC	ADVANCED INFO SERVICE	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	ROBINS	ROBINSON DEPARTMENT STORE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCC	THE SIAM CEMENT
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KBANK	KASIKORN BANK	SIRI	SANSIRI
BIGC	BIG C SUPERCENTER	KCE	KCE ELECTRONICS	SPALI	SUPALAI
CK	CH. KARNCHANG	KKP	KIATNAKIN BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DCC	DYNASTY CERAMIC	KTB	KRUNG THAI BANK	TCAP	THANACHART CAPITAL
DELTA	DELTA ELECTRONICS (THAILAND)	LPH	LADPRAO GENERAL HOSPITAL	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	PACE	PACE DEVELOPMENT CORPORATION	TMT	THAI METAL TRADE
EGCO	ELECTRICITY GENERATING	PTT	PTT	TOP	THAI OIL
GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL		

### Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERAWAN GROUP	SAPPE	SAPPE
AP	ASIAN PROPERTY DEVELOPMENT	GLOW	GLOW ENERGY	SAWAD	SRI SAWAD POWER 1979
BA	BANGKOK AIRWAYS	GUNKUL	GUNKUL ENGINEERING	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	ILINK	INTERLINK COMMUNICATION	SCN	SCAN INTER
BCP	THE BANGCHAK PETROLEUM	KTC	KRUNGTHAI CARD	SEAFECO	SEAFECO
BH	BUMRUNGRAD HOSPITAL	LH	LAND AND HOUSES	SVI	SVI
BJCHI	BJC HEAVY INDUSTRIES	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CBG	CARABAO GROUP	MAKRO	SIAM MAKRO	TKN	TAOKAENOI FOOD & MARKETING
CENDEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TMB	TMB BANK
CHG	CHULARAT HOSPITAL	MINT	MINOR INTERNATIONAL	TRT	TIRATHAI
CKP	CK POWER	MODERN	MODERNFORM GROUP	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
CPN	CENTRAL PATTANA	PTTEP	PTT EXPLORATION AND PRODUCTION		
DTAC	TOTAL ACCESS COMMUNICATION	PYLON	PYLON		

### Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
BEM	BANGKOK EXPRESSWAY AND METRO	MTLS	MUANGTHAI LEASING	SPRC	STAR PETROLEUM REFINING
CPALL	CP ALL	SCI	SCI ELECTRIC		

### No progress

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	BPP	BANPU POWER	FN	FN FACTORY OUTLET
BCPG	BCPG	BTS	BTS GROUP HOLDINGS	TPCH	TPC POWER HOLDING

Source: [www.cgthailand.org](http://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.