

February 1, 2018

OUTPERFORM

Haad Thip

(HTC TB)

Share Price: Bt23.80

Target Price: Bt35.00 (+47.1%)

Most leveraged to lower sugar price

- Multiple catalysts in FY18-20F: resuming entertainment activities, lower domestic sugar price, increased selling price, and distributing 3rd party products
- Expect 20% p.a. earnings growth (4-year CAGR) over FY16-20F; major beneficiary of lower domestic sugar price
- OUTPERFORM, Bt35 TP is based on 18x FY18F PE (-0.5SD of historical mean); HTC is our top pick in the Beverage sector

Under-valued play with several catalysts to drive FY18-20F growth

HTC is the sole manufacturer and distributor of non-alcoholic beverages (NAB) for Coca-Cola Company in Southern Thailand with 80% share of carbonated drink market in that region. The soft-drink market nationwide dropped 5% in FY17 and should recover in FY18 led by resumption of entertainment activities after the royal cremation and absence of flooding. Lower sugar price (-10%) effective 15 January after deregulation of Thailand's sugar market will benefit HTC as liquid sucrose accounts for 35% of COGS. HTC should be able to increase selling price from higher excise tax given its loyal consumer base and strong distribution network. HTC has 20 DCs and hundreds of cash vans covering c.40,000 retailers in Southern Thailand. It is considering distributing 3rd party products.

Expect 20% p.a. earnings growth (4-year CAGR) over FY16-20F

This would be led by 8% sales growth in FY18F due to a low base last year, and 12% p.a. over FY19-20F supported by organic growth and price hikes. We estimate HTC would raise average selling price of carbonated products (450ml) to Bt15/bottle from Bt12/bottle in 2H19F. We also assumed flat volume growth in FY19-20F because of price increase and expect HTC to increase selling & marketing expenses to boost sales. We conservatively estimate GPM would improve by 1.5 ppts to 33.5% in FY18F based on 5% lower sugar price vs 10% drop in domestic sugar price; global price should remain low at 13-16 cents/lb due to record global production. GPM would improve by 1 ppt to 34.5% in FY19-20F as a price hike would outpace higher excise tax. HTC's Coca-Cola franchise will expire in 2019 but should be extended by 5 years as HTC has had the exclusive rights since its establishment in 1969.

OUTPERFORM, Bt35 TP; trading at 40% discount to peers

Our TP is based on 18x FY18F PE (-0.5SD of historical mean) with 4-5% dividend yield. HTC deserves to be rerated given its strong distribution network in Southern Thailand, stronger earnings growth profile, and upside from distributing 3rd party products. Key risks are an economic slowdown and volatile oil and sugar prices.

Financial Summary (Btm)

Year to Dec	2015	2016	2017F	2018F	2019F
Sales (Btm)	5,401	5,704	5,733	6,191	6,934
Growth (%)	3.8	5.6	0.5	8.0	12.0
EBITDA (Btm)	222	374	431	613	697
Growth (%)	(5.4)	68.4	15.4	42.1	13.8
Recurring profit (Btm)	67	247	273	384	461
Growth (%)	(41.2)	269.1	10.5	40.7	20.0
Net profit (Btm)	101	241	273	384	461
Normalized EPS (Bt)	0.34	1.24	1.37	1.93	2.31
Growth (%)	(41.2)	269.1	10.5	40.7	20.0
Normalized PE (x)	39.0	15.3	17.4	12.4	10.3
DPS (Bt)	0.25	0.65	0.68	0.96	1.16
Yield (%)	1.9%	3.4%	2.9%	4.0%	4.9%
BVPS (Bt)	11.8	12.4	13.1	14.1	15.2
P/BV (x)	1.11	1.53	1.82	1.69	1.56



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Sunthorn THONGTHIP

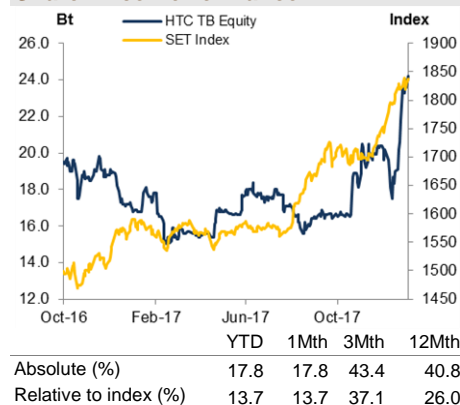
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Key Data

12-mth high/low (Bt)	24.9 / 15
Market capital (Btm/US\$m)	4,741.4 / 151.3
3m avg. turnover (Btm/US\$m)	14.2 / 0.5
Free float (%)	59.1
Issued shares (m shares)	199
Major shareholders:	
- GUTSCHE FAMILY INVES	24.1
- RATTAKUL PHAIROCH	12.3
- RATTAKUL PRAPANSRI	10.1

Share Price Performance



Krungsri Securities vs Market

	Positive	Neutral	Negative
Market Recommend	2	0	0
Target Price (Bt)	Krungsri 35.0	Market N/A	% +/- N/A
'17 Net Profit (Btm)	273	N/A	N/A
'18 Net Profit (Btm)	384	N/A	N/A

Krungsri's earnings revision

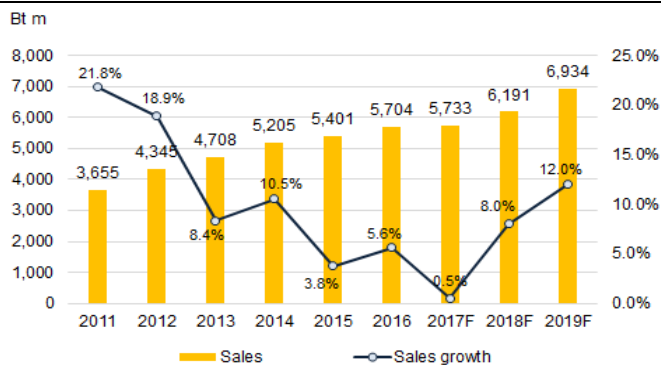
	2017F	2018F
Earnings revision (%)	-	-

Source: Bloomberg, Krungsri Securities

Business

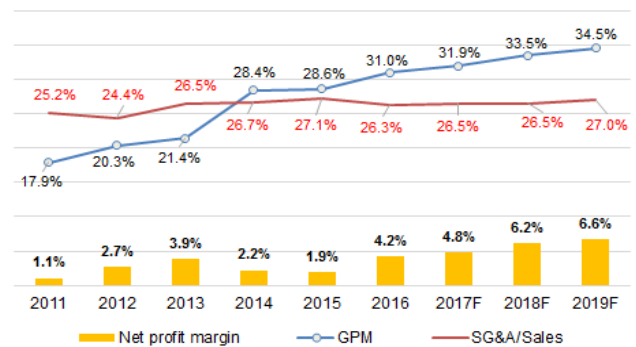
HTC is the sole manufacturer and distributor of non-alcoholic beverages (NAB) for Coca-Cola Company in Southern Thailand with 80% share of carbonated drinks and 24% share of NAB markets in that region. Note that drinking water commands c.60% share of the NAB market in Southern Thailand. HTC's carbonated products, which include Coca-Cola, Fanta, and Sprite, account for more than 90% of total revenue. HTC buys some non-carbonated products which it cannot produce from its partner *ThaiNamthip* which is also licensed by Coca-Cola Company in another area in Thailand. The company has an exclusive bottling contract with Coca-Cola Company that is subject to renewal every five years; the current contract will expire in 2019 but we expect it to be renewed as HTC has been awarded exclusive rights since it was established in 1969. HTC buys leavening ingredient from Coca-Cola Company, which accounts for 15% of its COGS. Coca-Cola Company will support above-the-line marketing while HTC is responsible for under-the-line marketing.

HTC: Sales outlook



Source: Company data

HTC: GPM, SG&A/Sales, and Net profit margin



Source: Company data

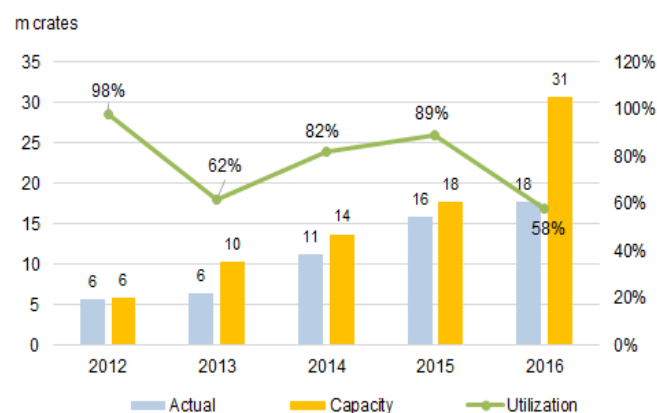
HTC has two plants - in Hatyai and Punpin (Surat Thani) – that supply beverages packaged in PET bottles (80%), glass bottles (10%) and sleek cans (10%). It expanded the PET bottling capacity in Punpin which raised total capacity by 47% to 46m crates p.a. in FY16-17. HTC also installed a plastic injection machine to enhance upstream efficiency, which lifted GPM by 1 ppt to 32% in FY17. Overall utilization rate is currently at 60%. The new capacity would allow HTC to accept more orders without huge capex at least until 2021.

HTC: SG&A structure

Year	2013	2014	2015	2016
Selling Expenses/Sales	19%	20%	20%	18%
Marketing Promotion	9%	10%	9%	9%
Employee	4%	4%	4%	4%
Transportation	4%	4%	4%	3%
Depreciation	1%	1%	1%	1%
Others	1%	1%	1%	2%
Admin Costs/Sales	7%	7%	7%	8%
Employee	5%	4%	5%	5%
Admin	1%	1%	1%	1%
Depreciation	1%	1%	1%	1%
Maintenance	0%	0%	0%	0%
Others	0%	0%	0%	0%
SG&A/Sales	26%	27%	27%	26%

Source: Company data

HTC: PET capacity (m crates)



Source: Company data

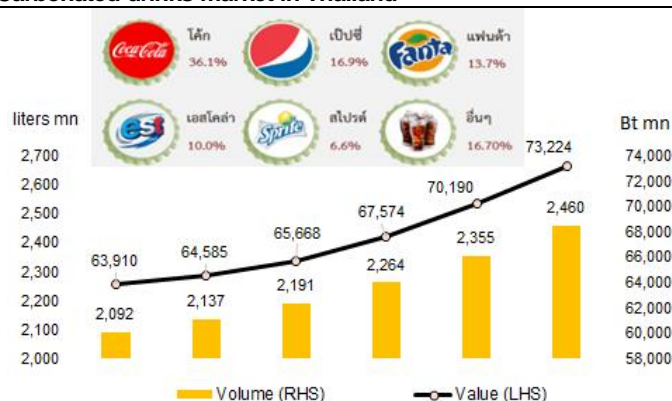
Three reasons to buy HTC

1) HTC has a loyal consumer base and strong distribution network

Coca-Cola carbonated products have been the leading NAB in Thailand for decades. HTC's carbonated drink market share had increased to over 80% in FY17 from 60% prior to FY13, as it gained market share from *Pepsi* after the latter terminated its bottler and distributor *SermSuk* in 2012. *Pepsi* built new bottling plants in Rayong and Saraburi and used local distributors to distribute its products from 27 DCs nationwide, but could not recover its market share because of inexperienced distributors. In 2017, *Pepsi* sold its two bottling plants to Suntory and appointed the company its bottler and distributor in Thailand. However, Suntory has a limited distribution network in Southern Thailand, which means HTC will hold on to its 80% market share.

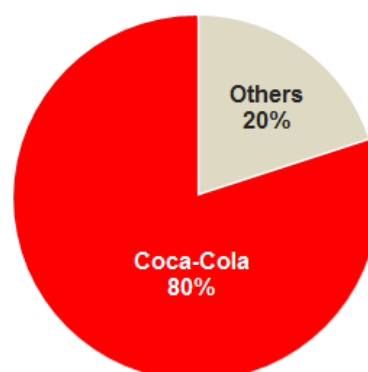
HTC has 20 DCs and hundreds of cash vans covering more than 40,000 retailers in Southern Thailand. It is now considering distributing 3rd party products other than *Coca-Cola* NAB products. Our channel checks revealed HTC had turned down distribution requests from many leading NAB brands because it was then developing its own logistic network. HTC was changing to the pre-order program vs hawking products in vans in 2016. This helped to save costs and enhance efficiency by reducing unsold volume on each van from 35% to just 1%. HTC is now ready to distribute 3rd party products. However, we have yet to include this in our forecasts.

Carbonated drinks market in Thailand



Source: Euro monitor and Food Intelligence Center Thailand

Coca-Cola's market share in Southern Thailand



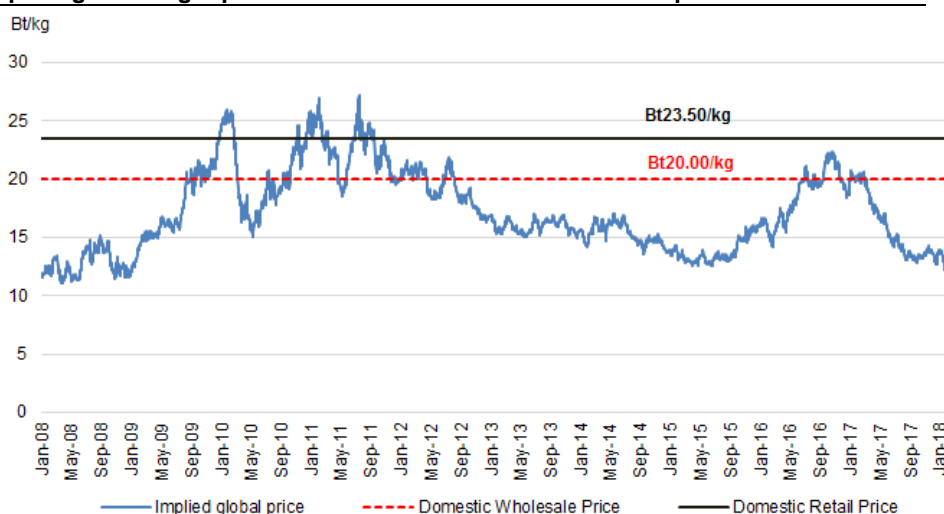
Source: Company data

2) HTC is a major beneficiary of lower domestic sugar price

Thailand deregulated the domestic sugar market effective 16 January to avoid a rift with WTO. Our channel checks reveal domestic wholesale sugar price has dropped to Bt18/kg from a fixed price of Bt20/kg. However, prices should drop further when the organic law is completed in 2Q18 as current London Sugar #5 price plus Thai premium is low at Bt12/kg vs current wholesale price of Bt18/kg. We expect global sugar prices to remain low at 13-16 cents/lb in 2018 given record global sugar production this year.

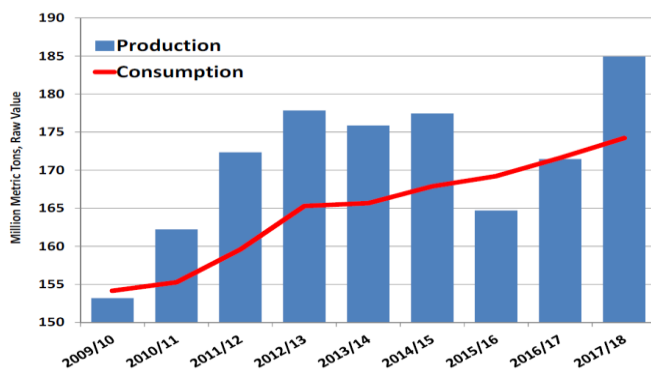
Beverage makers would benefit as lower sugar (production) cost would lift gross margins. HTC will be a major beneficiary as liquid sucrose account for 35% of its COGS. We conservatively estimate GPM would improve by 1.5 pts to 33.5% in FY18F based on 5% lower sugar price vs 10% drop in domestic sugar price (from Bt20/kg to Bt18/kg). That would lift earnings by c.Bt60m.

Implied global sugar price vs. domestic wholesale and retail prices



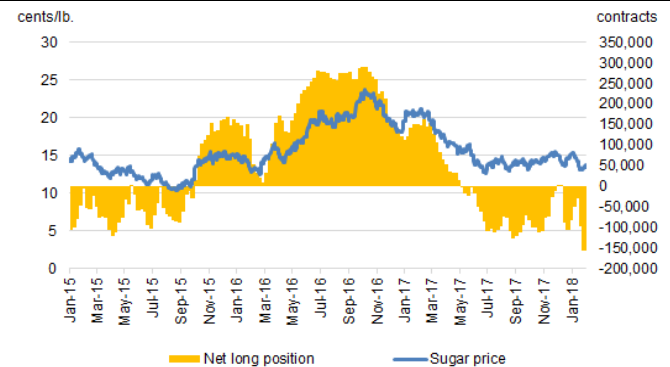
Source: Bloomberg; Implied global price = London global sugar 5# price+Thai premium of US\$30/ton

USDA forecasts record global sugar production in 2017/18F



Source: USDA

Sugar price and net-long position



Source: Bloomberg and Krungsri Securities

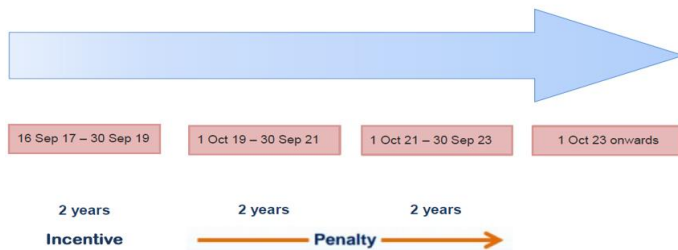
3) Raising selling prices in FY19F

The new excise tax on NAB effective 16 Sep 2017 will have limited impact on carbonated drinks with high sugar content (10-14g/100ml) in the first two years (Sep 2017-Sep 2019) as the effective increase is less than 1%. But excise tax on carbonated drinks would increase by 10%-50% every two years until October 2023 as the government raises sugar tax component to encourage producers to reduce sugar content. We assumed excise tax on carbonated products (450 ml) would increase from Bt1.8/bottle now to Bt2 in Oct 2019, Bt3 in Oct 2021, and Bt4 from Oct 2023. However, HTC can raise prices given its loyal consumer base and strong distribution network. We assumed HTC would raise average selling price of carbonated products (450ml) to Bt15/bottle from Bt12 in 2H19F. We also assumed flat volume in FY19-20F due to the price hike and expect HTC to increase its selling & marketing budget to boost sales. GPM should improve by 1 ppt to 34.5% in FY19-20F as the price hikes would outpace higher excise tax. Note that artificially sweetened carbonated drinks account for only 5% of HTC's revenue from carbonated products.

New excise tax on NAB

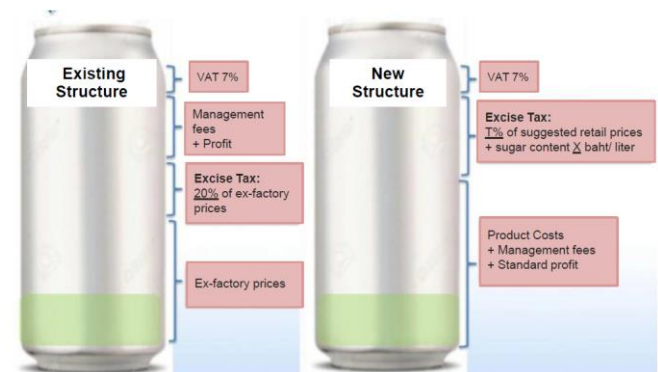
New Excise Tax Components:

1. $T\%$ of suggested retail prices
2. Sugar content \times baht/ liter



Source: MALEE

Current and new excise tax structure



Source: MALEE

New excise tax formula

Ad valorem tax on recommended retail price				
Fruit juice, milk, and bottled water				0%
RTD tea and RTD coffee				10%
Energy drink and carbonated drink				14%

Sugar content/100 ml	Sugar tax (Bt/1,000 ml)			
	Sep 17-Sep 19	Oct 19-Sep 21	Oct 21-Sep 23	Oct 23 onwards
0-6 g	-	-	-	-
6-8 g	0.10	0.10	0.30	1.00
8-10 g	0.30	0.30	1.00	3.00
10-14 g	0.50	1.00	3.00	5.00
14-18 g	1.00	3.00	5.00	5.00
more than 18 g	1.00	5.00	5.00	5.00

Source: Excise department and Krungsri Securities

Expect 40% earnings growth in FY18F

This would be led by 8% sales growth in FY18F as entertainment activities resume after the royal cremation and in the absence of severe flooding (in FY17). We conservatively estimate GPM would improve by 1.5 pts to 33.5% in FY18F based on 5% lower sugar price vs 10% drop in the domestic sugar price. SG&A/Sales should be under control at 26.5% while effective tax rate should remain low at 9% with BOI benefits.

HTC normally pays out c.50% of net profit. We expect Bt1/sh dividend for FY18F, implying 4% dividend yield, as it should not incur major capex in the next four years.

4Q17F Earnings preview

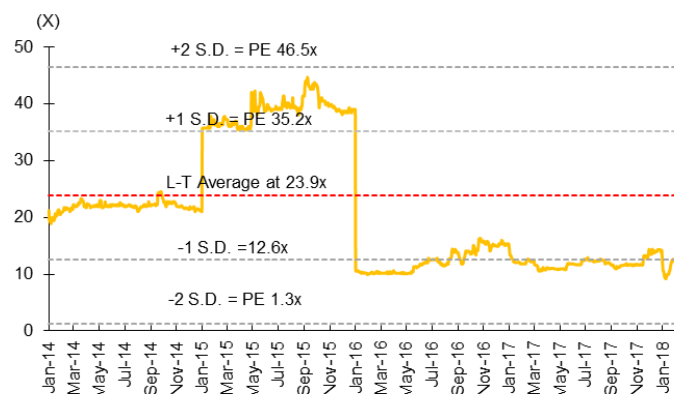
	4Q16	3Q17	4Q17F	y-o-y	q-o-q
Sales	1,336	1,449	1,445	8.2%	-0.3%
Cost of sales	936	981	982	4.9%	0.1%
Gross profit	400	468	463	15.8%	-1.1%
SG&A	378	394	410	8.6%	4.2%
Operating profit	22	75	53	138.0%	-28.9%
Other income	14	8	10	-29.7%	22.3%
Other expense	(2)	-	-	n.a.	n.a.
Equity income	-	-	-	n.a.	n.a.
EBIT	38	83	63	66.9%	-24.0%
Interest expense	10	10	9	-8.5%	-9.9%
EBT	28	73	54	93.3%	-25.9%
Income tax	(0)	(1)	8	-2167.8%	-1130.9%
Minority interests	0	0	(0)	n.a.	n.a.
Net profit	28	73	46	62.7%	-37.4%
EPS (THB)	0.13	0.37	0.23	71.7%	-37.5%
Recurring profit	27	73	46	72.2%	-37.4%
Normalized EPS (THB)	0.03	0.07	0.05	72.2%	-37.4%

Ratio analysis

Gross margin (%)	30.0	32.3	32.1
SGA/Total revenue (%)	28.3	27.2	28.4
Operating profit margin (%)	1.7	5.1	3.7
Core profit margin (%)	2.1	5.1	3.2

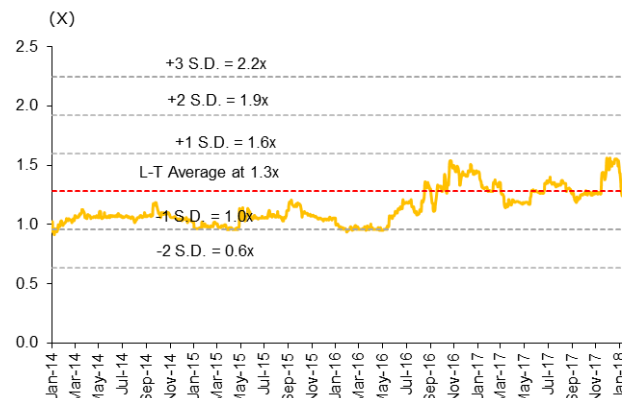
Source: Company data and Krungsri estimates

P/E Band



Source: Bloomberg, Krungsri Securities

P/BV Band



Source: Bloomberg, Krungsri Securities

Peer Comparison

BB Ticker	Name	Market Cap US\$	PE (x)		P/BV (x)		EPS G%		Div Yield (%)		ROE (%)		Share Price Performance			
			17F	18F	17F	18F	17F	18F	17F	17F	17F	17F	1M	3M	6M	YTD
HTC TB	HAAD THIP PUBLIC CO LTD	151	17.4	12.4	1.8	1.7	1.4	1.9	2.9	10.5	17.8	43.4	35.2	17.8		
MALEE TB	MALEE GROUP PCL	319	27.5	19.3	6.0	5.1	(31.3)	42.6	2.2	22.6	(6.5)	(19.2)	2.1	(6.5)		
CBG TB	CARABAO GROUP PCL	2,633	56.1	43.9	11.1	10.0	(1.3)	28.0	1.1	20.4	2.2	(20.7)	17.4	2.2		
TIPCO TB	TIPCO FOODS PCL	236	12.5	11.3	1.5	1.2	(27.6)	11.0	1.9	13.1	(1.9)	(5.6)	(4.4)	(1.9)		
OISHI TB	OISHI GROUP PCL	772	20.7	18.7	N/A	N/A	(19.5)	10.9	2.1	19.9	(2.3)	(14.3)	(8.5)	(2.3)		
ICHI TB	ICHITAN GROUP PCL	398	45.7	31.0	2.1	2.1	(25.0)	47.6	1.3	4.6	5.5	14.3	23.9	5.5		
SSC TB	SERMSUK PCL	585	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	24.3	36.0	32.1	24.3		
Average (simple)			30.0	22.7	4.5	4.0	(17.2)	23.7	1.9	15.2						

Source: Bloomberg, Krungsri Securities

HTC: Quarterly Earnings

Unit: (Btm)	3Q16	4Q16	1Q17	2Q17	3Q17
Sales	1,339	1,336	1,439	1,399	1,449
Cost of sales	930	936	986	955	981
Gross profit	409	400	453	444	468
SG&A	358	378	352	363	394
Operating profit	51	22	101	81	75
Other income	4	14	4	4	8
Other expense	4	(2)	-	0	-
Equity income	-	-	-	-	-
EBIT	51	38	105	85	83
Interest expense	11	10	10	10	10
EBT	40	28	95	75	73
Income tax		(0)	10	7	(1)
Minority interests	0	0	0	0	0
Net profit	42	28	85	68	73
EPS (THB)	0.22	0.13	0.43	0.34	0.37

Source: Company data, Bloomberg, Krungsri Securities

INCOME STATEMENT (Btm)	2015	2016	2017F	2018F	2019F
Turnover	5,401	5,704	5,733	6,191	6,934
Cost of sales (COGS)	(3,945)	(4,020)	(4,000)	(4,271)	(4,693)
Depreciation & amortisation	87	85	96	154	151
Gross profit	1,543	1,769	1,829	2,074	2,392
S&A expenses	(1,466)	(1,502)	(1,519)	(1,641)	(1,872)
Operating profit	77	268	310	433	520
Other operating income	0	0	0	0	0
EBIT	77	268	310	433	520
Interest expense	(29)	(40)	(39)	(37)	(34)
Interest income	0	0	0	0	0
Other income	22	27	26	26	26
Goodwill amortisation	0	0	0	0	0
Pre-tax profit	70	254	296	422	512
Income tax on company & subsidiaries	(5)	(7)	(24)	(38)	(51)
Profit after tax	65	247	273	384	461
Minority interests	(0)	(0)	(0)	(0)	(0)
Share of associate net income	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Recurring attributable net profit	65	247	273	384	461
Extraordinary items	36	(6)	0	0	0
Reported net profit	101	241	273	384	461
Shares in issue (Y/E, m)	199	199	199	199	199
Shares in issue (weighted avg, m)	199	199	199	199	199
EPS (before extraordinary items, Bt)	0.34	1.24	1.37	1.93	2.31
DPS (Bt)	0.25	0.65	0.68	0.96	1.16
DPS/EPS (%)	49	54	50	50	50
CASH FLOW (Btm)	2015	2016	2017F	2018F	2019F
Cash flows from operations before WC	187	316	369	537	612
Net change in working capital	442	(5)	(109)	(55)	(61)
Cash flow from Operations	629	310	260	483	551
Capex	(1,292)	(429)	(87)	(106)	(107)
Other	(6)	(2)	(0)	(1)	(2)
Cash flow from Investment	(1,298)	(431)	(87)	(107)	(108)
Net borrowings	(6)	229	(40)	(150)	(100)
Equity capital raised	0	0	0	0	0
Others	779	(0)	0	0	0
Dividends paid	(950)	(940)	(136)	(192)	(230)
Cashflow from financing	(177)	(711)	(176)	(342)	(330)
Net change in cash	(847)	(832)	(4)	33	112

BALANCE SHEET (Btm)	2015	2016	2017F	2018F	2019F
Cash & equivalents	135	136	133	166	278
A/C receivable	607	546	628	678	760
Inventory	310	277	278	300	336
Others	93	102	84	90	101
Total Current Assets	1,146	1,061	1,123	1,235	1,476
Property and equipment	3,031	3,408	3,412	3,358	3,307
Investments & associates	258	206	213	219	226
Other assets	0	0	0	0	0
Goodwill	30	32	33	34	35
Total Assets	4,466	4,708	4,780	4,846	5,044
Short-term debt	165	293	300	300	300
A/C payable	835	715	709	748	825
Other current liabilities	5	0	0	0	0
Total Current Liabilities	1,005	1,008	1,009	1,048	1,125
Long-term debt	696	797	750	600	500
Other liabilities	415	430	411	397	387
Total Liabilities	2,116	2,235	2,171	2,045	2,012
Share capital	199	199	199	199	199
Share premium	354	354	354	354	354
Revaluation/Warrants/Treasury	0	0	0	0	0
Translation adjustment	1,223	1,223	1,223	1,223	1,223
Retained earnings	574	697	833	1,025	1,256
Total ordinary equity	2,350	2,473	2,609	2,801	3,032
Preferred equity	0	0	0	0	0
Minorities	0	0	0	0	0
Total equity & minorities	2,350	2,473	2,609	2,801	3,032
BV per ordinary share (Y/E, Bt)	11.80	12.41	13.10	14.06	15.22
Adjusted book value ps (Y/E, Bt)	11.80	12.41	13.10	14.06	15.22
RATIOS (%)	2015	2016	2017F	2018F	2019F
Growth					
Turnover	3.8	5.6	0.5	8.0	12.0
EBITDA	(5.4)	68.4	15.4	42.1	13.8
EBIT	(9.7)	114.0	16.2	36.9	18.9
Net profit	(12.5)	139.0	13.1	40.7	20.0
EPS pre extraordinary items	(41.2)	269.1	10.5	40.7	20.0
EPS (diluted)	(41.2)	269.1	10.5	40.7	20.0
DPS	(16.7)	160.0	5.3	40.7	20.0
Accounting ratios					
Gross profit margin	28.6	31.0	31.9	33.5	34.5
Operating profit margin	1.2	4.3	4.8	6.2	6.6
EBITDA margin	4.1	6.6	7.5	9.9	10.0
EBIT margin	2.5	5.1	5.8	7.4	7.9
Net profit margin	1.9	4.2	4.8	6.2	6.6
ROA	2.3	5.1	5.7	7.9	9.1
ROE	4.3	9.7	10.5	13.7	15.2
Stability					
D/E (x)	0.9	0.9	0.8	0.7	0.7
Net D/E (x)	0.3	0.4	0.4	0.3	0.2
Interest Coverage Ratio	n.a.	n.a.	n.a.	n.a.	n.a.
Current ratio (x)	1.1	1.1	1.1	1.2	1.3
Quick ratio (x)	0.8	0.8	0.8	0.9	1.0
Valuation (x)					
PER	25.9	15.7	17.4	12.4	10.3
Normalized PER	39.0	15.3	17.4	12.4	10.3
P/BV	1.1	1.5	1.8	1.7	1.6
EV/EBTDA	15.0	12.6	13.1	8.9	7.6
Dividend yield (%)	1.9	3.4	2.9	4.0	4.9

CG Rating 2016 Companies with CG Rating



AMATA	AOT	BAFS	BAY	BCP	BIGC	BTS	BWG	CK	CPF	CPN	CSL	DELTA	DEMCO
DRT	DTAC	DTC	EASTW	EGCO	GFPT	GPSC	GRAMMY	HANA	HMPRO	INTUCH	IRPC	IVL	KBANK
KCE	KKP	KTB	KTC	LHBANK	LPN	MBK	MCOT	MINT	MONO	NKI	NYT	OTO	PHOL
PPS	PS	PSL	PTT	PTTEP	PTTGC	QH	QTC	RATCH	SAMART	SAMTEL	SAT	SC	SCB
SCC	SCCC	SE-ED	SIM	SITHAI	SNC	SPALI	SSSC	STEC	SVI	TCAP	THCOM	TISCO	TKT
TMB	TNDT	TOP	TSC	TTCL	TU	UV	VGI	WACOAL	WAVE				



2S	AAV	ACAP	ADVANC	AGE	AH	AHC	AKP	ALUCON	AMANA	ANAN	AP	APCO	APCS
ARIP	ASIA	ASIMAR	ASK	ASP	AUCT	AYUD	BANPU	BBL	BDMS	BEM	BFIT	BLA	BOL
BROOK	CEN	CENTEL	CFRESH	CGH	CHG	CHO	CHOW	CI	CIMBT	CKP	CM	CNS	CNT
COL	CPI	DCC	EA	ECF	EE	ERW	FORTH	FPI	GCAP	GLOBAL	GBX	GC	GL
GLOW	GUNKUL	HOTPOT	HYDRO	ICC	ICHI	IFEC	INET	IRC	JSP	K	KSL	KTIS	L&E
LANNA	LH	LHK	LIT	LOXLEY	LRH	LST	M	MACO	MALEE	MBKET	MC	MEGA	MFC
MOONG	MSC	MTI	MTLS	NCH	NOBLE	NSI	NTV	OCC	OGC	OISHI	ORI	PACE	PAP
PCSGH	PDI	PE	PG	PJW	PLANB	PM	PPP	PR	PRANDA	PREM	PRG	PRINC	PT
PTG	PYLON	Q-CON	RICHY	ROBINS	RS	RWI	S	SAMCO	SABINA	SALEE	S&J	SCG	SEAFO
SIAM	SINGER	SIS	SMK	SMPC	SMT	SNP	SPI	SPPT	SPRC	SR	SSF	SST	STA
SUSCO	SUTHA	SWC	SYMC	SYNEX	SYTNEC	TAE	TAKUNI	TASCO	TBSC	TCC	TF	TFI	TGCI



AEC	AEONTS	AF	AIRA	AIT	AJ	AKR	AMARIN	AMATAV	ARROW	APURE	AQUA	AMC	AS
BA	BEAUTY	BEC	BH	BIG	BJC	BJCHI	BKD	BR	BROCK	BRR	BTNC	CBG	CGD
CHARAN	CITY	CMR	COLOR	COM7	CPL	CSC	CSP	CSR	CSS	CTW	DCON	DIMET	DNA
EARTH	EASON	ECL	EFORL	EPCO	EPG	ESSO	FE	FER	FOCUS	FSMART	FSS	FVC	GEL
GIFT	GLAND	GOLD	GSTEL	GYT	HPT	HTC	HTECH	IFS	IHL	ILINK	INSURE	IRPC	IT
ITD	J	JMART	JMT	JUBILE	JWD	KASET	KBS	KCAR	KGI	KKC	KOOL	KWC	KYE
LALIN	LPH	MAJOR	MAKRO	MATCH	MATI	M-CHAI	MDX	MFEC	MJD	MK	MODERN	MPG	NC
NCL	NDR	NEP	NOK	NUSA	PATO	PCA	PDG	PF	PICO	PIMO	PL	PLAT	PLE
PMTA	PPM	PRIN	PSTC	QLT	RCI	RCL	RICH	RML	RPC	SANKO	SAPPE	SAWAD	SCI
SCN	SCP	SEAOL	SENA	SIRI	SKR	SLP	SMG	SMIT	SORKON	SPA	SPC	SPCG	SPVI
SSC	STANLY	STPI	SUC	TACC	TCCC	TCMC	TEAM	TFD	TFG	TIC	TIW	TKN	TLUXE
TMD	TNP	TOPP	TPA	TPAC	TPCH	TPIPL	TPOLY	TRITN	TRT	TTI	TVI	TWP	U
UBIS	UMI	UPOIC	UT	UWC	VIBHA	VPO	VTE	WICE	WIIK	WIN	XO		

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, Krungsri Securities Public Company Limited does not confirm, verify, or certify the accuracy and completeness of such survey result.

Anti-corruption Progress Indicator 2016

Companies that have declared their intention to join CAC

A	AI	AIE	AIR	AJ	ALUCON	AMATAV	AOT	APCO	AQUA	ARROW	ASIA	ASK	AU
BCH	BJC	BJCHI	BLAND	BR	BROCK	BRR	CEN	CGH	CHEWA	CHG	CHOTI	CHOW	CIG
COL	COM7	CPALL	CPF	CPR	CSC	EKH	EPCO	FC	FER	FPI	FSMART	GEL	GFPT
GGC	GIFT	GJS	GLOBAL	GOLD	GPSC	GREEN	GSTEL	GUNKUL	HARN	IFS	ILINK	INET	IRC
J	JMART	JMT	JUBILE	JUTHA	KASET	KBS	KCAR	KTECH	KWC	KYE	L&E	LEE	LIT
LVT	MAKRO	MATCH	MATI	MBAX	MC	MFEC	MIDA	MILL	ML	MTLS	NBC	NCL	NEP
NINE	NMG	NNCL	NTV	NUSA	NWR	OGC	PACE	PAF	PAP	PATO	PCSGH	PIMO	PK
PL	PLANB	POST	PRINC	PRO	PSTC	PYLON	QTC	ROH	ROJNA	RWI	SANKO	SAUCE	SC
SCCC	SCN	SEAOIL	SE-ED	SENA	SIRI	SMART	SPACK	SPPT	SPRC	SR	SRICHA	SST	STA
SUPER	SUSCO	SWC	SYMC	TAKUNI	TBSP	TFI	THE	TICON	TIP	TKN	TLUXE	TMILL	TMT
TNP	TPA	TRUE	TSE	TTI	TU	TVD	TVO	TVT	TWPC	U	UPA	UREKA	UWC
VGI	VIBHA	VIH	VNT	WAVE	WHA	WICE	WIIK						

Companies certified by CAC

ADVANC	AKP	AMANAH	AP	ASP	AYUD	BAFS	BANPU	BAY	BBL	BCP	BKI	BLA	BROOK
BTS	BWG	CENTEL	CFRESH	CIMBT	CM	CNS	CPI	CPN	CSL	DCC	DEMCO	DIMET	DRT
DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FSS	GBX	GCAP	GLOW	HANA	HMPRO	HTC
ICC	IFEC	INTUCH	IRPC	IVL	K	KBANK	KCE	KGI	KKP	KSL	KTB	KTC	LANNA
LHBANK	LHK	LPN	MBK	MBKET	MCOT	MFC	MINT	MONO	MOONG	MSC	MTI	NKI	NSI
OCC	OCEAN	PB	PDI	PE	PG	PHOL	PLAT	PM	PPP	PPS	PRANDA	PREB	PRG
PSH	PSL	PT	PTG	PTT	PTTEP	PTTGC	Q-CON	QH	QLT	RATCH	RML	ROBINS	S & J
SABINA	SAT	SCB	SCC	SCG	SGP	SINGER	SIS	SITHAI	SMIT	SMPC	SNC	SNP	SORKON
SPC	SPI	SSF	SSI	SSSC	SVI	SYNTEC	TAE	TCAP	TCMC	TFG	TGCI	THANI	THCOM
THRE	THREL	TIPCO	TISCO	TKT	TMB	TMD	TNITY	TNL	TOG	TOP	TPCORP	TRU	TSC
TSTH	TTCL	TVI	UOBKH	WACOAL									

N/A

2S	AAV	ABICO	ACAP	ACC	ADAM	AEC	AEONTS	AF	AFC	AGE	AH	AHC	AIT
AJA	AKR	ALLA	ALT	AMA	AMARIN	AMATA	AMC	ANAN	APCS	APEX	APURE	AQ	ARIP
AS	ASAP	ASEFA	ASIAN	ASIMAR	ASN	ATP30	AUCT	BA	BAT-3K	BCPG	BDMS	BEAUTY	BEC
BEM	BFIT	BGRIM	BGT	BH	BIG	BIZ	BKD	BLISS	BM	BOL	BPP	BSBM	BSM
BTC	BTNC	BTW	BUI	CBG	CCET	CCP	CGD	CHARAN	CHO	CHUO	CI	CITY	CK
CKP	CMO	CMR	CNT	COLOR	COMAN	CPH	CPL	CRANE	CRD	CSP	CSR	CSS	CTW
CWT	D	DCON	DCORP	DELTA	DIGI	DNA	DTCI	EA	EARTH	EASON	ECF	EE	EFORL
EIC	EMC	EPG	ERW	ESSO	ESTAR	ETE	EVER	F&D	FANCY	FMT	FN	FOCUS	FORTH
FTE	FVC	GC	GENCO	GL	GLAND	GRAMMY	GRAND	GTB	GYT	HFT	HOTPOT	HPT	HTECH
HYDRO	ICHI	ICN	IEC	IHL	III	INGRS	INOX	INSURE	IRCP	IT	ITD	ITEL	JAS
JCT	JSP	JTS	JWD	KAMART	KC	KCM	KDH	KIAT	KKC	KOOL	KTIS	KWG	LALIN
LDC	LH	LOXLEY	LPH	LRH	LST	LTX	M	MACO	MAJOR	MALEE	MANRIN	MAX	M-CHAI
MCS	MDX	MEGA	METCO	MGT	MJD	MK	MM	MODERN	MPG	MPIC	NC	NCH	NDR
NETBAY	NEW	NEWS	NFC	NOBLE	NOK	NPK	NPP	NVD	NYT	OHTL	OISHI	ORI	OTO
PAE	PDG	PERM	PF	PICO	PJW	PLANET	PRECHA	PMTA	POLAR	POMPUI	PPM	PRAKIT	PLE
PRIN	PRM	PTL	RAM	RCI	RCL	RICH	RICHY	RJH	ROCK	RP	RPC	RPH	RS
S	S11	SAFARI	SALEE	SAM	SAMART	SAMCO	SAMTEL	SAPPE	SAWAD	SAWANG	SCI	SCP	SDC
SE	SEAFCO	SELIC	SF	SFP	SGF	SHANG	SIAM	SIMAT	SKN	SKR	SKY	SLP	SMK
SMM	SMT	SOLAR	SPA	SPALI	SPCG	SPG	SPORT	SPVI	SQ	SSC	SSP	STANLY	STAR
STEC	STHAI	STPI	SUC	SUTHA	SVH	SVOA	SYNEX	T	TACC	TAPAC	TASCO	TC	TCB
TCC	TCCC	TCJ	TCOAT	TEAM	TFD	TFMAMA	TGPRO	TH	THAI	THANA	THIP	THL	TIC
TIW	TK	TKS	TM	TMC	TMI	TMW	TNDT	TNH	TNPC	TNR	TOA	TOPP	TPAC
TPBI	TPCH	TPIPL	TPIPP	TPOLY	TPP	TR	TRC	TRITN	TRT	TRUBB	TSF	TSI	TSR
TSTE	TTA	TTL	TTTM	TTW	TUCC	TWP	TWZ	TYCN	UAC	UBIS	UEC	UKEM	UMI
UMS	UNIQ	UP	UPF	UPOIC	UT	UTP	UV	UVAN	VARO	VI	VNG	VPO	VTE
WG	WHAUP	WIN	WINNER	WORK	WORLD	WP	WPH	WR	XO	YCI	YNP	YUASA	ZIGA
ZMICO													

Disclaimer

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute 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 Thaipat Institute that is 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, Krungsri Securities Public Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment result."

Reference

Disclosure: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of July 31, 2017) are categorised into:

- Companies that have declared their intention to join CAC
- Companies certified by CAC.

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Definition of Ratings

- OUTPERFORM** - Stocks with an expected capital gain above 10% in the next 12 months for small-caps, above 5% for big-caps
- NEUTRAL** - Stocks with an expected capital gain between -10% and +10% in the next 12 months for small-caps, -5% to +5% for big-caps
- UNDERPERFORM** - Stocks with an expected capital gain below 10% in the next 12 months for small-caps, below 5% for big-caps