

July 5, 2016

NEUTRAL
(from OUTPERFORM)

Siam Gas & Petrochemicals

(SGP TB)

Share Price: Bt14.50

Target Price: Bt13.20 (-9%)

Using LPG no longer worth the candle

- LPG consumption for auto could post downside risks to earnings
- Expect good 2Q16 results, but softer earnings in 3Q16
- Downgrade to NEUTRAL with unchanged Bt13.2/sh TP, implying 10.0x PE FY16F, in line with its 5-year historical average PE

LPG consumption for auto could post downside risks to earnings

While low LPG prices will benefit traders like SGP because they would need less working capital, weak oil prices has hit the domestic LPG market harder. The difference between gasoline and LPG retail prices has dropped to Bt10-11/liter compared to Bt20-30 when crude was US\$100/bbl. Car owners no longer have the incentive to modify their vehicles to use LPG, and this had led to the 9% qoq and 15% yoy drop in LPG consumption in the auto segment in 1Q16. We expect auto LPG sales volume to drop by 10% this year (-12% in FY15). SGP earns a fixed marketing margin of Bt3.25/kg for domestic sales. The auto segment offers the highest net margin of Bt2/kg to SGP vs. Bt0.80/kg for cooking and industrial use. Note that LPG consumption in Thailand fell 5.7% yoy in 1Q16 (-6.8% in FY15), led by the auto segment which account for 36% of LPG consumption (28% for SGP's sales).

Expect good 2Q16 results, but softer earnings in 3Q16

We expect SGP to book Bt380m profit in 2Q16, up 10 folds qoq, driven by flat domestic sales volume and an increase in LPG contract prices (+US\$30/ton). Overseas sales volume should remain strong driven by the China market - SGP is targeting 950k tons in FY16 vs. 910k tons in FY15 and 345k tons in FY14. But earnings could soften in 3Q16 as LPG contract prices have tumbled by US\$45 mom in July to US\$303/ton. We see downside risk to domestic LPG consumption. SGP maintains overall sales volume target at 2.97m tons in FY16, up 5% yoy. We estimate weaker auto LPG consumption could dilute its earnings more visibly in subsequent quarters, and by 6% this year.

Downgrade to NEUTRAL with DCF-based TP of Bt13.2/sh

SGP's share price has risen 30% in the past three months on expectations of good 2Q16 earnings. We see limited upside at this level unless LPG contract prices rise to US\$350-400/ton, which is unlikely due to the weak season in 3Q16. Investors could bet for a colder winter to drive up demand for LPG inventory in 4Q16.

Financial Summary (Btm)

Year to Dec	2014	2015	2016F	2017F	2018F
Sales (Btm)	61,759	58,082	51,076	55,678	60,509
Growth (%)	(5)	(6)	(12)	9	9
EBITDA (Btm)	700	2,610	2,667	2,851	2,966
Growth (%)	(67)	273	2	7	4
Recurring profit (Btm)	(514)	1,116	1,207	1,373	1,479
Growth (%)	na	(317)	8	14	8
Net profit (Btm)	(514)	1,116	1,207	1,373	1,479
FDEPS (Bt)	(0.56)	1.21	1.31	1.49	1.61
Growth (%)	(148)	(317)	8	14	8
PE (x)	(25.9)	11.9	11.0	9.7	9.0
DPS (Bt)	0.35	0.50	0.60	0.70	0.70
Yield (%)	2.4	3.4	4.1	4.8	4.8
BVPS (Bt)	9.0	10.5	11.2	12.1	13.0
P/BV (x)	1.6	1.4	1.3	1.2	1.1



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Naphat CHANTARASEREKUL

662 - 659 7000 ext 5000

naphat.chantaraserukul@krungsrisecurities.com

Key Data

12-mth High/Low (Bt)	15.40 / 8.95
Market capital (Btm/US\$m)	13,324.5 / 379.2
3m avg Turnover (Btm/US\$m)	60.5 / 1.7
Free Float (%)	34.2
Issue Shares (m shares)	919
Major shareholders:	
WEERABORWORN PONG WOR	48.1
UOB-KAY HIAN PTE LTD	8.0
WEERABORWORN PONG SUP	5.5

Share Price Performance



	YTD	1Mth	3Mth	12Mth
Absolute (%)	39.4	(0.7)	29.5	34.3
Relative to index (%)	27.4	(3.9)	26.8	38.3

Krungsri Securities vs Market

	Positive	Neutral	Negative
Market Recommend	1	0	0
	Krungsri	Market	% +/-
Target Price (Bt)	13.20	N/A	N/A
'16 Net Profit (Btm)	1,207	1,145	5.4
'17 Net Profit (Btm)	1,373	1,373	0.0

Krungsri's earnings revision

	2016F	2017F
Earnings revision (%)	-	-

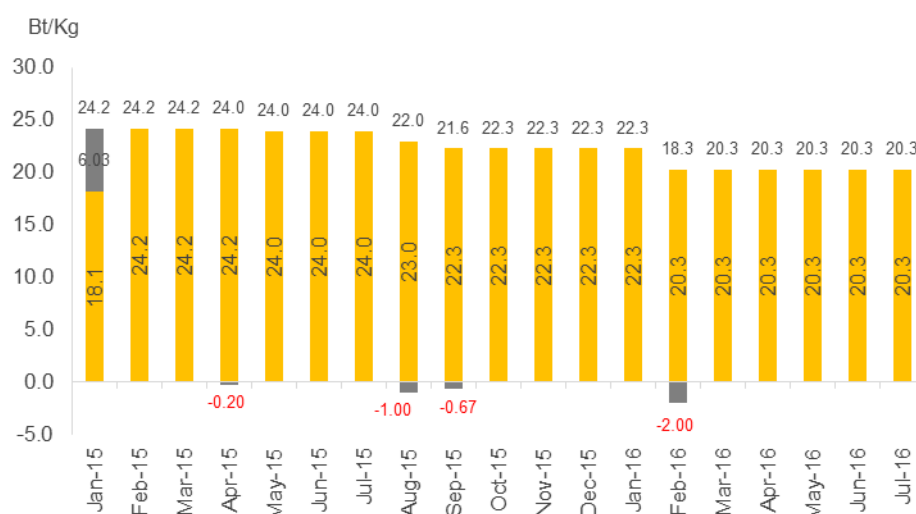
Source: Bloomberg, Krungsri Securities

SGP: Sales volume forecast

<i>K tons</i>	FY14	FY15	FY16F	1Q16	% of FY16 target
SGP Thailand *	1,136	1,051	1,115	258	23%
SGP Offshore Trading	663	589	610	81	13%
China	345	910	950	238	25%
Vietnam	185	167	180	58	32%
Malaysia & Singapore	112	117	120	32	26%
Total	2,441	2,834	2,975	666	22%

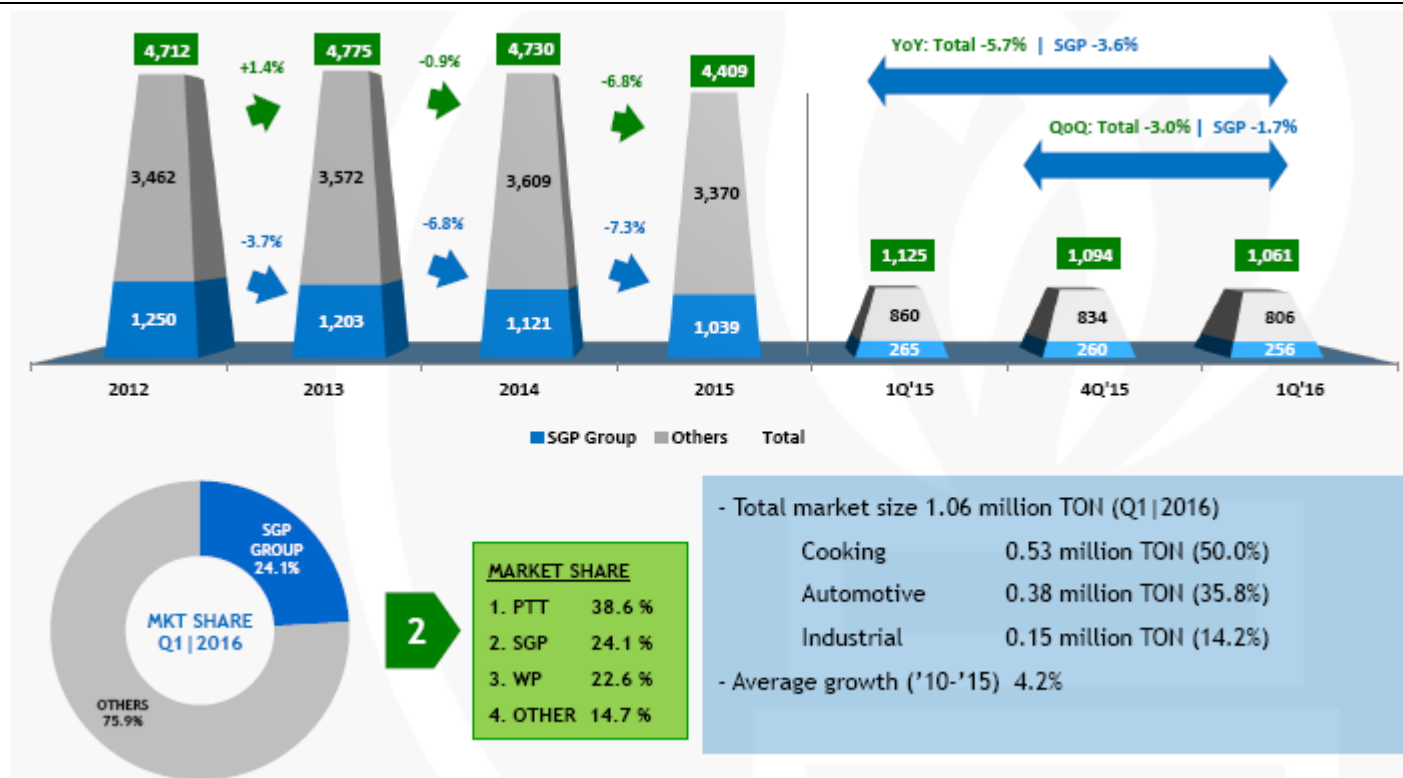
Source: Company data, Krungsri Securities

Note: * including sales to other traders under Section 7 of the Fuel Trade Act

SGP: Domestic LPG prices

Source: Company, Krungsri Securities

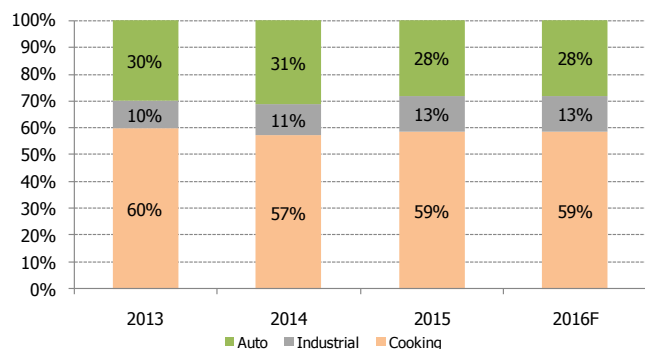
Thailand LPG consumption vs SGP's sales volume **



Source: Company, Krungsri Securities

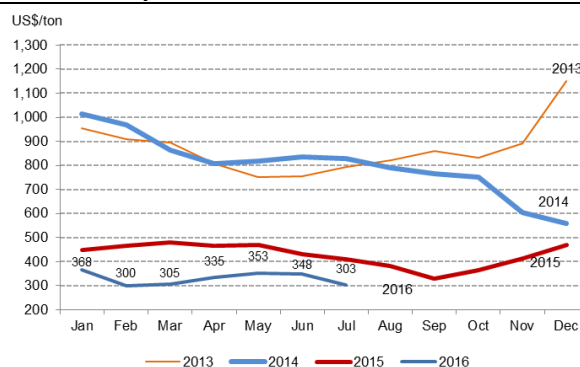
Note: ** excluding sales to other traders under Section 7 of the Fuel Trade Act

SGP: Breakdown of domestic sales volume



Source: Company, Krungsri Securities

LPG contract prices

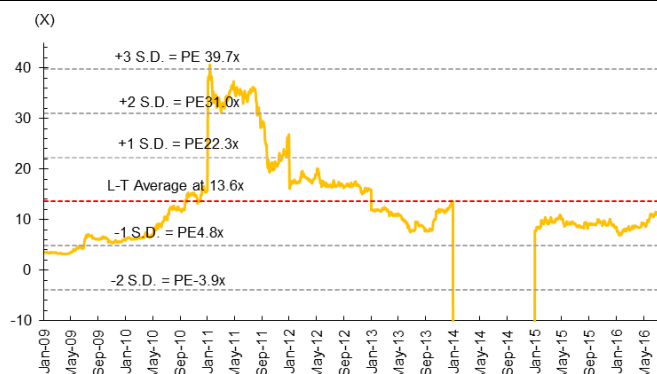


Source: Company, Krungsri Securities

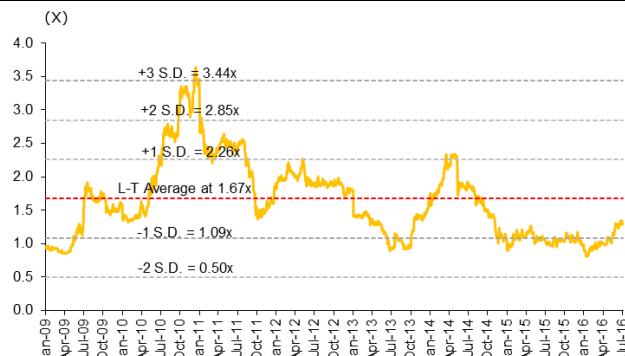
SGP: Key assumption

K tons	FY15	FY16F	FY17F
Domestic sales volume			
Household (cooking)	610	634	660
Industrial	138	144	149
Auto	292	304	316
Total	1,051	1,115	1,183
Selling price (Bt/kg)	23.73	20.39	20.49

Source: Krungsri Securities

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 (%)	ROE (%)	Share Price Performance			
			16F	17F	16F	17F	16F	17F			16F	1M	3M	6M YTD
SGP TB	SIAMGAS & PETROCHEMICALS PCL	380	11.0	9.7	1.3	1.2	8.2	13.7	4.1	12.1	(0.7)	29.5	46.5	39.4
BCP TB	BANGCHAK PETROLEUM PCL/THE	1,316	8.9	8.3	1.2	1.1	24.9	7.5	5.0	13.7	10.7	11.7	1.5	1.5
PTTGC TB	PTT GLOBAL CHEMICAL PCL	7,539	10.7	9.3	1.1	1.0	21.8	14.4	4.6	10.6	(4.4)	(0.4)	18.5	18.5
IRPC TB	IRPC PCL	2,798	9.5	9.2	1.2	1.1	9.8	3.8	4.4	13.1	(4.0)	(6.8)	11.6	11.6
010950 KS	S-OIL CORP	7,831	7.8	8.2	1.5	1.3	88.5	(4.5)	3.2	20.4	(2.9)	(15.4)	2.4	0.6
096770 KS	SK INNOVATION CO LTD	11,834	7.6	7.6	0.8	0.7	119.9	0.1	2.6	10.7	(5.8)	(9.8)	16.7	13.1
078930 KS	GS HOLDINGS	3,992	7.6	7.2	0.7	0.6	24.6	5.9	3.0	9.4	(3.2)	(14.6)	0.5	(2.7)
RIL IN	RELIANCE INDUSTRIES LTD	47,601	11.3	9.7	1.2	1.1	(6.8)	16.3	1.1	10.7	2.8	(4.7)	(0.9)	(2.7)
338 HK	SINOPEC SHANGHAI PETROCHEM-H	8,575	8.7	9.3	1.7	1.5	17.8	(6.7)	3.8	18.3	(6.2)	(7.2)	24.9	16.8
1326 TT	FORMOSA CHEMICALS & FIBRE	14,958	16.3	15.9	1.6	1.6	NA	2.4	4.3	9.1	0.2	1.4	20.5	11.1
Average (simple)			10.0	9.4	1.2	1.1	34.3	5.3	3.6	12.8				

Source: Bloomberg, Krungsri Securities

Quarterly P&L (Btm)	1Q15	2Q15	3Q15	4Q15	1Q16
Sales	12,361	15,197	14,039	16,484	11,569
COGS (inc dep'n)	(12,018)	(14,298)	(13,535)	(15,195)	(11,100)
Gross Profit	343	899	505	1,289	469
SG&A	(361)	(377)	(342)	(423)	(335)
Operating Profit	(18)	522	163	866	135
Net other income/expense	71	61	58	67	75
Net interest	(103)	(103)	(101)	(103)	(98)
Pretax profit	(50)	480	119	830	112
Income Tax	44	(68)	(68)	(133)	(75)
Associates	8	(5)	(6)	(10)	18
Minority interest	(1)	(5)	(15)	(5)	(16)
Profit after tax (pre-ex)	0	403	31	682	38
Extraordinaries, GW & FX	0	0	0	0	0
Reported net profit	0	403	31	682	38
Shares out (end Q, m)	919	919	919	919	919
Adjusted shares (m)	919	919	919	919	919
Pre-ex EPS	0.00	0.44	0.03	0.74	0.04
EPS	0.00	0.44	0.03	0.74	0.04

INCOME STATEMENT (Btm)	2014	2015	2016F	2017F	2018F
Sales	61,759	58,082	51,076	55,678	60,509
Cost of sales (COGS)	(59,835)	(53,969)	(47,081)	(51,379)	(55,970)
Depreciation & amortization	(1,089)	(1,076)	(1,107)	(1,139)	(1,171)
Gross profit	834	3,037	2,888	3,160	3,368
S&A expenses	(1,224)	(1,503)	(1,328)	(1,448)	(1,573)
Operating profit	(390)	1,533	1,560	1,712	1,794
Other operating income	0	0	0	0	0
EBIT	(390)	1,533	1,560	1,712	1,794
Interest expense	(441)	(410)	(371)	(333)	(296)
Interest income	0	0	0	0	0
Other income	398	257	262	267	273
Goodwill amortization	0	0	0	0	0
Pre-tax profit	(432)	1,380	1,451	1,646	1,772
Income tax on company & subsidiaries	(98)	(225)	(218)	(247)	(266)
Profit after tax	(530)	1,155	1,234	1,399	1,506
Minority interests	23	(26)	(26)	(26)	(26)
Share of associate net income	(7)	(13)	0	0	0
Preferred dividends	0	0	0	0	0
Recurring attributable net profit	(514)	1,116	1,207	1,373	1,479
FX & Extraordinary items	0	0	0	0	0
Reported net profit	(514)	1,116	1,207	1,373	1,479
Shares in issue (Y/E, m)	919	919	919	919	919
Shares in issue (weighted avg, m)	919	919	919	919	919
EPS (before extraordinary items, Bt)	(0.56)	1.21	1.31	1.49	1.61
DPS (Bt)	0.35	0.50	0.60	0.70	0.70
DPS/EPS (%)	(63)	41	46	47	43

CASH FLOW (Btm)	2014	2015	2016F	2017F	2018F
Operating profit	(390)	1,533	1,560	1,712	1,794
Other operating income	0	0	0	0	0
EBIT	(390)	1,533	1,560	1,712	1,794
Depreciation & amortization	1,089	1,076	1,107	1,139	1,171
EBITDA	700	2,610	2,667	2,851	2,966
Notional cash taxes on ungeared operations	(230)	(348)	(329)	(347)	(354)
Net change in working capital	2,957	114	(260)	(72)	(77)
CAPEX	(1,775)	(1,202)	(745)	(745)	(745)
Operating free cash flow (OpFCF)	1,652	1,173	1,334	1,687	1,790
Net interest income adjusted for tax impact	(308)	(287)	(260)	(233)	(207)
Net free cash flow (NetFCF)	1,343	886	1,074	1,454	1,583
Non-operating income (net of tax)	398	257	262	267	273
Equity income from associates	(7)	(13)	0	0	0
Investments	61	(39)	0	0	0
Net change in other assets/liabilities	(279)	59	0	0	0
Other items	615	53	0	0	0
Residual cash flow (RCF)	2,132	1,203	1,337	1,722	1,855
Dividends	(597)	(368)	(551)	(551)	(643)
Equity capital raised	(0)	0	0	0	0
Other items	437	631	(13)	(13)	(13)
Cash flow from financing	-160	263	-565	-565	-656
Net change in cash	1,972	1,466	772	1,157	1,199
Net cash/(debt) at YS	(11,211)	(9,239)	(7,773)	(7,001)	(5,844)
Ending net cash /(debt)	(9,239)	(7,773)	(7,001)	(5,844)	(4,645)
Increase/(decrease) in cash & equivalents	519	369	(228)	157	199
(Increase)/decrease in debt	1,452	1,097	1,000	1,000	1,000
NOPLAT (net op profit less adjusted tax)	(620)	1,185	1,231	1,365	1,440
Normalized OpFCF (est maint CAPEX)	3,427	2,375	1,052	1,376	1,448
FCFE (free cash flow to equity)	679	106	337	722	855

BALANCE SHEET (Btm)	2014	2015	2016F	2017F	2018F
Cash & equivalents	2,209	2,578	2,350	2,507	2,706
A/C receivable	4,014	3,295	3,295	3,295	3,295
Inventory	3,535	4,375	3,870	4,223	4,600
Others	263	338	298	324	353
Total Current Assets	10,022	10,586	9,812	10,349	10,953
Property and equipment	15,121	15,246	14,884	14,489	14,063
Investments & associates	110	149	149	149	149
Other assets	1,219	1,398	1,398	1,398	1,398
Goodwill	1,772	1,719	1,719	1,719	1,719
Total Assets	28,243	29,098	27,961	28,104	28,282
Short-term debt	8,112	6,681	5,681	4,681	3,681
A/C payable	3,751	4,010	3,225	3,519	3,834
Other current liabilities	122	171	151	164	178
Total Current Liabilities	11,985	10,863	9,057	8,365	7,693
Long-term debt	3,335	3,669	3,669	3,669	3,669
Other liabilities	4,554	4,792	4,792	4,792	4,792
Total Liabilities	19,874	19,324	17,518	16,825	16,154
Share capital	919	919	919	919	919
Share premium	1,874	1,874	1,874	1,874	1,874
Revaluation/Warrants/Treasury	0	0	0	0	0
Translation adjustment	558	1,208	1,208	1,208	1,208
Retained earnings	4,907	5,655	6,311	7,132	7,969
Total ordinary equity	8,258	9,656	10,312	11,134	11,970
Preferred equity	0	0	0	0	0
Minorities	111	119	132	145	158
Total equity & minorities	8,369	9,775	10,444	11,279	12,128
Accumulated depreciation	13,765	14,368	15,475	16,615	17,786
BV per ordinary share (Y/E, Bt)	8.99	10.51	11.22	12.12	13.03
Adjusted book value ps (Y/E, Bt)	8.99	10.51	11.22	12.12	13.03

RATIOS (%)	2014	2015	2016F	2017F	2018F
Growth					
Turnover	(5.0)	(6.0)	(12.1)	9.0	8.7
EBITDA	(67.1)	272.9	2.2	6.9	4.0
EBIT	(135.2)	(493.6)	1.7	9.8	4.8
Net profit	(132.1)	(317.0)	8.2	13.7	7.8
EPS pre extraordinary items	(148.0)	(317.0)	8.2	13.7	7.8
EPS (diluted)	(148.0)	(317.0)	8.2	13.7	7.8
DPS	(41.7)	42.9	20.0	16.7	0.0
Accounting ratios					
Cash profit margin	3.1	7.1	7.8	7.7	7.5
Gross profit margin	1.4	5.2	5.7	5.7	5.6
Operating profit margin	(0.6)	2.6	3.1	3.1	3.0
Net profit margin	(0.8)	1.9	2.4	2.5	2.4
Turnover/avg total assets (x)	2.1	2.0	1.8	2.0	2.1
ROA	(1.8)	3.9	4.2	4.9	5.2
ROE	(6.0)	12.5	12.1	12.8	12.8
S&A/turnover	2.0	2.6	2.6	2.6	2.6
Effective tax rate	(289.7)	13.7	15.0	15.0	15.0
Operating performance					
EBITDA margin	1.1	4.5	5.2	5.1	4.9
EBIT margin	(0.6)	2.6	3.1	3.1	3.0
NOPLAT margin (NOPLAT/Turnover)	(1.0)	2.0	2.4	2.5	2.4
Asset turnover (Turnover/avg Op assets)	3.4	3.4	3.1	3.4	3.7
ROCE (NOPLAT/avg Op assets)	(3.4)	7.0	7.4	8.3	8.9
ROCE inc capitalized goodwill	(3.1)	6.4	6.7	7.5	8.0

EQUITY VALUATIONS (Bt)	2014	2015	2016F	2017F	2018F
EPS	(0.56)	1.21	1.31	1.49	1.61
FDEPS	(0.56)	1.21	1.31	1.49	1.61
FDEPS growth (%)	(148)	(317)	8	14	8
DPS	0.35	0.50	0.60	0.70	0.70
BVPS	8.99	10.51	11.22	12.12	13.03
Adjusted BVPS	8.99	10.51	11.22	12.12	13.03
Free cash flow to equity (FCFE) per share	0.74	0.11	0.37	0.79	0.93
Share price (Bt)					
PE (x)	(25.9)	11.9	11.0	9.7	9.0
PE (fully diluted, x)	(25.9)	11.9	11.0	9.7	9.0
PE/FDEPS growth (x)	0.2	(0.0)	1.4	0.7	1.2
Yield (%)	2.4	3.4	4.1	4.8	4.8
P/BV (x)	1.6	1.4	1.3	1.2	1.1
P/ABV (x)	1.6	1.4	1.3	1.2	1.1
P/FCFE (x)	19.6	126.3	39.6	18.5	15.6
ENTERPRISE VALUATIONS (Btm)	2014	2015	2016F	2017F	2018F
Ordinary shares (m)	919	919	919	919	919
Share price (Bt)	9.50	10.40	14.50	14.50	14.50
Ordinary equity MV	8,730	9,557	13,324	13,324	13,324
MI & deferred taxes	111	119	132	145	158
Equity MV (adjusted ord)	8,841	9,675	13,456	13,469	13,483
Preferred equity	0	0	0	0	0
Debt	11,448	10,351	9,351	8,351	7,351
Enterprise value	20,289	20,026	22,807	21,820	20,833
Net non-core assets	2,855	3,284	3,196	3,261	3,363
Core enterprise value (EV)	17,434	16,742	19,611	18,559	17,470
Turnover	61,759	58,082	51,076	55,678	60,509
EBITDA	700	2,610	2,667	2,851	2,966
EBIT	(390)	1,533	1,560	1,712	1,794
NOPLAT	(620)	1,185	1,231	1,365	1,440
OpFCF	1,652	1,173	1,334	1,687	1,790
OpFCF (normalized)	3,427	2,375	1,052	1,376	1,448
Op (core) capital employed (CE)	16,962	16,842	16,599	16,368	16,115
Avg core capital employed	17,991	16,902	16,720	16,483	16,242
Core EV multiples					
EV/Turnover (x)	0.3	0.3	0.4	0.3	0.3
EV/EBITDA (x)	24.9	6.4	7.4	6.5	5.9
EV/EBIT (x)	(44.7)	10.9	12.6	10.8	9.7
EV/NOPLAT (x)	(28.1)	14.1	15.9	13.6	12.1
EV/OpFCF (x)	10.6	14.3	14.7	11.0	9.8
EV/OpFCF normalized (x)	5.1	7.0	18.6	13.5	12.1
EV/capital employed (YE, x)	1.0	1.0	1.2	1.1	1.1
EV/avg capital employed (x)	1.0	1.0	1.2	1.1	1.1
RISK MEASURES	2014	2015	2016F	2017F	2018F
Equity multiplier (avg total assets/avg equity)	3.4	3.2	2.9	2.6	2.4
Net debt/equity & MI	1.1	0.8	0.7	0.5	0.4
Interest cover (x)					
Interest cover (EBIT & int inc/int expense)	(0.9)	3.7	4.2	5.1	6.1
NOPLAT/interest paid	(1.4)	2.9	3.3	4.1	4.9
Debt service (OpFCF/net interest paid)	4	3	4	5	6
Short term ratios (x)					
Current assets/current liabilities	0.8	1.0	1.1	1.2	1.4
Current assets less inventory/current liabilities	0.5	0.6	0.7	0.7	0.8
A/C receivable, days Turnover	23.7	20.7	23.5	21.6	19.9
Inventory, days COGS	21.6	29.6	30.0	30.0	30.0
A/C payable, days COGS	22.9	27.1	25.0	25.0	25.0

CG Rating 2015 Companies with CG Rating



ADVANC	BAFS	BCP	BIGC	BTS	CK	CPN	DRT	DTAC	DTC	EASTW	EGCO	GRAMMY	HANA
HMPRO	INTUCH	IRPC	IVL	KBANK	KCE	KKP	KTB	LHBANK	LPN	MCOT	MINT	MONO	NKI
PHOL	PPS	PS	PSL	PTT	PTTEP	PTTGC	QTC	RATCH	ROBINS	SAMART	SAMTEL	SAT	SC
SCB	SCC	SE-ED	SIM	SNC	SPALI	THCOM	TISCO	TKT	TMB	TOP	VGI	WACOAL	



AAV	ACAP	AGE	AHC	AKP	AMATA	ANAN	AOT	APCS	ARIP	ASIMAR	ASK	ASP	BANPU
BAY	BBL	BDMS	BKI	BLA	BOL	BROOK	BWG	CENTEL	CFRESH	CHO	CIMBT	CM	CNT
COL	CPF	CPI	CSL	DCC	DELTA	DEMCO	ECF	EE	ERW	GBX	GC	GFPT	GLOBAL
GUNKUL	HOTPOT	HYDRO	ICC	ICHI	INET	IRC	KSL	KTC	LANNA	LH	LOXLEY	LRH	MACO
MBK	MC	MEGA	MFEC	NBC	NCH	NINE	NSI	NTV	OCC	OGC	OISHI	OTO	PAP
PDI	PE	PG	PJW	PM	PPP	PR	PRANDA	PREB	PT	PTG	Q-CON	QH	RS
S & J	SABINA	SAMCO	SCG	SEAFCO	SFP	SIAM	SINGER	SIS	SITHAI	SMK	SMPC	SMT	SNP
SPI	SSF	SSI	SSSC	SST	STA	STEC	SVI	SWC	SYMC	SYNTEC	TASCO	TBSP	TCAP
TF	TGCI	THAI	THANA	THANI	THIP	THRE	THREL	TICON	TIP	TIPCO	TK	TKS	TMI
TMILL	TMT	TNDT	TNITY	TNL	TOG	TPC	TPCORP	TRC	TRU	TRUE	TSC	TSTE	TSTH
TTA	TTCL	TTW	TU	TVD	TVO	UAC	UT	UV	VNT	WAVE	WINNER	YUASA	ZMICO



2S	AEC	AEONTS	AF	AH	AIRA	AIT	AJ	AKR	AMANAH	AMARIN	AP	APCO	AQUA
AS	ASIA	AUCT	AYUD	BA	BEAUTY	BEC	BFIT	BH	BIG	BJC	BJCHI	BKD	BTNC
CBG	CGD	CHG	CHOW	CI	CITY	CKP	CNS	CPALL	CPL	CSC	CSP	CSS	CTW
DNA	EARTH	EASON	ECL	EFORL	ESSO	FE	FIRE	FOCUS	FORTH	FPI	FSMART	FSS	FVC
GCAP	GENCO	GL	GLAND	GLOW	GOLD	GYT	HTC	HTECH	IEC	IFEC	IFS	IHL	IRCP
ITD	JSP	JTS	JUBILE	KASET	KBS	KCAR	KGI	KKC	KTIS	KWC	KYE	L&E	LALIN
LHK	LIT	LST	M	MAJOR	MAKRO	MATCH	MATI	MBKET	M-CHAI	MFC	MILL	MJD	MK
MODERN	MOONG	MPG	MSC	MTI	MTLS	NC	NOK	NUSA	NWR	NYT	OCEAN	PACE	PATO
PB	PCA	PCSGH	PDG	PF	PICO	PL	PLANB	PLAT	PPM	PRG	PRIN	PSTC	PTL
PYLON	QLT	RCI	RCL	RICHY	RML	RPC	S	SALEE	SAPPE	SAWAD	SCCC	SCN	SCP
SEAOL	SIRI	SKR	SMG	SOLAR	SORKON	SPA	SPC	SPCG	SPPT	SPVI	SRICHA	SSC	STANLY
STPI	SUC	SUSCO	SUTHA	SYNEX	TAE	TAKUNI	TCC	TCCC	TCJ	TEAM	TFD	TFI	TIC
TIW	TLUXE	TMC	TMD	TOPP	TPCH	TIPL	TRT	TSE	TSR	TT	UMI	UP	UPF
UPOIC	UREKA	UWC	VIBHA	VIH	VPO	WHA	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 2015

Level 5: Extended

BCP	CPN	GYT	PE	PM	PPP	PT	PTT	PTTGC	SAT	SCC	THANI	TOP
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Level 4: Certified

ADVANC	AMANAH	ASP	AYUD	BAFS	BANPU	BAY	BBL	BKI	BLA	BTS	CFRESH	CIMBT	CNS
CSL	DCC	DRT	DTC	EASTW	ECL	EGCO	ERW	FSS	GCAP	HANA	HTC	IFEC	INTUCH
IRPC	IVL	KBANK	KCE	KGI	KKP	KTG	LANNA	LHBANK	MBKET	MFC	MINT	MTI	NKI
PPS	PSL	PTG	PTTEP	SABINA	SCB	SINGER	SIS	SNC	SNP	SSF	SSI	SSSC	SVI
TCAP	THCOM	THRE	THREL	TISCO	TMB	TMD	TNITY	TOG	TSTH				

Level 3B: Established by Commitment and Policy

AAV	AHC	AIT	AKR	ARROW	ASK	BA	BDMS	BEC	BJCHI	CGH	CHG	CHOW	CIG
CITY	CK	CKP	COLOR	CWT	EARTH	EASON	EPG	F&D	FANCY	FIRE	FMT	FORTH	GENCO
GL	GOLD	GPSC	GRAMMY	HYDRO	IRCP	IT	JCT	KCM	KWC	LH	LIT	LOXLEY	MACO
MANRIN	MATI	MODERN	MSC	NOBLE	NOK	NPK	NUSA	OISHI	OTO	PAF	PAP	PATO	PF
PJW	PLANB	PLE	POLAR	PRG	PTL	Q-CON	QTC	RCI	S11	SALEE	SAM	SAMART	SAMTEL
SAPPE	SC	SCP	SFP	SIM	SLP	SMT	SPA	SPORT	SSC	SST	STEC	STPI	SUC
SUTHA	T	TAE	TBSP	TCC	TFD	TGCI	TGPRO	THANA	THIP	TIW	TK	TMW	TNDT
TOPP	TPC	TPCH	TPIPL	TSR	TT	TYCN	UAC	UBIS	UEC	UMI	UP	UPF	UT
UV	VPO	WAVE	WINNER	YUASA									

Level 3A: Established by declaration of intent

ABC	ACAP	AGE	AH	ANAN	AP	APCS	APURE	AS	ASIA	ASIAN	ASIMAR	BIGC	BROOK
BWG	CEN	CENTEL	CHARAN	CHO	CHOTI	CM	CNT	COL	CPF	CPI	CPL	DELTA	DEMCO
DIMET	DNA	DTAC	EA	ECF	EE	EVER	FPI	GBX	GC	GFPT	GLOW	HMPRO	HOTPOT
ICC	ICHI	INOX	INSURE	IRC	JAS	JTS	JUBILE	KC	KTC	KYE	LHK	LPN	LRH
MAKRO	MC	MCOT	MFEC	MJD	MONO	MOONG	NBC	NDR	NINE	NMG	NSI	NTV	OGC
PACE	PCSGH	PDI	PG	PHOL	PLAT	PR	PRANDA	PREB	PS	QLT	RATCH	RML	ROBINS
ROJNA	RWI	SAMCO	SCCC	SCG	SEAOL	SE-ED	SENA	SITHAI	SMK	SMPC	SPALI	SPC	SPCG
SPI	SRICHA	STANLY	SUPER	SYMC	SYNEX	SYNTEC	TASCO	TCMC	TFI	THAI	TICON	TKT	TLUXE
TMILL	TMT	TNL	TPCORP	TSTE	TTCL	TU	TVI	UOBKH	UREKA	VGI	VNT	WACOAL	WHA
ZMICO													

Level 2: Declared

2S	ABICO	AF	AIRA	AKP	ALUCON	AMARIN	AMATA	AOT	APCO	BEAUTY	BFIT	BH	BKD
BLAND	BROCK	BRR	BSBM	BTNC	CCP	CI	CSC	CSR	CSS	EFORL	EPCO	ESTAR	FE
FER	FNS	FVC	GEL	GLOBAL	GUNKUL	IEC	IFS	ILINK	INET	J	JMT	JUTHA	K
KASET	KBS	KCAR	KKC	KSL	KTECH	L&E	LALIN	LTX	M	MALEE	MBAX	MBK	MEGA
MILL	MK	MPG	MTLS	NCH	NCL	NNCL	NPP	OCC	OCEAN	PB	PCA	PDG	PRINC
PSTC	PYLON	QH	ROCK	ROH	RP	RPC	S & J	SGP	SIAM	SKR	SMG	SMIT	SORKON
SPACK	SPPT	SR	SUSCO	TAKUNI	TEAM	TF	TIC	TIP	TIPCO	TMC	TMI	TPA	TPP
TRT	TRU	TRUE	TSC	TSI	TTW	TVD	TVO	TVT	U	UKEM	UNIQ	UWC	VIBHA
VNG	WIK	WIN	XO										

Level 1: Committed

AEONTS	AFC	AJ	AMC	AQUA	ARIP	AUCT	BAT-3K	BIG	BJC	BOL	CBG	CCET	CCN
CGD	CMR	CPH	CSP	CTW	DCON	DRACO	DSGT	DTCI	E	EMC	ESSO	FOCUS	FSMART
GIFT	GLAND	GRAND	GREEN	HFT	HTECH	IHL	ITD	JSP	KDH	KTIS	KTP	LEE	LST
MAJOR	MATCH	MAX	M-CHAI	MDX	MIDA	ML	MPIC	NC	NEP	NWR	OHTL	PICO	PK
PL	PPM	PRAKIT	PRECHA	PRIN	RAM	RICH	RS	SANKO	SAUCE	SAWAD	SAWANG	SCN	SEAFCO
SF	SHANG	SIRI	SMART	SMM	SOLAR	SPG	SPVI	STA	STAR	SVH	SVOA	SWC	TAPAC
TC	TCCC	TCJ	TCOAT	TH	TKS	TNH	TNPC	TPAC	TPOLY	TRC	TRUBB	TSE	TTA
TTI	TTL	TTTM	TWP	TWZ	UMS	UPA	UPOIC	UTP	UVAN	VARO	VI	VIH	VTE
WG													

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

Level 5: Extended – Extension of the anti-corruption policy to business partners in the supply chain, and disclosure of any current investigations, prosecutions or closed cases

Level 4: Certified – Audit engagement by audit committee or auditors approved by the office of SEC, and receiving certification or assurance by independent external assurance providers (CAC etc.)

Level 3: Established – Carrying out preventive measures, risk assessment, communication and training for all employees, including consistent monitoring and review processes

Level 3A: Established by declaration of intent, Level 3B: Established by Commitment and Policy

Level 2: Declared – Public declaration statement to participate in Thailand's private sector Collective Action Coalition Against Corruption (CAC) or equivalent initiatives

Level 1: Committed – Organization's statement or board's resolution to work against corruption and to be in compliance with all relevant laws

Krungsri Securities Public Company Limited

Headquarters

898 Ploenchit Tower, 3rd Floor, Ploenchit Road, Lumpini
Pathumwan, Bangkok 10330
Tel: 0-2659-7000 Fax: 0-2658-5699
Internet Trading: 0-2659-7777

Branches

Emporium

662 Emporium Tower, Fl. 10, Sukhumvit 24 Road
Klongton, Klongtoey, Bangkok 10110
Tel: 0-2695-4500 Fax: 0-2695-4599

Central Bangna

589/151 Central City Tower 1 Office, Fl. 27
Bangna-Trad Road, Bangna, Bangkok 10260
Tel: 0-2763-2000 Fax: 0-2399-1448

Rama II

111/917-919 Rama II Road, Smaedum,
Bangkhuntien, Bangkok 10150
Tel: 0-2895-9575 Fax: 0-2895-9557

Vibhavadi-rangsit

Bank of Ayudhya Public Company Limited
123 Sun Towers (B) Building, Vibhavadirangsit Road,
Jompol, Jatujak, Bangkok 10900
Tel: 0-2273-8388 Fax: 0-2273-8399

Chonburi

64/17 Sukhumvit Road, Tambol Bang Plasoi,
Amphur Muang, Chonburi 20000
Tel: 0-3879-0430 Fax: 0-3879-0425

Hat Yai Branch

90-92-94 Nipat U Tit Nueng Road, Tambol Hat Yai,
Amphur Hat Yai, Songkhla 90110
Tel: 0-7422-1229 Fax: 0-7422-1411

Nakhon Pathom

67/1 Ratchadamnoen Road, Tambol Phra Pathom Jaedee,
Amphur Muang, Nakhon Pathom 73000
Tel: 0-3427-5500-7 Fax: 0-3421-8989

Suphanburi

249/171-172 Moo 5 Tambol Ta Rahad,
Amphur Muang, Suphanburi, 72000
Tel: 0-3550-1234 Fax: 0-3552-2449

Nakhon Ratchasima

168 Chomphon Road, Tambol Nai Muang,
Amphur Muang Nakhon Ratchasima,
Nakhon Ratchasima 30000
Tel: 0-4425-1211-4 Fax: 0-4425-1215

Khon Kaen

114 Sri Chan Road, Tambol Nai Muang,
Amphur Muang, Khon Kaen 40000
Tel: 0-4322-6120 Fax: 0-4322-6180

Chiang Mai

70 Chang Phuak Road, Tambol Sri Phum
Amphur Muang, Chiang Mai 50200
Tel: 0-5321-9234 Fax: 0-5321-9247

Chiang Rai

231-232 Thamalai Road, Tambol Wiang,
Amphur Muang, Chiang Rai 57000
Tel: 0-5371-6489 Fax: 0-5371-6490

Phitsanulok

275/1 Phichaisongkram Road, Tambol Nai Muang,
Amphur Muang, Phitsanulok 65000
Tel: 0-5530-3360 Fax: 0-5530-2580

Analyst Team	Sector Coverage	Central line: 662-659-7000	E-mail
Naphat Chantaraserkul, Head of Research	Energy, Petrochemical, Strategy	ext. 5000	naphat.chantaraserkul@krungsrisecurities.com
Kittisorn Pruittipat, CFA, FRM	Property, ICT	ext. 5019	kittisorn.pruittipat@krungsrisecurities.com
Jesada Techahusdin, CFA	Banking, Consumer Finance, Insurance	ext. 5004	jesada.techahusdin@krungsrisecurities.com
Sunthorn Thongthip	Food, Transportation, Strategy	ext. 5009	sunthorn.thongthip@krungsrisecurities.com
Worrapong Tuntiwutthipong	Electronic, Automotive, Commerce, Media	ext. 5016	worrapong.tuntiwutthipong@krungsrisecurities.com
Teerapol Udomvej, Assistant Analyst	Healthcare, Tourism		
Songklod Wongchai	Investment Strategy	ext. 5003	songklod.wongchai@krungsrisecurities.com
Artit Jansawang	Mid - Small cap, MAI	ext. 5005	artit.jansawang@krungsrisecurities.com
Nalinee Praman, Assistant Analyst	Mid - Small cap, MAI		
Apisak Limthumrongkul	Technical	ext. 5007 Fax 662-658-5643	apisak.limthumrongkul@krungsrisecurities.com

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