

S Hotels & Resorts

(SHR.BK/SHR.TB)

Neutral · Downgraded

| | |
|-------------------------------|--------|
| Price as of 13 Sep 2023 | 2.86 |
| 12M target price (Bt/shr) | 3.26 |
| Unchanged/Revised up(down)(%) | (22.4) |
| Upside/downside (%) | 14.0 |

Key messages

เราคาดว่ากำไรสุทธิของ SHR ใน 2H66F จะลดลง 130% HoH เพราะเราคาดว่าบริษัทจะยังมีผลขาดทุนใน 3Q66F เพราะถูกกดดันจากการปิดบริการชั่วคราว และการปิดปรับปรุงโรงแรมในหลายทำเลที่ตั้ง เรามีมุมมองที่ระมัดระวังกับแนวโน้มกำไรของ SHR โดยปรับลดประมาณการกำไรสุทธิปีนี้ลง 97% เหลือ 5 ล้านบาท และปีหน้าลง 61% เหลือ 104 ล้านบาท เนื่องจากเราปรับเพิ่มสมมติฐานค่าใช้จ่ายดอกเบี้ย และปรับลดสมมติฐาน GPM ดังนั้น เราจึงปรับลดคำแนะนำหุ้น SHR จากซื้อเป็นถือ และขยับไปใช้ราคาเป้าหมายปี 2567 ที่ 3.30 บาท จากเดิมที่ 4.20 บาท

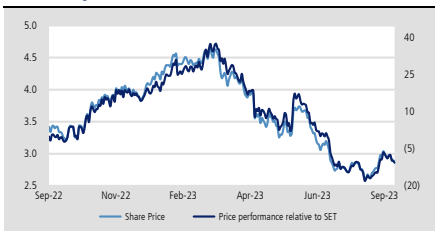
Trading data

| | |
|----------------------------|-------------------|
| Mkt cap (Btmn/US\$m) | 10,278/257 |
| Outstanding shares (mn) | 3,594 |
| Foreign ownership (mn) | 1,078 |
| 3M avg. daily trading (mn) | 9 |
| 52-week trading range (Bt) | 2.6-4.6 |
| Performance (%) | 3M 6M 12M |
| Absolute | -19.7 -31.6 -24.3 |
| Relative | -18.6 -30.3 -18.3 |

Quarterly EPS

| EPS | Q1 | Q2 | Q3 | Q4 |
|------|--------|--------|------|--------|
| 2021 | (0.09) | (0.16) | 0.68 | (0.02) |
| 2022 | (0.06) | (0.03) | 0.06 | 0.03 |
| 2023 | 0.03 | (0.03) | NA | NA |

Share price chart



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ยังคงอ่อนแอใน 2H66

Event

ปรับประมาณการกำไร

Impact

การปรับปรุงครั้งใหญ่ และการปิดโรงแรมชั่วคราวจะเป็นตัวจุด

เราคาดว่ากำไรสุทธิของ SHR ใน 2H66F จะลดลง 130% HoH เพราะเราคาดว่าบริษัทจะยังมีผลขาดทุนใน 3Q66F เพราะถูกกดดันจาก i) การปิดโรงแรมในมอริเชียสชั่วคราว (จะกลับมาเปิดบริการบางส่วนในเดือนตุลาคม 2566) ii) โรงแรมสองแห่งในประเทศไทยทำการปิดปรับปรุงครั้งใหญ่ (เฟส I จะกลับมาเปิดบริการในเดือนธันวาคม 2566) iii) ผลการดำเนินงานที่อ่อนแอของโรงแรมในมัลดีฟส์ และ iv) ค่าใช้จ่ายดอกเบี้ยเพิ่มขึ้น เนื่องจาก 58% ของหนี้ที่มีภาระดอกเบี้ยของบริษัทคืออัตราดอกเบี้ยลอยตัว แต่ในด้านบวก อุปสงค์ของโรงแรมในอังกฤษยังแข็งแกร่ง และ ARR ของโรงแรมในฟิจิเพิ่มขึ้นหลังจากการปิดปรับปรุง ใน phase I เสร็จใน 2Q66 ซึ่งทำให้ ARR เพิ่มขึ้น 22%

คาดว่า RevPar จะเพิ่มขึ้น 22% ในปี 2566F และ 11% ในปี 2567F

เราคาดว่า RevPar จะเพิ่มขึ้น 22% ในปี 2566F จากผลการดำเนินงานที่แข็งแกร่งของโรงแรมในอังกฤษ ซึ่งมี occupancy rate สูงถึง 72% ในขณะที่การฟื้นตัวของการท่องเที่ยวในประเทศไทยก็จะเป็นอีกหนึ่งปัจจัยที่ช่วยขยับหนุน RevPar ในขณะที่เดียวกัน เราคาดว่า RevPar ในปี 2567F จะเพิ่มขึ้น 11% นำโดยโรงแรมในฟิจิ เนื่องจาก ARR น่าจะเพิ่มขึ้นอย่างมีนัยสำคัญหลังจากที่ทำการปิดปรับปรุง เสร็จเรียบร้อยแล้วในเดือนพฤศจิกายนของปีนี้

ปรับลดประมาณการกำไรสุทธิปีนี้ลง 97% และปีหน้าลง 61%

เรามีมุมมองที่ระมัดระวังกับแนวโน้มกำไรของ SHR เนื่องจากเราเป็นห่วงภาพที่อ่อนแอของโรงแรมในมัลดีฟส์ และมีหลายโครงการที่จะยังอยู่ระหว่างการปิดปรับปรุง ต่อเนื่องไปถึงปีหน้า ทั้งนี้ เราปรับลดประมาณการกำไรสุทธิปีนี้ลง 97% เหลือ 5 ล้านบาท และปีหน้าลง 61% เหลือ 104 ล้านบาท เนื่องจาก i) เราปรับเพิ่มสมมติฐานค่าใช้จ่ายดอกเบี้ยเพิ่มขึ้น 9% ในปี 2566F และ 14% ในปี 2567F และ ii) เราปรับลดสมมติฐาน GPM ลง 0.8ppts เหลือ 34.2% ในปี 2566F และ 0.6ppts เหลือ 34.5% ในปี 2024F

Valuation & action

เนื่องจากเราคาดว่าผลประกอบการจะยังคงอ่อนแอใน 2H66 เราจึงปรับลดคำแนะนำหุ้น SHR จากซื้อเป็นถือ และขยับไปใช้ราคาเป้าหมายปี 2567 ที่ 3.30 บาท จากเดิมที่ 4.20 บาท (อิงจาก EV/EBITDA ที่ de-rate ลงมาอยู่ที่ 11.8x หรือเท่ากับ -0.5S.D. จากเดิมที่ 12.8x หรือเท่ากับ +0.5S.D.)

Risks

เศรษฐกิจโลกชะลอตัวลง

Key financials and valuations

| | Dec - 19A | Dec - 20A | Dec - 21A | Dec - 22A | Dec - 23F | Dec - 24F |
|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Revenue (Btmn) | 3,818 | 1,563 | 4,512 | 8,693 | 9,527 | 9,799 |
| Gross Profit (Btmn) | 1,328 | (105) | 916 | 2,885 | 3,258 | 3,381 |
| SG&A (Btmn) | 1,450 | 2,372 | 1,743 | 2,147 | 2,317 | 2,370 |
| Net Profit (Btmn) | (467) | (2,371) | (1,234) | 14 | 5 | 104 |
| Normalized Profit (Btmn) | (467) | (1,908) | (1,229) | (39) | 23 | 104 |
| EPS (Bt) | -0.20 | -0.66 | -0.34 | 0.00 | 0.00 | 0.03 |
| DPS (Bt) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| EPS Growth (%) | (152) | 235 | (48) | (101) | (63) | 1840 |
| P/E (X) | (26) | NM | NM | NM | 3477 | 179 |
| P/B (X) | 0.4 | 0.6 | 0.7 | 0.9 | 0.7 | 0.7 |
| EV/EBITDA (X) | 14.7 | 26.8 | 52.0 | 15.1 | 11.8 | 11.2 |
| Net Debt to Equity (%) | 42.7 | 57.1 | 122.3 | 112.1 | 131.4 | 128.1 |
| Dividend Yield (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Return on Average Equity (%) | (3.1) | (14.1) | (7.8) | 0.1 | 0.0 | 0.7 |

Source: Company data, KGI Securities Research

Figure 1: Earnings revisions

| | 2023F | | | 2024F | | |
|--------------------------------|-------------|-------------|-------------------|-------------|-------------|-------------------|
| | Revised | Previous | Change Percent | Revised | Previous | Change Percent |
| Financials (Btmn) | | | | | | |
| Revenue | 9,527 | 9,611 | (0.9) | 9,799 | 10,134 | (3.3) |
| Cost of service | (6,269) | (6,247) | 0.3 | (6,418) | (6,582) | (2.5) |
| SG&A | (2,317) | (2,323) | (0.2) | (2,370) | (2,469) | (4.0) |
| Operating profit | 1,091 | 1,182 | (7.6) | 1,160 | 1,233 | (5.9) |
| Interest expense | (1,062) | (972) | 9.3 | (1,056) | (924) | 14.3 |
| Net profit | 5 | 199 | (97.3) | 104 | 268 | (61.1) |
| Normalized profit | 23 | 219 | (89.5) | 104 | 268 | (61.1) |
| EPS (Bt/shr) | 0.00 | 0.06 | (97.3) | 0.03 | 0.07 | (61.1) |
| Key financial ratio (%) | | | ppts | | | ppts |
| GPM | 34.2 | 35.0 | (0.8) | 34.5 | 35.1 | (0.6) |
| SG&A/Sale | 24.3 | 24.2 | 0.2 | 24.2 | 24.4 | (0.2) |
| Net profit margin | 0.1 | 2.1 | (2.0) | 1.1 | 2.6 | (1.6) |

Source: Company data, KGI Securities Research

Figure 2: Key assumptions

| | 2019 | 2020 | 2021 | 2022 | 2023F | 2024F | 2Q22 | 3Q22 | 4Q22 | 1Q23 | 2Q23 |
|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Occupancy (%) | | | | | | | | | | | |
| Self-Managed Hotels | 72 | 24 | 19 | 57 | 69 | 72 | 50 | 55 | 72 | 81 | 64 |
| Outrigger Hotels | 78 | 20 | 13 | 64 | 54 | 70 | 64 | 78 | 80 | 55 | 46 |
| Crossroads Phase 1 Hotels | 35 | 28 | 58 | 66 | 65 | 64 | 65 | 61 | 63 | 88 | 54 |
| UK Portfolio Hotels | 70 | 26 | 49 | 60 | 72 | 72 | 61 | 69 | 63 | 66 | 74 |
| Total Portfolio | 67 | 23 | 41 | 60 | 69 | 71 | 60 | 67 | 66 | 69 | 67 |
| ARR (Bt/night) | | | | | | | | | | | |
| Self-Managed Hotels | 7,777 | 7,757 | 3,402 | 5,709 | 7,422 | 7,793 | 4,276 | 4,912 | 7,435 | 9,840 | 6,528 |
| Outrigger Hotels | 6,076 | 5,879 | 4,890 | 7,296 | 8,755 | 9,631 | 6,894 | 7,735 | 7,304 | 6,831 | 9,582 |
| Crossroads Phase 1 Hotels | 11,519 | 9,248 | 10,197 | 14,120 | 13,555 | 13,420 | 12,499 | 12,895 | 16,123 | 13,994 | 13,521 |
| UK Portfolio Hotels | 2,657 | 2,372 | 3,373 | 3,476 | 3,685 | 3,777 | 3,475 | 3,801 | 3,421 | 3,133 | 3,866 |
| Total Portfolio | 7,141 | 7,264 | 4,271 | 5,302 | 5,685 | 6,117 | 4,868 | 5,208 | 5,721 | 5,929 | 5,394 |
| RevPar | | | | | | | | | | | |
| Self-Managed Hotels | 5,591 | 1,889 | 634 | 3,237 | 5,121 | 5,611 | 2,319 | 2,676 | 5,346 | 7,925 | 4,184 |
| Outrigger Hotels | 4,762 | 1,193 | 656 | 4,638 | 4,728 | 6,742 | 4,386 | 6,014 | 5,811 | 3,783 | 4,362 |
| Crossroads Phase 1 Hotels | 4,629 | 2,636 | 5,895 | 9,293 | 8,811 | 8,589 | 8,146 | 7,839 | 10,185 | 12,241 | 7,258 |
| UK Portfolio Hotels | 1,864 | 621 | 1,663 | 2,083 | 2,653 | 2,719 | 2,146 | 2,623 | 2,145 | 2,055 | 2,866 |
| Total Portfolio | 4,753 | 1,661 | 1,759 | 3,201 | 3,900 | 4,339 | 2,931 | 3,493 | 3,785 | 4,070 | 3,634 |

Source: Company data, KGI Securities Research

Figure 3: Upcoming projects

| Upcoming project | Investmetn cost | Progress | Target ADR |
|----------------------------------|-----------------|---|---------------|
| New hotel | | | |
| SO/Maldives | US\$60mn | To be opened in Nov 2023 | US\$700-1,000 |
| Asset rotation program | | | |
| UK portfolio | | | |
| Total uplift asset: 13 hotels | GBP16mn | Target to be completed in 1Q24 | +10-15% |
| Rebranding asset: 3 hotels | | | |
| Asset enhancement program | | | |
| Outrigger Fiji Beach | Bt450mn | Phase 1: Oct 2022- Jun 2023 (154 keys) Phase 2: July 2023 - Nov 2023 (93 keys) | +20-25% |
| SAii Laguna Phuket | Bt250mn | Phase 1: May 2023 - Dec 2023 (82 keys) Phase 2: Apr 2024 - Dec 2024 (173 keys) | +15-20% |
| SAii Phi Phi Island Village | Bt270mn | Phase 1: May 2023 - Dec 2023 (72 keys) Phase 2: 2025 (99 keys) | +15-20% |

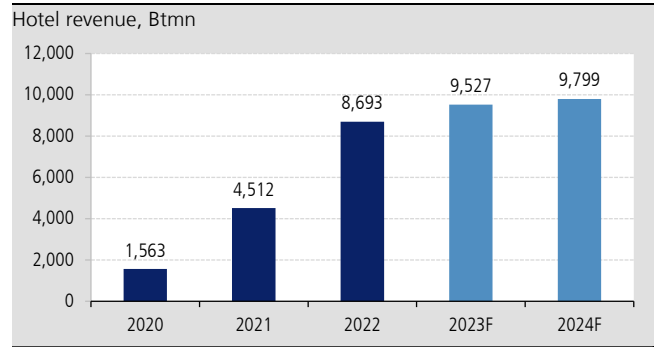
Source: Company data, KGI Securities Research

Figure 4: Company profile

S Hotels and Resorts (SHR), a subsidiary of SET-listed Singha Estate (S), operates and invests a chain of hotels and resorts across five key destinations - Thailand, Maldives, United Kingdom, Fiji, and Mauritius.

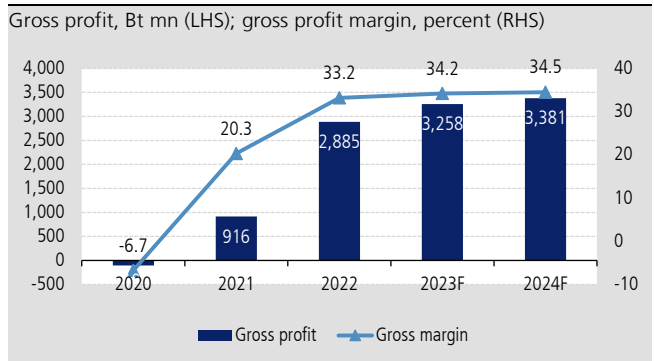
Source: Company data

Figure 5: Revenue



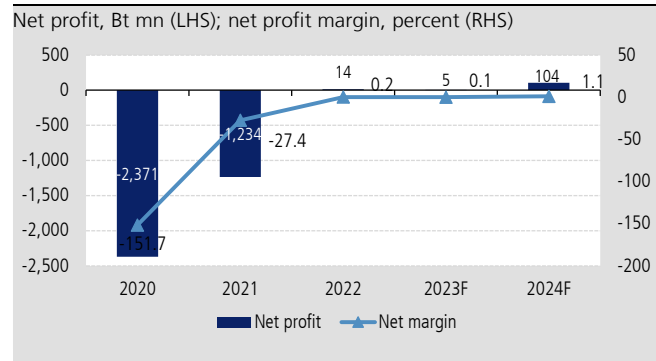
Source: Company data, KGI Securities Research

Figure 6: Gross profit



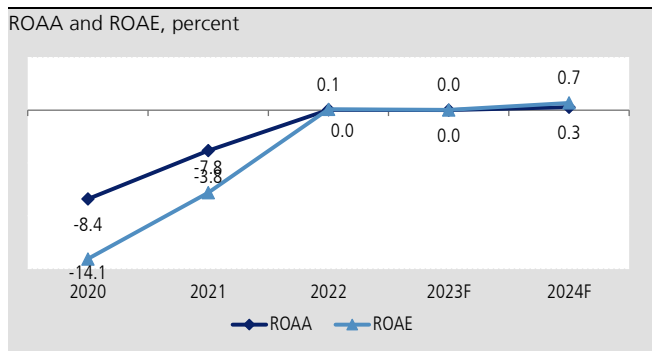
Source: Company data, KGI Securities Research

Figure 7: Net profit



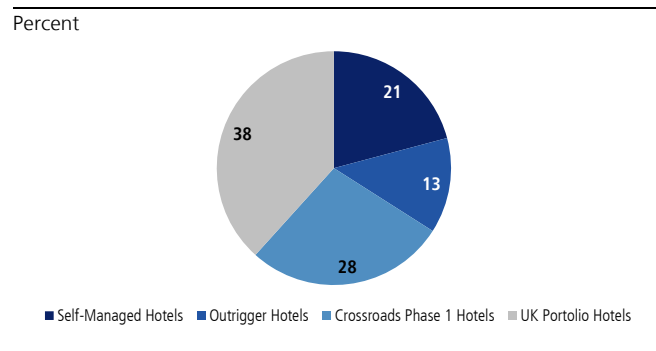
Source: Company data, KGI Securities Research

Figure 8: ROAA and ROAE



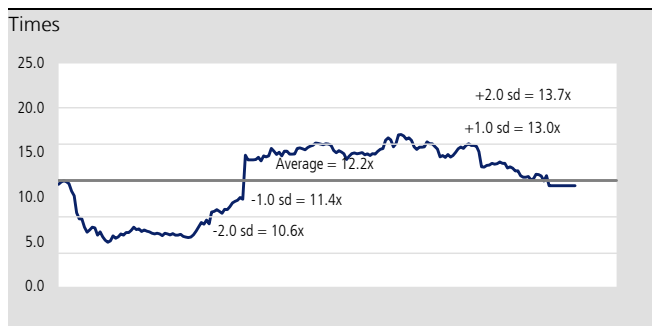
Source: Company data, KGI Securities Research

Figure 9: Revenue breakdown in 1H23



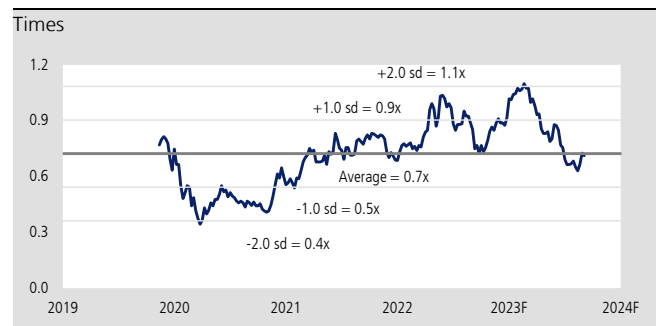
Source: Company data, KGI Securities Research

Figure 10: Adjusted EV/EBITDA



Source: KGI Securities Research

Figure 11: P/BV



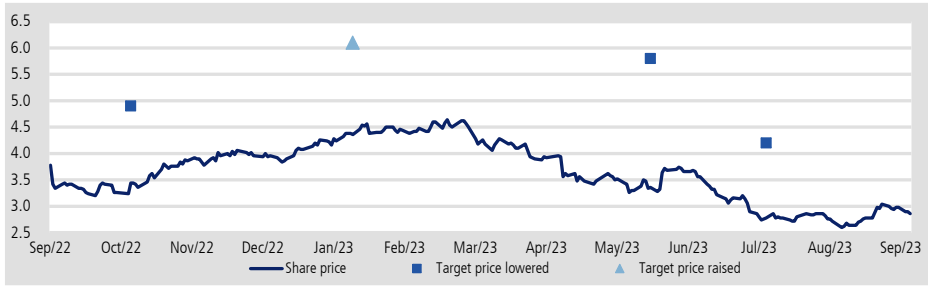
Source: KGI Securities Research

Quarterly Income Statement

| Bt mn | MAR-21A | JUN-21A | SEP-21A | DEC-21A | MAR-22A | JUN-22A | SEP-22A | DEC-22A | MAR-23A | JUN-23A |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Income Statement (Bt mn) | | | | | | | | | | |
| Revenue | 543.8 | 803.1 | 1,421.6 | 1,743.9 | 1,689.6 | 2,071.3 | 2,362.1 | 2,569.5 | 2,544.3 | 2,277.1 |
| Cost of Services | (566.1) | (785.5) | (1,018.7) | (1,225.7) | (1,258.8) | (1,427.1) | (1,528.2) | (1,593.3) | (1,604.9) | (1,599.0) |
| Gross Profit | (22.3) | 17.6 | 402.9 | 518.2 | 430.8 | 644.2 | 833.9 | 976.2 | 939.4 | 678.1 |
| Operating Expenses | (299.2) | (448.7) | (489.3) | (506.1) | (459.8) | (536.0) | (529.5) | (622.1) | (576.1) | (571.3) |
| Other incomes | 148.5 | 34.8 | 12.0 | (18.2) | 10.4 | 22.7 | 104.2 | (5.6) | 32.5 | 41.5 |
| Operating Profit | (173.0) | (396.3) | (74.3) | (6.1) | (18.5) | 130.8 | 408.7 | 348.5 | 395.8 | 148.3 |
| Depreciation of Fixed assets | 247.4 | 339.5 | 337.4 | 264.5 | 288.2 | 267.1 | 270.1 | 290.9 | 277.4 | 297.0 |
| Operating EBITDA | 74.5 | (56.8) | 263.2 | 258.5 | 269.6 | 397.9 | 678.7 | 639.4 | 673.2 | 445.3 |
| Non-Operating Income | - | - | - | (20.3) | (4.6) | - | - | 25.6 | (17.1) | 3.0 |
| Interest Income | - | - | - | - | - | - | - | - | - | - |
| Other Non-op Income | - | - | - | (20.3) | (4.6) | - | - | 25.6 | (17.1) | 3.0 |
| Non-Operating Expenses | (130.9) | (191.5) | (194.1) | (176.1) | (175.6) | (192.7) | (232.6) | (240.8) | (248.2) | (272.7) |
| Interest Expenses | (130.9) | (191.5) | (194.1) | (176.1) | (175.6) | (192.7) | (232.6) | (240.8) | (248.2) | (272.7) |
| Other Non-Op Expenses | - | - | - | - | - | - | - | - | - | - |
| Net investment income/(loss) | (6.2) | 3.4 | (1.4) | 1.2 | (9.0) | (4.8) | (3.3) | (4.4) | (4.3) | (6.1) |
| Pre-tax Profit | (310.1) | (584.4) | (269.8) | (201.2) | (207.7) | (66.6) | 172.8 | 128.9 | 126.2 | (127.5) |
| Current Taxation | (0.8) | 13.0 | (12.1) | 131.2 | 3.7 | (30.3) | 34.7 | (21.0) | (1.4) | 10.2 |
| Minorities | - | - | - | - | - | - | - | - | - | - |
| Extraordinary items | - | - | - | - | - | - | - | - | - | - |
| Net Profit | (310.9) | (571.4) | (281.9) | (70.0) | (204.1) | (96.9) | 207.5 | 107.9 | 124.9 | (117.2) |
| EPS (Bt) | (0.09) | (0.16) | 0.68 | (0.02) | (0.06) | (0.03) | 0.06 | 0.03 | 0.03 | (0.03) |
| Margins (%) | | | | | | | | | | |
| Gross Profit Margin | (4.1) | 2.2 | 28.3 | 29.7 | 25.5 | 31.1 | 35.3 | 38.0 | 36.9 | 29.8 |
| Operating EBIT Margin | (31.8) | (49.3) | (5.2) | (0.3) | (1.1) | 6.3 | 17.3 | 13.6 | 15.6 | 6.5 |
| Operating EBITDA Margin | 13.7 | (7.1) | 18.5 | 14.8 | 16.0 | 19.2 | 28.7 | 24.9 | 26.5 | 19.6 |
| Net Profit Margin | (57.2) | (71.1) | (19.8) | (4.0) | (12.1) | (4.7) | 8.8 | 4.2 | 4.9 | (5.1) |
| Growth (% YoY) | | | | | | | | | | |
| Revenue Growth | (52.5) | 11,923.1 | 1,146.8 | 486.7 | 210.7 | 157.9 | 66.2 | 47.3 | 50.6 | 9.9 |
| Operating EBIT Growth | (142.1) | NM | NM | NM | NM | NM | NM | NM | NM | 13.4 |
| Operating EBITDA Growth | (88.5) | NM | NM | NM | 262.2 | (800.8) | 157.9 | 147.4 | 149.7 | 11.9 |
| Net Profit Growth | (232.3) | NM | NM | NM | NM | NM | NM | NM | NM | 21.0 |

Source: KGI Securities Research

S Hotels and Resorts - Recommendation & target price history



| Date | Rating | Target | Price |
|-----------|------------|--------|-------|
| 14-Jul-23 | Outperform | 4.20 | 2.78 |
| 26-May-23 | Outperform | 5.80 | 3.36 |
| 20-Jan-23 | Outperform | 6.10 | 4.36 |
| 18-Oct-22 | Outperform | 4.90 | 3.44 |

Source: KGI Securities Research

Corporate Governance Report of Thai Listed Companies



Companies with Excellent CG Scoring

| Stock | Company name | Stock | Company name | Stock | Company name |
|--------|--------------------------------|--------|------------------------|--------|---|
| AAV | ASIA AVIATION | EGCO | ELECTRICITY GENERATING | PTTEP | PTT EXPLORATION AND PRODUCTION |
| ADVANC | ADVANCED INFO SERVICE | GFPT | GFPT | PTTGC | PTT GLOBAL CHEMICAL |
| AMA | AMA MARINE | GGC | GLOBAL GREEN CHEMICALS | PYLON | PYLON |
| AMATA | AMATA CORPORATION | GPSC | GLOBAL POWER SYNERGY | QH | QUALITY HOUSES |
| ANAN | ANANDA DEVELOPMENT | HANA | HANA MICROELECTRONICS | RATCH | RATCHABURI ELECTRICITY GENERATING HOLDING |
| AOT | AIRPORTS OF THAILAND | HMPRO | HOME PRODUCT CENTER | RS | RS |
| AP | ASIAN PROPERTY DEVELOPMENT | INTUCH | SHIN CORPORATION | SCB | THE SIAM COMMERCIAL BANK |
| BANPU | BANPU | IRPC | IRPC | SCC | THE SIAM CEMENT |
| BCP | THE BANGCHAK PETROLEUM | IVL | INDORAMA VENTURES | SCCC | SIAM CITY CEMENT |
| BCPG | BCPG | KBANK | KASIKORNBANK | SEAFCO | SEAFCO |
| BDMS | BANGKOK DUSIT MEDICAL SERVICES | KCE | KCE ELECTRONICS | SMPC | SAHAMITR PRESSURE CONTAINER |
| BEC | BEC WORLD | KKP | KIATNAKIN BANK | SPALI | SUPALAI |
| BEM | BANGKOK EXPRESSWAY AND METRO | KTB | KRUNG THAI BANK | SPRC | STAR PETROLEUM REFINING |
| BGRIM | B.GRIMM POWER | KTC | KRUNGTHAI CARD | SVI | SVI |
| BPP | BANPU POWER | LH | LAND AND HOUSES | TACC | T.A.C. CONSUMER |
| BTS | BTS GROUP HOLDINGS | LPN | L.P.N. DEVELOPMENT | TCAP | THANACHART CAPITAL |
| CENTEL | CENTRAL PLAZA HOTEL | MAKRO | SIAM MAKRO | THCOM | THAICOM |
| CK | CH. KARNCHANG | MBK | MBK | TISCO | TISCO FINANCIAL GROUP |
| CKP | CK POWER | MINT | MINOR INTERNATIONAL | TOP | THAI OIL |
| CPALL | CP ALL | MTC | MUANGTHAI CAPITAL | TRUE | TRUE CORPORATION |
| CPF | CHAROEN POKPHAND FOODS | PLANB | PLAN B MEDIA | TTB | TMBTHANACHART BANK |
| CPN | CENTRAL PATTANA | PSH | PRUKSA HOLDING | VGI | VGI GLOBAL MEDIA |
| DELTA | DELTA ELECTRONICS (THAILAND) | PTG | PTG ENERGY | WHA | WHA CORPORATION |
| DTAC | TOTAL ACCESS COMMUNICATION | PTT | PTT | WHAUP | |



Companies with Very Good CG Scoring

| Stock | Company name | Stock | Company name | Stock | Company name |
|--------|-------------------------------------|--------|--------------------------|--------|----------------------------|
| BAM | BANGKOK COMMERCIAL ASSET MANAGEMENT | GULF | GULF ENERGY DEVELOPMENT | SAPPE | SAPPE |
| BBL | BANGKOK BANK | JMT | JMT NETWORK SERVICES | SAWAD | SRI SAWAD POWER 1979 |
| CBG | CARABAO GROUP | LPH | LADPRAO GENERAL HOSPITAL | SINGER | SINGER THAILAND |
| CHG | CHULARAT HOSPITAL | M | MK RESTAURANT GROUP | SPA | SIAM WELLNESS GROUP |
| COM7 | COM7 | MAJOR | MAJOR CINEPLEX GROUP | TFG | THAIFOODS GROUP |
| DOHOME | DOHOME | MEGA | MEGA LIFESCIENCES | TKN | TAOKAENOI FOOD & MARKETING |
| ERW | THE ERAWAN GROUP | NETBAY | NETBAY | ZEN | ZEN CORPORATION GROUP |
| GLOBAL | SIAM GLOBAL HOUSE | OSP | OSOTSPA | | |



Companies with Good CG Scoring

| Stock | Company name | Stock | Company name | Stock | Company name |
|-------|------------------------|-------|-----------------|-------|-------------------------|
| BCH | BANGKOK CHAIN HOSPITAL | ESSO | ESSO (THAILAND) | SF | SIAM FUTURE DEVELOPMENT |
| BH | BUMRUNGRAD HOSPITAL | HUMAN | HUMANICA | SISB | SISB |
| EKH | EKACHAI MEDICAL CARE | RBF | R&B FOOD SUPPLY | TPCH | TPC POWER HOLDING |

Companies classified Not in the three highest score groups

| Stock | Company name | Stock | Company name | Stock | Company name |
|-------|--------------------------|-------|--|-------|-----------------------------|
| IIG | I&I GROUP | OR | PTT OIL AND RETAIL BUSINESS | STGT | SRI TRANG GLOVES (THAILAND) |
| KEX | KERRY EXPRESS (THAILAND) | STEC | SINO-THAI ENGINEERING AND CONSTRUCTION | | |

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 |
|--------|--------------------------------|--------|------------------------------|--------|---|
| 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 | SRISAWAD 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 | SEAFCO | SEAFCO |
| 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 |
| CENTEL | 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

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. Excess return = 12M target price/current price- |
| 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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