



Major Cineplex Group

(MAJOR.BK/MAJOR TB) *

Outperform · Maintained

Price as of 22 Jan 2019	22.40
12M target price (Bt/shr)	28.00
Unchanged/Revised up(down) (%)	Unchanged
Upside/downside (%)	25.0

Key messages

We expect MAJOR's core earnings to show strong improvement in 4Q18 to Bt194mn (+40% QoQ, +673% YoY) thanks to impressive growth in cinema revenue from a stronger movie line up. The company's net profit (including gain from disposal of investment) is expected to be Bt222mn (+8% QoQ, +197% YoY). If 4Q18 earnings are as expected, there is upside of only 1%-2% to our full-year forecast. Thus, we maintain our 2018-2019 core profit forecasts at Bt972mn and Bt1,024mn, respectively. We maintain a rating of Outperform with a 2019 target price at Bt28.00 (PER 19.8x), offering a high upside from the current market price coupled with an expected dividend yield of

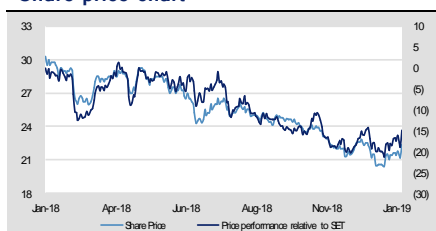
Trading Data

Mkt cap (Btbn/US\$mn)	20/501
Outstanding shares (mn)	895
Foreign ownership (mn)	350
3M avg. daily trading (mn)	1
52-week trading range (Bt)	20.20 - 30.50
Performance (%)	3M 6M 12M
Absolute	-5.9 -13.0 -23.4
Relative	-4.7 -7.5 -12.4

Quarterly EPS

	1Q	2Q	3Q	4Q
2016	0.25	0.61	0.37	0.10
2017	0.29	0.62	0.34	0.08
2018	0.32	0.60	0.23	NA

Share price chart



Source: SET

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4Q18 earnings preview: Expecting a strong result

Event

4Q18 earnings preview.

Impact

Expect 4Q18 earnings to show strong improvement

MAJOR's 4Q18 core profit is expected to increase to Bt194mn (+40% QoQ, +673%YoY). The improvement QoQ would be driven by i) cinema revenue growing 32% QoQ due to a stronger movies line up, and ii) advertising revenue growing 19% QoQ after realizing revenue from one of three renewal contracts that ended in 3Q18. Note that greater revenue would help offset SG&A/sales increasing from 26.7% in 3Q18 to 28%, mainly due to the opening of its Icon Siam branch in December 2018. The YoY growth would be due to low base in 4Q17. MAJOR's 4Q18 net profit, which would include an extra item (gain from disposal of investment of Bt30mn) is expected to be Bt222mn (+8% QoQ, +197% YoY).

Growth expected to continue in 2019

Core profit growth is expected to continue in 2019 on the back of greater cinema revenue along with i) screen expansion of around 50-70 screens upcountry, ii) greater average ticket price as the company plans to raise ticket prices and revoke low price sales iii) increasing concession sales, iv) expectation for more Thai movies that would boost cinema revenue, particularly upcountry, v) first full-year realization of revenue from its Icon Siam branch. Moreover, cost/screen is expected to drop from Bt10mn to Bt6.5mn as small-sized branches are targeted to open in 2019.

Maintain 2018-2019 earnings forecasts

If 4Q18 core profit comes out as estimated, there is upside of only 1%-2% to our full-year forecast. We, therefore, maintain our core profit forecasts for 2018-2019 at Bt972mn (+17% YoY) and Bt1,024mn (+5% YoY). Meanwhile, net profit is expected to be Bt1.26bn in both 2018-2019 as we expect lower gain from disposal of investment in 2019 after the company disposed of the last slot of investment in India in 1Q18.

Valuation & Action

Our 2019 target price is maintained at Bt28.00. (PER 19.8x, -0.5 S.D). We rate the counter Outperform backed by i) strong earnings recovery in 4Q18 and peak for 2019 earnings in 2Q19, ii) cheap valuation as share price traded with 2019 PER of only 15.9x and iii) attractive dividend of Bt0.60 or 2.7% yield expected for 2H18 and 5.8% for 2019.

Risks

Lower than expected cinema revenue.

Key financials and valuations

	Dec-15A	Dec-16A	Dec-17A	Dec-18F	Dec-19F
Revenue (Btmn)	8,580	8,745	8,972	9,197	9,466
Gross Profit (Btmn)	3,028	3,165	3,014	3,089	3,156
EBIT (Btmn)	1,015	753	651	805	824
Net Profit (Btmn)	1,171	1,188	1,193	1,265	1,264
Normalized Profit (Btmn)	981	924	834	972	1,024
EPS (Bt)	1.31	1.33	1.33	1.41	1.41
DPS (Bt)	1.15	1.20	1.25	1.25	1.30
EPS growth (%)	7.5	1.2	0.4	6.0	(0.1)
P/E (x)	26.9	24.7	21.7	15.8	15.9
P/B (x)	4.73	4.36	3.99	3.17	3.12
EV/EBITDA (x)	14.0	14.9	13.1	9.0	8.7
Net debt/Equity (x)	0.7	0.7	0.6	0.6	0.5
Dividend yield (%)	3.3	3.7	4.3	5.6	5.8
Return on Average Equity (%)	18.0	17.8	18.1	19.7	19.8

Source: Company data, KGI Research

Figure 1: 4Q18 earnings preview

Bt mn	4Q18F	4Q17	YoY (%)	3Q18	QoQ (%)	2018F	2017	YoY (%)
Revenue	2,570	1,858	38.3	2,048	25.5	9,571	8,972	6.7
Gross Profit	895	533	68.0	630	42.1	3,238	3,014	7.5
Operating Expenses	(720)	(638)	12.8	(546)	31.7	(2,363)	(2,363)	0.0
Operating Profit	176	(105)	(267.4)	84	110.3	875	651	34.5
Operating EBITDA	-	209	(100.0)	414	(100.0)	1,692	2,035	(16.8)
Other incomes	98	43	126.1	104	(5.8)	414	381	8.7
Extra items	35	198	(82.3)	85	(58.6)	322	585	(45.0)
Interest Expense	(26)	(33)	(20.4)	(26)	(1.6)	(108)	(140)	(23.1)
Pre-tax Profit	283	103	174.0	246	15.1	1,503	1,477	1.8
Current taxation	(57)	(33)	69.2	(36)	59.0	(243)	(279)	(13.0)
Minorities	(4)	5	(189.9)	(4)	5.0	(14)	(4)	222.3
Net Profit	222	75	197.1	206	7.7	1,246	1,193	4.4
EPS(Bt)	0.25	0.08	197.1	0	7.7	1.39	1.33	4.4
Core Profit	194	25	672.6	138	40.1	989	834	18.6
Percent	4Q18F	4Q17	YoY (ppts)	3Q18	QoQ (ppts)	2018F	2017	YoY (ppts)
Gross margin	34.8	28.7	6.2	30.77	4.1	33.8	33.6	0.2
SG&A/sales	28.0	34.3	(6.3)	26.7	1.3	24.7	26.3	(1.6)
Net profit margin	8.6	4.0	4.6	10.06	(1.4)	13.0	13.3	(0.3)

Source: Company data, KGI Research

Figure 2: Operational statistic

	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18F	Change (%)	YoY
									QoQ	(ppts)
Revenue (Bt mn)	2,134	2,780	2,201	1,855	1,949	3,003	2,047	2,570	25.5	38.5
1.Cinema	1,527	2,195	1,553	1,246	1,403	2,383	1,497	1,970	31.6	58.1
-Ticket sales	1,164	1,644	1,142	906	1,029	1,761	1,099	1,460	(37.6)	61.1
-Concession sales	363	551	411	340	374	622	398	511	28.4	50.3
2.Advertising	340	348	345	361	325	357	284	339	19.5	(6.0)
3.Bowling	95	98	113	107	99	102	123	123	0.0	15.0
4.Rental	113	113	101	106	105	107	107	107	-	0.8
5.Movie content	59	26	89	35	17	54	36	30	(16.7)	(14.3)
Revenue (Percent)										
Cinema	71.6	79.0	70.6	67.2	72.0	79.4	73.1	76.7	3.5	9.5
Advertising	15.9	12.5	15.7	19.5	16.7	11.9	13.9	13.2	(0.7)	(6.3)
Bowling	4.4	3.5	5.1	5.8	5.1	3.4	6.0	4.8	(1.2)	(1.0)
Rental	5.3	4.1	4.6	5.7	5.4	3.6	5.2	4.2	(1.1)	(1.6)
Movie content	2.8	0.9	4.0	1.9	0.9	1.8	1.8	1.2	(0.6)	(0.7)
Cinema business										
-Number of screens	678	689	702	719	732	737	747	782	4.7	8.8
-Number of guest	7.3	10.6	7.9	6.0	6.9	11.1	6.9	8.9	29.0	48.3
-Average ticket price	161	170	160	162	154	159	162	164	1.2	1.2

Source: Company data, KGI Research

Figure 3: Key assumptions

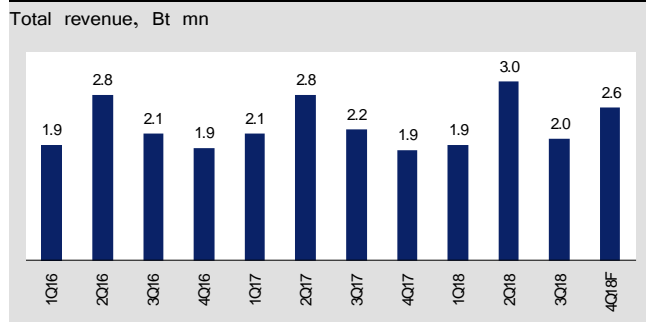
Key assumptions	2015A	2016A	2017A	2018F	2019F
Revenue (Bt mn)	8,580	8,745	8,971	9,197	9,466
Cinema	5,920	6,264	6,521	6,875	7,047
-Admission	4,545	4,821	4,856	5,092	5,220
-Concession	1,375	1,443	1,665	1,782	1,827
Advertising	1,224	1,287	1,395	1,296	1,361
Bowling	454	429	413	416	420
Rental	522	477	433	430	439
Movie content	460	288	209	180	200
Revenue (Percent)					
Cinema	69	72	73	75	74
-Admission	53	55	54	55	55
-Concession	16	17	19	19	19
Advertising	14	15	16	14	14
Bowling	5	5	5	5	4
Rental	6	5	5	5	5
Movie content	5	3	2	2	2
Cinema business					
-Number of branches	91	113	131	144	159
-Number of screens	601	678	718	768	818
-Number of guest	28.5	29.7	31.9	32.1	32.7
-Average ticket price	165	166	159	159	160

Source: Company data, KGI Research

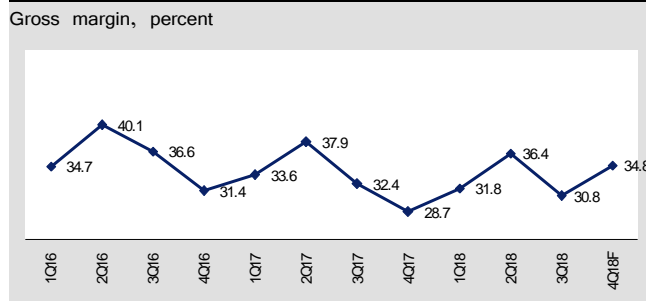
Figure 4: Company profile

Major Cineplex Group Public Company Limited (MAJOR) is a leading cinema service provider in Thailand with largest market share of more than 70%. The company also provides other businesses that are advertising business, bowling business, rental business and movie content business. The company's core revenue comes from cinema business which represented 73% of total sales and services revenue in 2017, followed by advertising business that accounted for 16%.

Source: Company data

Figure 6: Total sales and service revenue


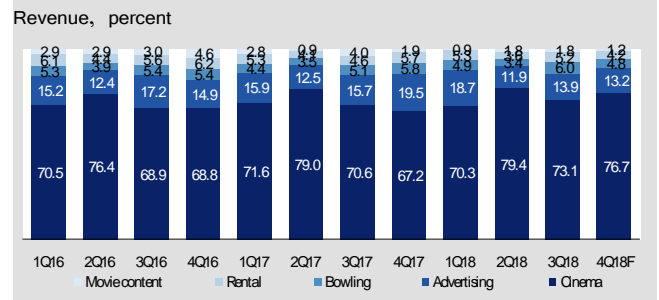
Source: Company data, KGI Research

Figure 8: Gross margin


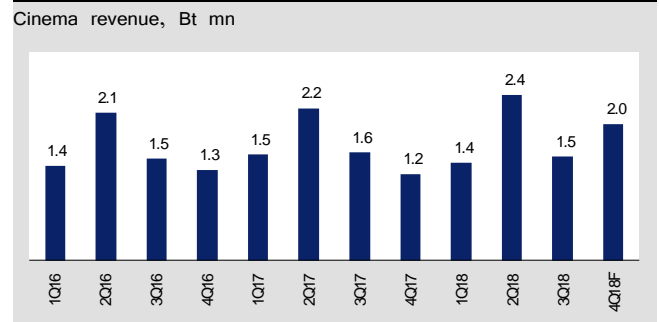
Source: Company data, KGI Research

Figure 10: Company's PER

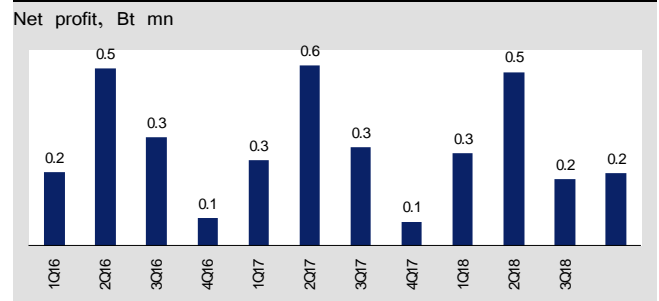

Source: KGI Research

Figure 5: Breakdown of sales and service revenue by segment


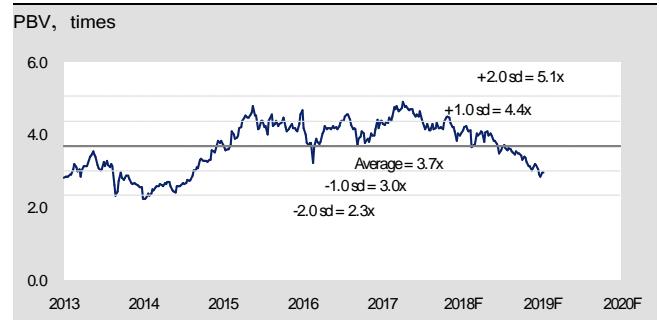
Source: Company data, KGI Research

Figure 7: Cinema revenue


Source: Company data, KGI Research

Figure 9: Net profit


Source: Company data, KGI Research

Figure 11: Company's PBV


Source: KGI Research

Quarterly Income Statement

	Mar-16A	Jun-16A	Sep-16A	Dec-16A	Mar-17A	Jun-17A	Sep-17A	Dec-17A	Mar-18A	Jun-18A	Sep-18A	Dec-18F
Income Statement (Bt mn)												
Revenue	1,936	2,787	2,127	1,896	2,134	2,779	2,200	1,858	1,950	3,004	2,048	2,570
Cost of Goods Sold	(1,265)	(1,669)	(1,347)	(1,300)	(1,418)	(1,727)	(1,488)	(1,325)	(1,330)	(1,911)	(1,417)	(1,674)
Gross Profit	672	1,118	779	596	716	1,053	712	533	620	1,093	630	895
Operating Expenses	(514)	(601)	(595)	(701)	(553)	(570)	(601)	(638)	(520)	(577)	(546)	(720)
Other incomes	13	12	13	13	11	12	13	12	11	11	10	11
Operating Profit	170	529	197	(92)	174	495	124	(93)	111	526	94	187
Depreciation of fixed assets	(262)	(310)	(311)	(330)	(354)	(299)	(381)	(302)	(283)	(358)	(320)	(350)
Operating EBITDA	432	839	509	239	528	794	504	209	394	885	414	537
Non-Operating Income	14	25	30	9	25	24	47	5	24	26	27	27
Interest Income	1	2	0	2	1	2	1	2	1	2	1	2
Other Non-op Income	14	23	30	7	24	22	46	3	23	23	25	26
Non-Operating Expenses	(38)	(35)	(34)	(37)	(39)	(36)	(33)	(33)	(29)	(26)	(26)	(26)
Interest Expense	(38)	(35)	(34)	(37)	(39)	(36)	(33)	(33)	(29)	(26)	(26)	(26)
Other Non-op Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Net investment Income/(Loss)	58	77	69	53	41	81	83	27	71	69	67	60
Pre-tax Profit	205	595	262	(66)	201	564	221	(94)	178	595	161	248
Current taxation	(37)	(119)	(73)	(8)	(53)	(130)	(62)	(33)	(27)	(124)	(36)	(57)
Minorities	(7)	(12)	(5)	5	1	(6)	(4)	5	(2)	(3)	(4)	(4)
Extraordinary items	65	80	149	154	113	127	148	198	136	66	85	35
Net Profit	226	544	333	85	262	554	302	75	284	534	206	222
EPS(Bt)	0.25	0.61	0.37	0.10	0.29	0.62	0.34	0.08	0.32	0.60	0.23	0.25
Margins (%)												
Gross profit margin	34.7	40.1	36.6	31.4	33.6	37.9	32.4	28.7	31.8	36.4	30.8	34.8
Operating margin	8.8	19.0	9.3	(4.8)	8.1	17.8	5.6	(5.0)	5.7	17.5	4.6	7.3
Operating EBITDA margin	22.3	30.1	23.9	12.6	24.7	28.6	22.9	11.2	20.2	29.5	20.2	20.9
Net profit margin	11.7	19.5	15.6	4.5	12.3	20.0	13.7	4.0	14.6	17.8	10.1	8.6
Growth (%)												
Revenue growth	10.7	4.5	(2.9)	(4.1)	10.2	(0.3)	3.5	(2.0)	(8.6)	8.1	(7.0)	38.3
Operating growth	(0.8)	6.2	(13.5)	(153.8)	2.0	(6.5)	(37.4)	1.6	(36.2)	6.4	(24.2)	(300.9)
Operating EBITDA growth	(10.1)	6.8	(10.2)	(48.3)	22.1	(5.3)	(0.8)	(12.6)	(25.3)	11.4	(18.0)	157.2
Net profit growth	13.8	10.9	(3.0)	(38.6)	15.7	1.9	(9.1)	(12.2)	8.6	(3.7)	(31.9)	197.1

Source: KGI Research

Peer comparison - Key valuation stats

	Rating	Target price (Bt)	Current price (Bt)	Upside (%)	17 EPS (Bt)	18F EPS (Bt)	19F EPS (Bt)	18F EPS growth (%)	19F EPS growth (%)	18F PER (x)	19F PER (x)	18F PBV (X)	19F PBV (X)	18F Div Yield (%)	18F ROAE (%)	19F ROAE (%)
BEC	N	7.20	5.55	29.7	0.03	(0.02)	0.15	NM	NM	NM	37.3	1.7	1.6	0.0	(0.6)	4.5
MAJOR*	OP	28.00	22.40	25.0	1.33	1.41	1.41	6.0	(0.1)	15.8	15.9	3.2	3.1	5.6	19.7	19.8
MONO	N	2.12	1.89	12.2	0.02	(0.02)	0.02	NM	NM	NM	117.4	2.2	2.7	0.0	(2.2)	2.7
PLANB	OP	8.70	5.70	52.6	0.13	0.19	0.22	47.1	13.7	29.7	26.1	4.9	4.5	1.7	17.5	18.1
RS	OP	20.70	15.70	31.8	0.33	0.49	0.58	49.2	17.5	31.9	27.2	7.1	4.8	1.9	28.0	21.4
WORK*	N	25.25	20.90	20.8	2.06	0.83	1.02	(59.5)	22.6	25.0	20.4	2.0	2.0	2.8	8.2	12.4
Sector	Neutral				3.90	2.90	3.40	(25.8)	17.3	30.3	23.7	3.5	3.1	2.0	11.8	13.2

Source: KGI Research

Balance Sheet

As of 31 Dec (Bt mn)	2015A	2016A	2017A	2018F	2019F
Total Assets	14,246	14,725	13,808	13,173	13,265
Current Assets	2,030	2,350	2,263	1,744	2,680
Cash & ST Investments	312	531	573	159	657
Inventories	183	98	141	184	189
Accounts Receivable	1,181	1,256	1,182	1,012	1,420
Others	355	465	367	390	414
Non-current Assets	12,216	12,375	11,545	11,429	10,584
LT Investments	3,575	3,553	3,074	3,071	3,067
Net fixed Assets	7,358	7,591	7,186	7,050	6,174
Others	1,283	1,231	1,285	1,309	1,343
Total Liabilities	7,598	8,007	7,309	6,851	6,845
Current Liabilities	5,480	6,420	3,946	5,943	5,968
Accounts Payable	1,908	1,761	1,675	2,299	2,177
ST Borrowings	3,389	4,494	2,134	3,496	3,631
Others	183	165	137	148	160
Long-term Liabilities	2,118	1,587	3,363	909	877
Long-term Debts	1,287	764	2,605	166	149
Others	831	823	758	743	728
Shareholders' Equity	6,648	6,718	6,499	6,322	6,420
Common Stock	893	895	895	895	895
Capital Surplus	4,015	4,053	4,056	4,056	4,056
Retained Earnings	1,295	1,412	1,487	1,634	1,779
Others	445	359	61	(262)	(310)

Source: KGI Research

Key Ratios

Year to 31 Dec (Bt mn)	2015A	2016A	2017A	2018F	2019F
Forecast Drivers					
Number of guest (mn)	28.5	29.7	31.9	32.1	32.7
Growth (% YoY)					
Sales	(0.5)	1.9	2.6	2.5	2.9
OP	(6.4)	(25.8)	(13.6)	23.7	2.3
EBITDA	(2.4)	(12.3)	1.0	11.9	4.0
NP	7.8	1.5	0.4	6.0	(0.1)
EPS	7.5	1.2	0.4	6.0	(0.1)
Profitability (%)					
Gross Margin	35.3	36.2	33.6	33.6	33.3
Operating Margin	11.8	8.6	7.3	8.8	8.7
EBITDA Margin	26.1	22.5	22.1	24.2	24.4
Net Profit Margin	13.6	13.6	13.3	13.8	13.3
ROAA	8.3	8.2	8.4	9.4	9.6
ROAE	18.0	17.8	18.1	19.7	19.8
Stability					
Gross Debt/Equity (%)	0.0	0.0	0.0	0.0	0.0
Net Debt/Equity (%)	65.3	70.1	63.9	55.2	48.5
Interest Coverage (x)	6.6	5.2	4.7	7.8	7.8
Interest & ST Debt Coverage (x)	0.3	0.2	0.3	0.2	0.2
Cash Flow Interest Coverage (x)	(15.3)	(14.8)	(17.2)	(32.2)	(19.7)
Cash Flow/Interest & ST Debt (x)	0.7	0.5	1.2	1.0	0.6
Current Ratio (x)	0.4	0.4	0.6	0.3	0.4
Quick Ratio (x)	0.3	0.4	0.5	0.3	0.4
Net Debt (Bt mn)	4,341	4,708	4,151	3,491	3,115
Per Share Data (Bt)					
EPS	1.3	1.3	1.3	1.4	1.4
CHS	2.7	2.4	2.7	3.7	2.3
BPVS	7.4	7.5	7.3	7.1	7.2
SPS	9.6	9.8	10.0	10.3	10.6
EBITDA/Share	2.5	2.2	2.2	2.5	2.6
DPS	1.2	1.2	1.3	1.3	1.3
Activity					
Asset Turnover (x)	0.6	0.6	0.6	0.7	0.7
Days Receivables	52.9	50.9	49.6	43.5	46.9
Days Inventory	11.1	9.2	7.3	9.7	10.8
Days Payable	(229.5)	(211.6)	(208.1)	(234.8)	(258.9)
Cash Cycle	293.5	271.6	265.0	288.0	316.5

Source: KGI Research

Profit & Loss

Year to 31 Dec (Bt mn)	2015A	2016A	2017A	2018F	2019F
Revenue	8,580	8,745	8,972	9,197	9,466
Cost of Goods Sold	(5,553)	(5,580)	(5,958)	(6,108)	(6,311)
Gross Profit	3,028	3,165	3,014	3,089	3,156
Operating Expenses	(2,013)	(2,412)	(2,363)	(2,283)	(2,332)
Other incomes	-	-	-	-	-
Operating Profit	1,015	753	651	805	824
Depreciation of fixed assets	1,226	1,214	1,336	1,419	1,490
Operating EBITDA	2,241	1,967	1,987	2,224	2,313
Non-Operating Income	384	579	735	541	488
Interest Income	7	4	6	7	8
Other Non-op Income	378	574	728	534	480
Non-Operating Expenses	(155)	(144)	(140)	(104)	(106)
Interest Expense	(155)	(144)	(140)	(104)	(106)
Other Non-op Expenses	-	-	-	-	-
Equity Income/(Loss)	237	256	231	278	320
Pre-tax Profit	1,482	1,444	1,477	1,521	1,526
Current taxation	(300)	(237)	(279)	(243)	(244)
Minorities	(11)	(19)	(4)	(12)	(18)
Extraordinary items	-	-	-	-	-
Net Profit	1,171	1,188	1,193	1,265	1,264
EPS(Bt)	1.31	1.33	1.33	1.41	1.41

Source: KGI Research

Cash Flow

Year to 31 Dec (Bt mn)	2015A	2016A	2017A	2018F	2019F
Operating Cash Flow	2,365	2,127	2,410	3,344	2,088
Net Profit	1,482	1,444	1,477	1,521	1,526
Depreciation & Amortization	1,226	1,214	1,336	1,419	1,490
Change in Working Capital	(58)	(193)	(81)	683	(607)
Others	(285)	(337)	(321)	(278)	(320)
Investment Cash Flow	(1,480)	(1,239)	(510)	(1,525)	(572)
Net CAPEX	(1,434)	(1,258)	(836)	(919)	(280)
Change in LT Investment	1	18	208	-	-
Change in Other Assets	(46)	1	118	(606)	(292)
Free Cash Flow	886	888	1,900	1,819	1,516
Financing Cash Flow	(841)	(476)	(1,664)	(2,196)	(1,000)
Change in Share Capital	-	-	-	-	-
Net Change in Debt	103	566	(537)	(1,078)	118
Change in Other LIT Liab.	(944)	(1,042)	(1,127)	(1,118)	(1,118)
Net Cash Flow	45	412	236	(378)	516

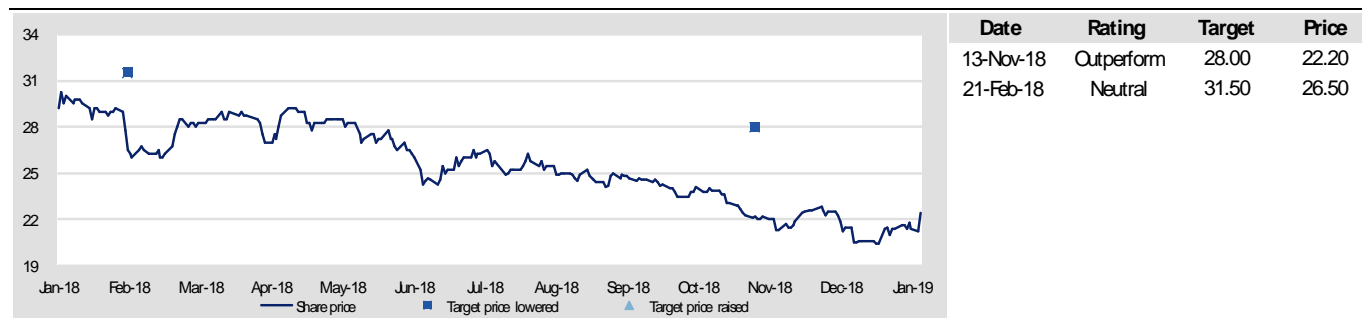
Source: KGI Research

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
Dec-15A	64.7%	14.3%	23.5%	-2.5%
Dec-16A	63.8%	13.9%	27.6%	-5.3%
Dec-17A	66.4%	14.9%	26.3%	-2.5%
Dec-18F	66.4%	15.4%	24.8%	-7.6%
Dec-19F	66.7%	15.7%	24.6%	-6.7%
Year	1/ $\frac{\text{Working Capital}}{\text{Revenue}}$	+ $\frac{\text{Net PPE}}{\text{Revenue}}$	+ $\frac{\text{Other Assets}}{\text{Revenue}}$	= Capital Turnover
Dec-15A	-0.01	0.86	0.19	0.96
Dec-16A	-0.02	0.87	0.19	0.96
Dec-17A	-0.01	0.80	0.18	1.02
Dec-18F	0.07	0.77	0.18	0.98
Dec-19F	-0.06	0.65	0.19	1.29
Year	$\frac{\text{Operating Margin}}{\text{Capital Turnover}}$	x $\frac{\text{Cash Tax Rate}}{\text{After-tax Return on Inv. Capital}}$	=	
Dec-15A	-2.5%	1.0	120.3	-2.8
Dec-16A	-5.3%	1.0	116.4	-5.9
Dec-17A	-7.6%	1.0	118.9	-9.3
Dec-18F	-6.7%	1.0	100.0	-6.5
Dec-19F	-7.0%	1.3	100.0	-9.1

Source: KGI Research

Major Cineplex Group- 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	SEAFCO	SEAFCO
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 ERWAN 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	SIRISAWAD 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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