

30 July 2021

Basic Materials | Building Materials

Siam Cement (SCC TB)

Buy (Maintained)

Big Fortune In 1H21; Maintain BUY

Target Price (Return):	THB500.00 (22.0%)
Price:	THB410.00
Market Cap:	USD14,967m
Avg Daily Turnover (THB/USD)	997m/31.6m

- **Maintain BUY and DCF-based THB500.00 TP, 22% upside and 3.5% yield.** Although we expect earnings to weaken in 2H21 on an unfavourable petrochemical situation going forward, we believe this stock will remain attractive. This is on the back of: i) Petrochemical spreads swinging back to previous highs, ii) consistent growth from the packaging business driven by M&A, and iii) solid earnings prospects from the cement and building materials business.

- **2Q21 earnings result beating consensus.** Siam Cement posted a 2Q21 net profit of THB17.1bn (+83% YoY, +15% QoQ), which was a high base level and a moderate 15% above our estimate. As expected, the petrochemical unit's performance dominated overall 2Q21 earnings, as it accounted for 61% of consolidated profit for this period. While the cement and building materials business can grow from 2Q20's low base, the packaging business under its subsidiary is maintaining its consistent growth momentum in 2Q21. Solid petrochemical spreads in April and May, and higher polyolefin sales volumes on a full quarter basis were the major factors behind this unit's 2Q21 net profit of THB10.4bn (+128% YoY, +18% QoQ). The halt in construction activities in highly infected areas since June has pressured cement demand, especially in Bangkok and its vicinities. However, stronger building materials demand, driven by higher purchasing power in agricultural areas, partly mitigated the cement demand slowdown. For SCC's subsidiary's packaging business, its 2Q21 performance was better than expected due to the: i) Consolidation effect of new acquisitions in Thailand and regional countries and ii) demand growth driven by consumer sectors in the US and EU.

- **Pressure on petrochemicals in 2H21.** Naphtha prices have risen significantly since June. We think this will be a major negative factor for SCC's petrochemical unit, as HDPE-naphtha and polypropylene (PP)-naphtha spreads will inevitably shrink in 2H21. India's latest COVID-19 spread is also diverting commodity flows to South-East Asia – this should be another negative factor for major polyolefin prices. Note: HDPE-naphtha and PP-naphtha have declined 24% and 23% from 2Q21's averages. Based on weaker petrochemical spreads going forward, 2H21 earnings will inevitably decline from 1H21's, as the petrochemical unit is normally the critical factor in determining SCC's overall earnings.

- **Overwhelming 1H21 earnings results to secure FY21 growth.** Although there is expectation of a slower earnings outlook in 2H21, we believe SCC can commit solid earnings growth in FY21, as 1H21 earnings have already surged 96% YoY. However, there is also the likely chance that petrochemical spreads can return to previous high levels on restocking activities in late 3Q21 among regional markets – this is to capture demand during the year-end festive season. In addition, the high-growth area from packaging will allow it to maintain its critical role in absorbing the slowdown impact from the petrochemical business.

Analyst

Chatree Srismaicharoen
+66 2088 9743
chatree.sr@rhbgroup.com



Share Performance (%)

	YTD	1m	3m	6m	12m
Absolute	8.5	(4.7)	(12.0)	8.5	7.0
Relative	2.4	(1.3)	(8.7)	3.7	(7.9)
52-wk Price low/high (THB)					321 – 474

Siam Cement (SCC TB)



Source: Bloomberg

Overall ESG Score: 3.8 (out of 4)

E: Excellent

SCC incorporates Circular Economy principles in its entire value chain, from the designing, procurement, manufacturing, sales and transport, and usage up to recycling. This is done by maximising the utilisation of limited energy and resources throughout the value chain, including reducing, reusing, recycling, using alternative energy, and cutting unutilised waste to a minimum.

S: Excellent

SCC is committed to producing products, and providing services and solutions that care for the health and safety of its employees and contractors. The collaboration with all entities – comprising the public and private sectors, and the community – is the key orienting the Circular Economy into real practices.

G: Excellent

SCC firmly upholds and complies with the principles of corporate governance both locally and internationally. Examples include the Principle of Good Corporate Governance for Listed Companies of the SEC and SET, the Corporate Governance Report of Thai Listed Companies of Thai Institute of Directors, ASEAN Corporate Governance Scorecard, and the DJSI Sustainability Assessment.

Forecasts and Valuation	Dec-19	Dec-20	Dec-21F	Dec-22F	Dec-23F
Total turnover (THBm)	437,980	399,939	435,655	470,452	491,655
Recurring net profit (THBm)	32,014	34,144	40,084	44,632	46,217
Recurring net profit growth (%)	(28.5)	6.7	17.4	11.3	3.6
Recurring P/E (x)	15.37	14.41	12.27	11.02	10.65
P/B (x)	1.6	1.5	1.4	1.3	1.2
P/CF (x)	8.23	6.99	11.14	8.75	8.68
Dividend Yield (%)	3.4	3.4	3.5	3.9	4.1
EV/EBITDA (x)	10.65	8.93	8.29	7.61	7.12
Return on average equity (%)	10.4	10.6	11.7	12.2	11.7
Net debt to equity (%)	55.8	39.9	44.8	45.7	43.2

Source: Company data, RHB

30 July 2021

Basic Materials | Building Materials

Financial Exhibits

Asia	Financial summary (THB)	Dec-19	Dec-20	Dec-21F	Dec-22F	Dec-23F
Thailand	Recurring EPS	26.68	28.45	33.40	37.19	38.51
Basic Materials	DPS	14.00	14.00	14.50	16.00	17.00
Siam Cement	BVPS	261.56	277.48	293.88	318.07	339.59
SCC TB	Return on average equity (%)	10.4	10.6	11.7	12.2	11.7
Buy						
	Valuation metrics	Dec-19	Dec-20	Dec-21F	Dec-22F	Dec-23F
Valuation basis	Recurring P/E (x)	15.37	14.41	12.27	11.02	10.65
DCF	P/B (x)	1.6	1.5	1.4	1.3	1.2
	FCF Yield (%)	(1.5)	(10.5)	3.0	0.5	(1.0)
Key drivers	Dividend Yield (%)	3.4	3.4	3.5	3.9	4.1
i. Stronger domestic demand for cement with a series of infrastructure construction projects ahead;	EV/EBITDA (x)	10.65	8.93	8.29	7.61	7.12
ii. Widening chemical spreads.	EV/EBIT (x)	18.08	14.93	13.11	11.54	10.84
	Income statement (THBm)	Dec-19	Dec-20	Dec-21F	Dec-22F	Dec-23F
Key risks	Total turnover	437,980	399,939	435,655	470,452	491,655
i. Rising cost of coal – this is mainly used in cement production;	Gross profit	82,228	89,992	96,889	103,665	107,556
ii. Naphtha costs – which normally rise in tandem with global oil prices – should squeeze petrochemical spreads in the short term.	EBITDA	58,249	68,113	75,715	83,230	87,552
	Depreciation and amortisation	(23,932)	(27,377)	(27,852)	(28,325)	(29,988)
Company Profile	Operating profit	34,318	40,735	47,863	54,905	57,564
SCC operates as a holding company that is engaged in the industrial supplies and construction industries. It operates three core businesses: Investments in cement & building materials, chemicals, and paper packaging.	Net interest	(6,587)	(7,082)	(8,405)	(9,966)	(10,766)
	Pre-tax profit	39,363	43,109	50,227	56,264	58,894
	Taxation	(6,167)	(5,809)	(6,926)	(8,084)	(8,689)
	Reported net profit	32,014	34,144	40,084	44,632	46,217
	Recurring net profit	32,014	34,144	40,084	44,632	46,217
	Cash flow (THBm)	Dec-19	Dec-20	Dec-21F	Dec-22F	Dec-23F
	Change in working capital	12,918	18,471	(11,435)	(6,124)	(10,596)
	Cash flow from operations	59,817	70,415	44,158	56,212	56,657
	Capex	(67,095)	(122,022)	(29,368)	(53,595)	(61,751)
	Cash flow from investing activities	(45,054)	(71,185)	(43,038)	(50,665)	(51,740)
	Dividends paid	(19,799)	(14,998)	(20,400)	(15,600)	(20,400)
	Cash flow from financing activities	(15,924)	37,542	3,133	(1,936)	(10,495)
	Cash at beginning of period	28,789	27,627	64,399	68,653	72,264
	Net change in cash	(1,162)	36,772	4,253	3,611	(5,577)
	Ending balance cash	27,627	64,399	68,653	72,264	66,686
	Balance sheet (THBm)	Dec-19	Dec-20	Dec-21F	Dec-22F	Dec-23F
	Total cash and equivalents	44,222	102,981	107,423	105,388	113,419
	Tangible fixed assets	305,986	363,425	361,115	379,000	381,334
	Total investments	101,749	117,009	120,518	133,533	149,330
	Total assets	634,733	749,381	780,991	825,575	868,492
	Short-term debt	71,581	90,418	107,974	113,056	114,561
	Total long-term debt	155,361	170,436	177,055	185,619	194,019
	Total liabilities	306,990	353,255	384,281	402,477	417,086
	Total equity	327,743	396,126	396,710	423,099	451,405
	Total liabilities & equity	634,733	749,381	780,991	825,575	868,492
	Key metrics	Dec-19	Dec-20	Dec-21F	Dec-22F	Dec-23F
	Revenue growth (%)	(8.5)	(8.7)	8.9	8.0	4.5
	Recurrent EPS growth (%)	(28.5)	6.7	17.4	11.3	3.6
	Gross margin (%)	18.8	22.5	22.2	22.0	21.9
	Operating EBITDA margin (%)	13.3	17.0	17.4	17.7	17.8
	Net profit margin (%)	7.3	8.5	9.2	9.5	9.4
	Dividend payout ratio (%)	52.5	49.2	43.4	43.0	44.1
	Capex/sales (%)	15.3	30.5	6.7	11.4	12.6
	Interest cover (x)	5.21	5.75	5.69	5.51	5.35

Source: Company data, RHB

30 July 2021

Basic Materials | Building Materials

Cement & building materials supported by the renovation market and exports

For the domestic cement industry, overall demand in 2Q21 declined by 2% YoY. This was because of the long holiday period in April – the Songkran festivities – vs none in Apr 2020. While demand from government infrastructure projects grew a slight 2% YoY, private sector demand – including those for the residential and commercial segments – declined 4% and 5% YoY. This was worse than in 1Q21, when demand from both the public and private sectors increased simultaneously. However, average domestic cement prices have stayed unchanged QoQ, at THB1,700-1,750 per tonne.

By comparison, domestic demand for ceramic tiles has increased strongly in 2Q21 (+10% YoY), while demand for other building materials used in roofing, ceiling, and wall works rose a slight 1% YoY. SCC's total ceramic tiles sales volumes in Thailand and other ASEAN markets grew 10% YoY during this period on higher renovation activities domestically, as well as stronger demand in Indonesia and the Philippines. Due to the stronger demand growth, the ASP of ceramic tiles under its ASEAN operations increased 3% YoY.

2Q21 revenue increased 9% YoY and 1% QoQ, largely driven by:

- i. Exports to ASEAN and other countries;
- ii. Higher domestic sales volumes of building materials, especially from the renovation market.

Lower domestic sales volumes of cement and a slight decline in cement prices were offset by higher sales volume via the company's total solutions concept. The cement & building materials business posted a net profit of THB2.47bn (+27% YoY, -12% QoQ).

Petrochemical unit performing impressively

For the chemicals business, naphtha costs in 2Q21 increased moderately by 9% QoQ to USD606.00 per tonne, in tandem with the rising Brent crude oil prices. Oil prices during this period were influenced by improving demand post the rollout of vaccines in several major markets.

Major product prices have changed insignificantly during 2Q21 after several petrochemical plants returned from shutdown mode during the winter freeze in February. HDPE prices increased 4% QoQ, while PP prices declined 3% QoQ. Due to the rising price of naphtha and insignificant changes in polyolefin prices, HDPE-naphtha spreads were stable QoQ at USD585.00 per tonne. Meanwhile, PP-naphtha spreads declined 12% QoQ to USD700.00 per tonne.

In spite of a tight freight situation, SCC's polyolefin sales volumes rose slightly to 492,000 tonnes (+0.8% QoQ) while higher sale volumes were supported by the efficient management of its distribution channel, freight, and products portfolio.

2Q21 revenue increased strongly by 18% QoQ and 75% YoY, mainly on the effects of rising product prices and higher sales volumes. In addition, this business unit also benefitted from:

- i. Higher equity income – this was based on equity income from the petrochemicals business, which normally accounts for two-thirds of overall amount;
- ii. An inventory gain of THB150m during the quarter.

Therefore, 2Q21 net profit grew strongly (+18% QoQ, +128% YoY) to THB10.4bn.

Packaging business driven by global demand

For the integrated packaging chain, 2Q21 sales revenue increased 37% YoY and 9% QoQ to THB25.2bn on:

- i. Stronger demand from clients in the consumer products segment after the easing lockdown measures in several developed countries;
- ii. Higher export volumes to the US and EU, especially for clients in industries such as frozen foods, canned foods, etc;
- iii. Commercial start-up of SCC's packaging paper plant in Surabaya, Indonesia. Which began in April;
- iv. Strong growth in terms of performance and polymer packaging product exports to the US and EU.

For the fibrous chain, 2Q21 sales revenue increased 43% YoY and 14%QoQ due to:

- i. Stronger demand from food services, tissues, and textiles;
- ii. The turnaround of printing and writing paper from the lowest level in 2Q20;
- iii. An up-cycle in the pulp industry.

Food services packaging increased its importance in 2Q21, as revenue from this product rose to 21% of fibrous chain revenue in 2Q21 from only 9% in 2Q20. In total, 2Q21 revenue from the two major chains stood at THB29.9bn (+38% YoY, +10% QoQ).

Net profit of THB2.26bn (+19% YoY, +6% QoQ) was dominated by the integrated packaging chain's performance (-16% YoY, -15% QoQ), although the fibrous chain segment showed a strong net profit growth (+331% YoY, +663% QoQ).

30 July 2021

Basic Materials | Building Materials

Results At a Glance

Figure 1: SCC's 2Q21 earnings grew strongly YoY and beat our estimates and market consensus

FYE Dec (THBm)	2Q20	3Q20	4Q20	1Q21	2Q21	QoQ (%)	YoY (%)	1H20	1H21	YoY (%)
Total turnover	96,010	100,938	97,250	122,066	133,555	9.4	39.1	201,751	255,621	26.7
Gross profit	21,865	24,810	23,359	30,374	32,243	6.2	47.5	41,824	62,618	49.7
Gross profit margin (%)	22.8	24.6	24.0	24.9	24.1			20.7	24.5	
EBITDA	17,774	18,745	16,342	24,157	26,419	12.6	48.6	33,025	49,872	51.0
EBITDA margin (%)	18.5	18.6	16.8	19.8	19.8			16.4	19.5	
EBIT	8,900	10,268	11,590	15,334	16,527	7.8	85.7	15,320	31,861	108.0
EBIT margin (%)	9.3	10.2	11.9	12.6	12.4			7.6	12.5	
Interest expense	(647)	(2,024)	(1,299)	(1,691)	(1,694)	0.2	162.0	(3,759)	(3,385)	-9.9
Equity income	1,705	3,041	3,465	5,697	5,708	0.2	234.7	2,950	11,405	286.6
Pre-tax profit	10,299	9,833	8,154	14,901	17,619	18.2	71.1	15,666	32,520	107.6
Pre-tax profit margin (%)	10.7	9.7	8.4	12.2	13.2			7.8	12.7	
Tax	(1,338)	(1,802)	(2,058)	(2,322)	(2,929)	26.1	119.0	(1,949)	(5,251)	169.4
Minority interest	(1,282)	(1,330)	(1,514)	(3,363)	(3,261)	NM	NM	(312)	(6,624)	NM
Net profit	9,384	9,741	8,047	14,914	17,136	14.9	82.6	16,355	32,050	96.0
EPS (THB)	7.8	8.1	6.7	12.4	14.3	14.9	82.6	13.63	26.71	96.0

Source: Company data, RHB

Figure 2: DCF valuation

THBm	2021F	2022F	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F
Operating EBIT	47,863	54,905	57,564	60,877	63,544	67,431	72,315	77,857	82,660	87,112
Operating EBIT x (1-t)	39,462	45,028	46,876	51,002	53,869	57,886	61,572	66,767	71,810	75,352
D&A	27,852	28,325	29,988	31,542	34,152	37,563	40,412	43,852	46,852	48,965
Δ Net working capital	(11,435)	(6,124)	(10,596)	4,175	3,728	4,014	6,421	8,152	8,354	8,550
FCF from operations	55,879	67,230	66,268	86,719	91,750	99,463	108,406	118,771	127,017	132,867
Capex	(29,368)	(53,595)	(61,751)	(50,981)	(49,087)	(50,988)	(49,766)	(51,010)	(53,129)	(53,500)
Net FCFF	26,511	13,635	4,517	35,738	42,662	48,476	58,640	67,761	73,888	79,367
Discounted net FCFF	24,903	11,782	3,591	26,136	28,702	30,002	33,388	35,492	35,603	35,182
Terminal value										1,268,200
PV of net FCFF	264,781									
PV of terminal value	562,167									

Implicit growth rate	2.30%
WACC	8.7%

Firm value	826,949
Net debt	(249,155)
Minority interest	(75,154)
PV of DCF	502,640
Investment value in associated companies (at cost)	97,375
Equity value	600,015
No. of share outstanding (m shares)	1,200
Equity value per share (THB)	500

WACC assumption	
Cost of debt	3.3%
Weight	39%
Cost of equity	12.1%
Weight	61%

Expected market return	12.0%
Risk-free rate	2.0%
Beta	1.01

Source: RHB

Recommendation Chart



Source: RHB, Bloomberg

Date	Recommendation	Target Price	Price
2021-04-29	Buy	500	466
2021-01-15	Buy	440	390
2020-10-30	Buy	420	338
2020-07-10	Buy	440	383
2020-01-30	Buy	400	356
2019-10-08	Buy	460	386
2019-07-30	Buy	500	434
2019-04-30	Buy	530	462

Source: RHB, Bloomberg

RHB Guide to Investment Ratings

Buy:	Share price may exceed 10% over the next 12 months
Trading Buy:	Share price may exceed 15% over the next 3 months, however longer-term outlook remains uncertain
Neutral:	Share price may fall within the range of +/- 10% over the next 12 months
Take Profit:	Target price has been attained. Look to accumulate at lower levels
Sell:	Share price may fall by more than 10% over the next 12 months
Not Rated:	Stock is not within regular research coverage

Investment Research Disclaimers

RHB has issued this report for information purposes only. This report is intended for circulation amongst RHB and its affiliates' clients generally or such persons as may be deemed eligible by RHB to receive this report and does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. This report is not intended, and should not under any circumstances be construed as, an offer or a solicitation of an offer to buy or sell the securities referred to herein or any related financial instruments.

This report may further consist of, whether in whole or in part, summaries, research, compilations, extracts or analysis that has been prepared by RHB's strategic, joint venture and/or business partners. No representation or warranty (express or implied) is given as to the accuracy or completeness of such information and accordingly investors should make their own informed decisions before relying on the same.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to the applicable laws or regulations. By accepting this report, the recipient hereof (i) represents and warrants that it is lawfully able to receive this document under the laws and regulations of the jurisdiction in which it is located or other applicable laws and (ii) acknowledges and agrees to be bound by the limitations contained herein. Any failure to comply with these limitations may constitute a violation of applicable laws.

All the information contained herein is based upon publicly available information and has been obtained from sources that RHB believes to be reliable and correct at the time of issue of this report. However, such sources have not been independently verified by RHB and/or its affiliates and this report does not purport to contain all information that a prospective investor may require. The opinions expressed herein are RHB's present opinions only and are subject to change without prior notice. RHB is not under any obligation to update or keep current the information and opinions expressed herein or to provide the recipient with access to any additional information. Consequently, RHB does not guarantee, represent or warrant, expressly or impliedly, as to the adequacy, accuracy, reliability, fairness or completeness of the information and opinion contained in this report. Neither RHB (including its officers, directors, associates, connected parties, and/or employees) nor does any of its agents accept any liability for any direct, indirect or consequential losses, loss of profits and/or damages that may arise from the use or reliance of this research report and/or further communications given in relation to this report. Any such responsibility or liability is hereby expressly disclaimed.

Whilst every effort is made to ensure that statement of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable and must not be construed as a representation that the matters referred to therein will occur. Different assumptions by RHB or any other source may yield substantially different results and recommendations contained on one type of research product may differ from recommendations contained in other types of research. The performance of currencies may affect the value of, or income from, the securities or any other financial instruments referenced in this report. Holders of depositary receipts backed by the securities discussed in this report assume currency risk. Past performance is not a guide to future performance. Income from investments may fluctuate. The price or value of the investments to which this report relates, either directly or indirectly, may fall or rise against the interest of investors.

This report may contain comments, estimates, projections, forecasts and expressions of opinion relating to macroeconomic research published by RHB economists of which should not be considered as investment ratings/advice and/or a recommendation by such economists on any securities discussed in this report.

This report does not purport to be comprehensive or to contain all the information that a prospective investor may need in order to make an investment decision. The recipient of this report is making its own independent assessment and decisions regarding any securities or financial instruments referenced herein. Any investment discussed or recommended in this report may be unsuitable for an investor depending on the investor's specific investment objectives and financial position. The material in this report is general information intended for recipients who understand the risks of investing in financial instruments. This report does not take into account whether an investment or course of action and any associated risks are suitable for the recipient. Any recommendations contained in this report must therefore not be relied upon as investment advice based on the recipient's personal circumstances. Investors should make their own independent evaluation of the information contained herein, consider their own investment objective, financial situation and particular needs and seek their own financial, business, legal, tax and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

This report may contain forward-looking statements which are often but not always identified by the use of words such as "believe", "estimate", "intend" and "expect" and statements that an event or result "may", "will" or "might" occur or be achieved and other similar expressions. Such forward-looking statements are based on assumptions made and information currently available to RHB and are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement to be materially different from any future results, performance or achievement, expressed or implied by such forward-looking statements. Caution should be taken with respect to such statements and recipients of this report should not place undue reliance on any such forward-looking statements. RHB expressly disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

The use of any website to access this report electronically is done at the recipient's own risk, and it is the recipient's sole responsibility to take precautions to ensure that it is free from viruses or other items of a destructive nature. This report may also provide the addresses of, or contain hyperlinks to, websites. RHB takes no responsibility for the content contained therein. Such addresses or hyperlinks (including addresses or hyperlinks to RHB own website material) are provided solely for the recipient's convenience. The information and the content of the linked site do not in any way form part of this report. Accessing such website or following such link through the report or RHB website shall be at the recipient's own risk.

This report may contain information obtained from third parties. Third party content providers do not guarantee the accuracy, completeness, timeliness or availability of any information and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such content. Third party content providers give no express or implied warranties, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use. Third party content providers shall not be liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any use of their content.

The research analysts responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously. The research analysts that authored this report are precluded by RHB in all circumstances from trading in the securities or other financial instruments referenced in the report, or from having an interest in the company(ies) that they cover.

The contents of this report is strictly confidential and may not be copied, reproduced, published, distributed, transmitted or passed, in whole or in part, to any other person without the prior express written consent of RHB and/or its affiliates. This report has been delivered to RHB and its affiliates' clients for information purposes only and upon the express understanding that such parties will use it only for the purposes set forth above. By electing to view or accepting a copy of this report, the recipients have agreed that they will not print, copy, videotape, record, hyperlink, download, or otherwise attempt to reproduce or re-transmit (in any form including hard copy or electronic distribution format) the contents of this report. RHB and/or its affiliates accepts no liability whatsoever for the actions of third parties in this respect.

The contents of this report are subject to copyright. Please refer to Restrictions on Distribution below for information regarding the distributors of this report. Recipients must not reproduce or disseminate any content or findings of this report without the express permission of RHB and the distributors.

The securities mentioned in this publication may not be eligible for sale in some states or countries or certain categories of investors. The recipient of this report should have regard to the laws of the recipient's place of domicile when contemplating transactions in the securities or other financial instruments referred to herein. The securities discussed in this report may not have been registered in such jurisdiction. Without prejudice to the foregoing, the recipient is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

The term "RHB" shall denote, where appropriate, the relevant entity distributing or disseminating the report in the particular jurisdiction referenced below, or, in every other case, RHB Investment Bank Berhad and its affiliates, subsidiaries and related companies.

RESTRICTIONS ON DISTRIBUTION

Malaysia

This report is issued and distributed in Malaysia by RHB Investment Bank Berhad ("RHBIB"). The views and opinions in this report are our own as of the date hereof and is subject to change. If the Financial Services and Markets Act of the United Kingdom or the rules of the Financial Conduct Authority apply to a recipient, our obligations owed to such recipient therein are unaffected. RHBIB has no obligation to update its opinion or the information in this report.

Thailand

This report is issued and distributed in the Kingdom of Thailand by RHB Securities (Thailand) PCL, a licensed securities company that is authorised by the Ministry of Finance, regulated by the Securities and Exchange Commission of Thailand and is a member of the Stock Exchange of Thailand. The Thai Institute of Directors Association

has disclosed the Corporate Governance Report of Thai Listed Companies made pursuant to the policy of the Securities and Exchange Commission of Thailand. RHB Securities (Thailand) PCL does not endorse, confirm nor certify the result of the Corporate Governance Report of Thai Listed Companies.

Indonesia

This report is issued and distributed in Indonesia by PT RHB Sekuritas Indonesia. This research does not constitute an offering document and it should not be construed as an offer of securities in Indonesia. Any securities offered or sold, directly or indirectly, in Indonesia or to any Indonesian citizen or corporation (wherever located) or to any Indonesian resident in a manner which constitutes a public offering under Indonesian laws and regulations must comply with the prevailing Indonesian laws and regulations.

Singapore

This report is issued and distributed in Singapore by RHB Bank Berhad (Singapore branch) which is a holder of a full bank licence and an exempt capital markets services licence and financial adviser regulated by the Monetary Authority of Singapore. RHB Bank Berhad (Singapore branch) may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, RHB Bank Berhad (Singapore branch) accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact RHB Bank Berhad (Singapore branch) in respect of any matter arising from or in connection with the report.

United States

This report was prepared by RHB is meant for distribution solely and directly to "major" U.S. institutional investors as defined under, and pursuant to, the requirements of Rule 15a-6 under the U.S. Securities and Exchange Act of 1934, as amended (the "Exchange Act") via a registered U.S. broker-dealer as appointed by RHB from time to time. Accordingly, any access to this report via Bursa Marketplace or any other Electronic Services Provider is not intended for any party other than "major" US institutional investors (via a registered U.S broker-dealer), nor shall be deemed as solicitation by RHB in any manner. RHB is not registered as a broker-dealer in the United States and currently has not appointed a U.S. broker-dealer. Additionally, RHB does not offer brokerage services to U.S. persons. Any order for the purchase or sale of all securities discussed herein must be placed with and through a registered U.S. broker-dealer as appointed by RHB from time to time as required by the Exchange Act Rule 15a-6. For avoidance of doubt, RHB reiterates that it has not appointed any U.S. broker-dealer during the issuance of this report. This report is confidential and not intended for distribution to, or use by, persons other than the recipient and its employees, agents and advisors, as applicable. Additionally, where research is distributed via Electronic Service Provider, the analysts whose names appear in this report are not registered or qualified as research analysts in the United States and are not associated persons of any registered U.S. broker-dealer as appointed by RHB from time to time and therefore may not be subject to any applicable restrictions under Financial Industry Regulatory Authority ("FINRA") rules on communications with a subject company, public appearances and personal trading. Investing in any non-U.S. securities or related financial instruments discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in the United States. The financial instruments discussed in this report may not be suitable for all investors. Transactions in foreign markets may be subject to regulations that differ from or offer less protection than those in the United States.

DISCLOSURE OF CONFLICTS OF INTEREST

RHB Investment Bank Berhad, its subsidiaries (including its regional offices) and associated companies, ("RHBIB Group") form a diversified financial group, undertaking various investment banking activities which include, amongst others, underwriting, securities trading, market making and corporate finance advisory.

As a result of the same, in the ordinary course of its business, any member of the RHBIB Group, may, from time to time, have business relationships with, hold any positions in the securities and/or capital market products (including but not limited to shares, warrants, and/or derivatives), trade or otherwise effect transactions for its own account or the account of its customers or perform and/or solicit investment, advisory or other services from any of the subject company(ies) covered in this research report.

While the RHBIB Group will ensure that there are sufficient information barriers and internal controls in place where necessary, to prevent/manage any conflicts of interest to ensure the independence of this report, investors should also be aware that such conflict of interest may exist in view of the investment banking activities undertaken by the RHBIB Group as mentioned above and should exercise their own judgement before making any investment decisions.

In Singapore, investment research activities are conducted under RHB Bank Berhad (Singapore branch), and the disclaimers above similarly apply.

Malaysia

Save as disclosed in the following link [RHB Research conflict disclosures – July 2021](#) and to the best of our knowledge, RHBIB hereby declares that:

1. RHBIB does not have a financial interest in the securities or other capital market products of the subject company(ies) covered in this report.
2. RHBIB is not a market maker in the securities or capital market products of the subject company(ies) covered in this report.
3. None of RHBIB's staff or associated person serve as a director or board member* of the subject company(ies) covered in this report
**For the avoidance of doubt, the confirmation is only limited to the staff of research department*
4. RHBIB did not receive compensation for investment banking or corporate finance services from the subject company in the past 12 months.
5. RHBIB did not receive compensation or benefit (including gift and special cost arrangement e.g. company/issuer-sponsored and paid trip) in relation to the production of this report.

Thailand

Save as disclosed in the following link [RHB Research conflict disclosures – July 2021](#) and to the best of our knowledge, RHB Securities (Thailand) PCL hereby declares that:

1. RHB Securities (Thailand) PCL does not have a financial interest in the securities or other capital market products of the subject company(ies) covered in this report.
2. RHB Securities (Thailand) PCL is not a market maker in the securities or capital market products of the subject company(ies) covered in this report.
3. None of RHB Securities (Thailand) PCL's staff or associated person serve as a director or board member* of the subject company(ies) covered in this report
**For the avoidance of doubt, the confirmation is only limited to the staff of research department*
4. RHB Securities (Thailand) PCL did not receive compensation for investment banking or corporate finance services from the subject company in the past 12 months.
5. RHB Securities (Thailand) PCL did not receive compensation or benefit (including gift and special cost arrangement e.g. company/issuer-sponsored and paid trip) in relation to the production of this report.

Indonesia

Save as disclosed in the following link [RHB Research conflict disclosures – July 2021](#) and to the best of our knowledge, PT RHB Sekuritas Indonesia hereby declares that:

1. PT RHB Sekuritas Indonesia and its investment analysts, does not have any interest in the securities of the subject company(ies) covered in this report. For the avoidance of doubt, interest in securities include the following:
 - a) Holding directly or indirectly, individually or jointly own/hold securities or entitled for dividends, interest or proceeds from the sale or exercise of the subject company's securities covered in this report*;
 - b) Being bound by an agreement to purchase securities or has the right to transfer the securities or has the right to pre subscribe the securities*.
 - c) Being bound or required to buy the remaining securities that are not subscribed/placed out pursuant to an Initial Public Offering*.
 - d) Managing or jointly with other parties managing such parties as referred to in (a), (b) or (c) above.
2. PT RHB Sekuritas Indonesia is not a market maker in the securities or capital market products of the subject company(ies) covered in this report.
3. None of PT RHB Sekuritas Indonesia's staff** or associated person serve as a director or board member* of the subject company(ies) covered in this report.
4. PT RHB Sekuritas Indonesia did not receive compensation for investment banking or corporate finance services from the subject company in the past 12 months.
5. PT RHB Sekuritas Indonesia** did not receive compensation or benefit (including gift and special cost arrangement e.g. company/issuer-sponsored and paid trip) in relation to the production of this report:

Notes:

*The overall disclosure is limited to information pertaining to PT RHB Sekuritas Indonesia only.

**The disclosure is limited to Research staff of PT RHB Sekuritas Indonesia only.

Singapore

Save as disclosed in the following link [RHB Research conflict disclosures – July 2021](#)

and to the best of our knowledge, the Singapore Research department of RHB Bank Berhad (Singapore branch) hereby declares that:

1. RHB Bank Berhad, its subsidiaries and/or associated companies do not make a market in any issuer covered by the Singapore research analysts in this report.
2. RHB Bank Berhad, its subsidiaries and/or its associated companies and its analysts do not have a financial interest (including a shareholding of 1% or more) in the issuer covered by the Singapore research analysts in this report.
3. RHB Bank Berhad's Singapore research staff or connected persons do not serve on the board or trustee positions of the issuer covered by the Singapore research analysts in this report.
4. RHB Bank Berhad, its subsidiaries and/or its associated companies do not have and have not within the last 12 months had any corporate finance advisory relationship with the issuer covered by the Singapore research analysts in this report or any other relationship that may create a potential conflict of interest.
5. RHB Bank Berhad's Singapore research analysts, or person associated or connected to it do not have any interest in the acquisition or disposal of, the securities, specified securities based derivatives contracts or units in a collective investment scheme covered by the Singapore research analysts in this report.

6. RHB Bank Berhad's Singapore research analysts do not receive any compensation or benefit in connection with the production of this research report or recommendation on the issuer covered by the Singapore research analysts.

Analyst Certification

The analyst(s) who prepared this report, and their associates hereby, certify that:
(1) they do not have any financial interest in the securities or other capital market products of the subject companies mentioned in this report, except for:

Analyst	Company
-	-

(2) no part of his or her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.



KUALA LUMPUR

RHB Investment Bank Bhd
Level 3A, Tower One, RHB Centre
Jalan Tun Razak
Kuala Lumpur 50400
Malaysia
Tel : +603 9280 8888
Fax : +603 9200 2216

JAKARTA






PT RHB Sekuritas Indonesia
Revenue Tower, 11th Floor, District 8 - SCBD
Jl. Jendral Sudirman Kav 52-53
Jakarta 12190
Indonesia
Tel : +6221 509 39 888
Fax : +6221 509 39 777

BANGKOK

RHB Securities (Thailand) PCL
10th Floor, Sathorn Square Office Tower
98, North Sathorn Road, Silom
Bangrak, Bangkok 10500
Thailand
Tel: +66 2088 9999
Fax :+66 2088 9799

SINGAPORE

RHB Bank Berhad (Singapore branch)
90 Cecil Street
#04-00 RHB Bank Building
Singapore 069531

ช่วงคะแนน Score	สัญลักษณ์ Rang Number of Logo	ความหมาย	Description
90 - 100		ดีเลิศ	Excellent
80 - 89		ดีมาก	Very Good
70 - 79		ดี	Good
60 - 69		พอใช้	Satisfactory
50 - 59		ผ่าน	Pass
ต่ำกว่า 50	No logo give	N/A	N/A

Website: www.thai-iod.com

IOD (IOD Disclaimer)

ผลสำรวจการกำกับดูแลกิจการบริษัทจดทะเบียนที่แสดงไว้นี้ เป็นผลที่ได้จากการสำรวจและประเมินข้อมูลของบริษัทจดทะเบียนในตลาดหลักทรัพย์แห่งประเทศไทย และตลาดหลักทรัพย์ เอ็ม เอ ไอ (“บริษัทจดทะเบียน”) เปิดเผยต่อสาธารณะและเป็นข้อมูลให้ผู้ลงทุนทั่วไปสามารถเข้าถึงได้ ผลสำรวจดังกล่าวจึงเป็นการนำเสนอข้อมูลในมุมมองของบุคคลภายนอกต่อมาตรฐานการกำกับดูแลกิจการของบริษัทจดทะเบียน โดยไม่ได้เป็นการประเมินผลการปฏิบัติงานหรือการดำเนินการของบริษัทจดทะเบียนอื่นทั้งมิได้ใช้ข้อมูลภายในของบริษัทจดทะเบียนในการประเมิน ดังนั้นผลสำรวจที่แสดงนี้จึงไม่ได้เป็นการรับรองถึงผลการปฏิบัติงานหรือการดำเนินการของบริษัทจดทะเบียนและไม่ถือเป็นการให้คำแนะนำในการลงทุนในหลักทรัพย์ของบริษัทจดทะเบียนหรือคำแนะนำใดๆ ผู้ใช้ข้อมูลจึงควรใช้วิจารณญาณของตนเองในการวิเคราะห์และตัดสินใจในการใช้ข้อมูลใดๆ ที่เกี่ยวกับบริษัทจดทะเบียนที่แสดงในผลสำรวจนี้

ทั้งนี้บริษัทหลักทรัพย์ อาร์เอชบี (ประเทศไทย) จำกัด (มหาชน) มิได้ยืนยันหรือรับรองถึงความครบถ้วนและถูกต้องของผลสำรวจดังกล่าวแต่อย่างใด

ข้อมูล Anti-Corruption Progress Indicator 2560

ประกาศเจตนารมณ์ CAC

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

ได้รับการรับรอง CAC

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

N/A

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

Source: Thai Institute of Directors

ข้อมูลบริษัทที่เข้าร่วมโครงการแนวร่วมปฏิบัติของภาคเอกชนไทยในการต่อต้านทุจริต (Thai CAC) ของสมาคมส่งเสริมสถาบันกรรมการบริษัทไทย (ข้อมูล ณ วันที่ 17 ต.ค.)

- ได้ประกาศเจตนารมณ์เข้าร่วม CAC
- ได้รับการรับรอง CAC

การเปิดเผยการประเมินดัชนีชี้วัดความคืบหน้าการป้องกันกรมีส่วนเกี่ยวข้องกับการทุจริตคอร์รัปชัน (Anti-Corruption Progress Indicators) ของบริษัทจดทะเบียนในตลาดหลักทรัพย์แห่งประเทศไทยที่จัดทำโดยสถาบันที่เกี่ยวข้องซึ่งมีการเปิดเผยโดยสำนักงานคณะกรรมการกำกับหลักทรัพย์และตลาดหลักทรัพย์นี้เป็นการดำเนินการตามนโยบายและตามแผนพัฒนาความยั่งยืนสำหรับบริษัทจดทะเบียนโดยผลการประเมินดังกล่าว สถาบันที่เกี่ยวข้องอาศัยข้อมูลที่ได้รับจากบริษัทจดทะเบียนที่บริษัทจดทะเบียนได้ระบุในแบบแสดงข้อมูลเพื่อการประเมิน Anti-Corruption ซึ่งอ้างอิงข้อมูลมาจากแบบแสดงรายงานข้อมูลประจำปี แบบ (56-1) รายงานประจำปีแบบ (56-2) หรือในเอกสารหรือรายงานอื่นที่เกี่ยวข้องซึ่งเป็นบุคคลภายนอก โดยมีได้เป็นการประเมินการปฏิบัติของบริษัทจดทะเบียนในตลาดหลักทรัพย์แห่งประเทศไทยและมิได้ใช้ข้อมูลภายในเพื่อการประเมิน เนื่องจากผลการประเมินดังกล่าวเป็นเพียงผลการประเมิน ณ วันที่ ปรากฏในผลการประเมินเท่านั้น ดังนั้นผลการประเมินจึงอาจเปลี่ยนแปลงได้ภายหลังวันดังกล่าว หรือรับรองความถูกต้องครบถ้วนของผลประเมินดังกล่าวได้อย่างใด