

The Bangchak Petroleum

Plan to rebalance earnings mix back towards oil marketing and renewable energy businesses

THAILAND | SET | ENER | COMPANY VISIT

BLOOMBERG BCP TB | REUTERS BCP.BK

16 November 2016

Plan to rebalance earnings mix back towards oil marketing and renewable energy businesses

Management has laid out a plan to rebalance its earnings mix back towards oil marketing and renewable energy businesses in a bid to cushion the impact of earnings volatility from refinery business which is currently a key earnings contributor for BCP. The share of EBITDA from refinery, oil marketing and renewable energy businesses is expected to be equal split compared to 42%, 31% and 24% of total EBITDA in 9MFY16 respectively.

To this end, more upside would come from oil marketing and renewable energy businesses in addition to the 3E (efficiency, energy and environment) project in the refinery business, which includes the construction of a power plant, the replacement of obsolete units with efficient continuous catalyst regeneration (CRR) technology and capacity de-bottlenecking.

In oil marketing business, the upside would not only come from the expansion of its petrol station network but also from the addition of new 'SPAR' CVSs in non-oil business. Currently BCP has a network of more than 1,000 petrol stations across the country and ranks second in terms of market share at around 15%. Its strategic partnership with SPAR should also give its non-oil business a further boost. SPAR operates a multi-format retail strategy in more than 40 countries around the globe. BCP plans to boost its 'SPAR' CVS count from 7 in FY16 to as high as 380 in FY21. Each store requires around 300 sqm of space to sell food, beverage as well as fresh fruit and vegetable products. The move is expected to be a key long term catalyst for sales growth for non-oil business, which currently comes from *Inthanin* coffee shop, *Lemon Kitchen* restaurant and *Mini Big C* CVSs. Management has guided that sales from non-oil business will rise sharply to Bt15bn in FY21 from an estimate of Bt2bn in FY16 and the share of EBITDA from non-oil business will triple to 30% in FY21 from an estimate of 10% in FY16.

The upside from renewable energy business would largely come from its 70.35% owned BCPG as it has a plan to boost its total installed power generation capacity to 1,000 MW in FY20 from the current 418 MW. The plan calls for new investments in solar, wind and geothermal energy in Asia in addition to its existing solar farms in Thailand and Japan. Note that 138 MW and 196 MW out of the current total contracted and installed capacity of 324 MW and 418 MW respectively came online at end-Sep 2016.

'BUY' rating with Bt38/share target price

In our view, further expansion into oil marketing and renewable energy businesses would help cushion the impact of earnings volatility from refinery business caused by uncertainty over GRM and oil prices. We repeat a 'BUY' rating on BCP shares with a Bt38/share target price.

Buy (Maintain)

Closing Price(Bt) 32.25
Target Price(Bt) 38.00 (+22.17%)

COMPANY DATA

O/S Shares (mn):	1,377
Market Cap. (Btmn):	44,406
Market Cap. (USDmn):	1,255
52-WK Hi/Lo (Bt):	37/27.5
3M Average Daily T/O (mn):	7.24
Par Value (Bt):	1.00

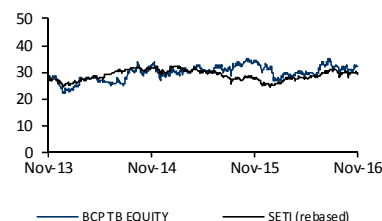
MAJOR SHAREHOLDERS (%) 09 September 2016

1. VAYUPAK FUND1	15.6
2. SOCIAL SECURITY OFFICES	14.3
3. FINANCE MINISTRY	10.0

PRICE PERFORMANCE (%)

	1MTH	3MTH	1YR
ABS	4%	-2%	-6%
REL TO SET INDEX	4%	3%	-12%

PRICE VS SET INDEX



Source: Bloomberg, PSR

KEY FINANCIALS

FYE Dec	FY14	FY15	FY16E	FY17E
Sales(Btmn)	183,016	151,140	141,008	163,249
Net Profit(Btmn)	696	4,151	4,711	4,804
EPS (Bt)	0.51	3.01	3.42	3.49
P/E (X)	63.8	10.7	9.4	9.2
BVPS (Bt)	24.19	25.77	27.39	29.71
P/B (X)	1.3	1.3	1.2	1.1
DPS (Bt)	1.00	2.00	1.37	1.40
Dividend Yield (%)	3.1	6.2	4.2	4.3
ROE (%)	2.05	12.07	12.87	12.22
Debt/Equity (X)	1.29	1.30	1.44	1.30

Source: Company, PSR Est.

**Multiples and yields are based on latest closing price

VALUATION METHOD

SOTP

Ornmongkol Tantitanatorn

Capital Market Investment Analyst #34100

Tel: 66 2 635 1700 #491

Ref. No.: CO2016_0718

Financials

Income Statement

FYE Dec, Btmn	FY14	FY15	FY16E	FY17E
Revenue	183,016	151,140	141,008	163,249
EBITDA	5,122	11,081	11,083	12,146
Depreciation & Amortisation	-3,313	-4,708	-5,126	-5,268
EBIT	1,809	6,373	5,956	6,877
Net Finance (Expense)/Inc	-1,427	-1,615	-1,416	-1,636
Other items	709	65	652	536
Associates & JVs	5	12	0	0
Exceptional items	-1,157	-65	0	0
Profit Before Tax	-61	4,770	5,192	5,776
Taxation	691	-673	-537	-502
Profit After Tax	629	4,097	4,655	5,275
Non-controlling Interest	67	53	56	-471
Net Income, reported	696	4,151	4,711	4,804
Net Income, adj.	22	3,973	4,711	4,804

Per share data

FYE Dec, Bt	FY14	FY15	FY16E	FY17E
EPS, reported	0.51	3.01	3.42	3.49
EPS, adj.	0.02	2.89	3.42	3.49
DPS	1.00	2.00	1.37	1.40
BVPS	24.19	25.77	27.39	29.71

Balance Sheet

FYE Dec, Btmn	FY14	FY15	FY16E	FY17E
Cash	7,954	7,872	3,169	2,695
Investments	623	4,519	4,519	4,519
Accounts Receivables	7,095	5,977	6,624	6,889
Inventories	14,059	13,945	15,133	17,496
Others	2,564	1,488	1,488	1,488
Total current assets	32,294	33,800	30,933	33,086
PPE	38,136	40,044	54,832	55,065
Intangibles	1,648	2,779	1,547	1,506
Associates & JVs	762	774	774	774
Investments	783	788	788	788
Others	3,342	3,758	3,758	3,758
Total non-current assets	44,671	48,143	61,699	61,891
Total Assets	76,966	81,942	92,632	94,977
Short term loans	0	0	0	0
Accounts Payables	8,134	7,749	10,899	9,681
Others	3,176	2,740	3,043	3,035
Total current liabilities	11,309	10,489	13,941	12,716
Long term loans	29,832	32,675	37,735	37,642
Others	1,858	2,795	2,795	2,795
Total non-current liabilities	31,690	35,470	40,530	40,437
Non-controlling interests	657	502	447	917
Shareholder Equities	33,309	35,481	37,713	40,906

Source: Company Data, PSR est

**Based on latest closing price

Cash Flow

FYE Dec, Btmn	FY14	FY15	FY16E	FY17E
CFO				
PBT	629	4,097	4,655	5,275
Adjustments	5,894	6,429	5,664	5,770
WC changes	300	2,184	1,458	-3,850
Cash generated from ops	6,823	12,710	11,777	7,195
Others	-755	-677	-537	-502
Cashflow from ops	6,068	12,033	11,240	6,693
CFI				
CAPEX, net	-7,337	-4,591	-19,874	-5,460
Others	-2,705	-6,751	1,191	0
Cashflow from investments	-10,042	-11,343	-18,683	-5,460
CFF				
Share issuance	0	0	0	0
Loans, net of repayments	8,733	2,762	5,219	-96
Dividends	-1,946	-2,039	-2,478	-1,611
Others	-1,439	-1,615	0	0
Cashflow from financing	5,348	-893	2,741	-1,707
Net change in cash	1,374	-202	-4,703	-474
Effects of exchange rates	53	120	0	0
CCE, end	7,954	7,872	3,169	2,695

Valuation Ratios

FYE Dec	FY14	FY15	FY16E	FY17E
P/E (X), adj.**	n.m.	11.2	9.4	9.2
P/B (X), adj.**	1.3	1.3	1.2	1.1
Dividend Yield (%)	3.1	6.2	4.2	4.3

Growth

FYE Dec, %	FY14	FY15	FY16E	FY17E
Revenue	-1.88	-17.42	-6.70	15.77
EBITDA	-52.37	116.34	0.02	9.59
EBIT	-77.17	252.36	-6.53	15.46
Net Income, adj.	-99.51	n.m.	18.57	1.97

Margins

FYE Dec, %	FY14	FY15	FY16E	FY17E
EBITDA margin	2.80	7.33	7.86	7.44
EBIT margin	0.99	4.22	4.22	4.21
Net Profit Margin	0.38	2.75	3.34	2.94

Key Ratios

FYE Dec	FY14	FY15	FY16E	FY17E
ROE (%)	2.05	12.07	12.87	12.22
ROA (%)	0.92	5.22	5.40	5.12
Net Debt/(Cash) (Btmn)	21,878	24,803	34,566	34,947
Net Gearing (X)	0.46	0.46	0.55	0.53

Fact Sheet

GENERAL INFORMATION

Address: 555/1 Energy Complex Building A,
Floor 10th Vibhavadi Rangsit
Road, Chatuchak, Bangkok

Tel: 66 2 140 8999

Fax: 66 2 140 8900

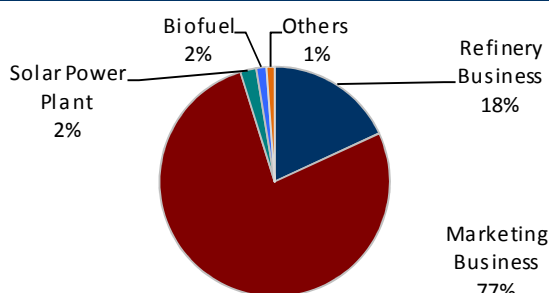
URL: <http://www.bangchak.co.th>

Market/Sector: Energy & Utilities

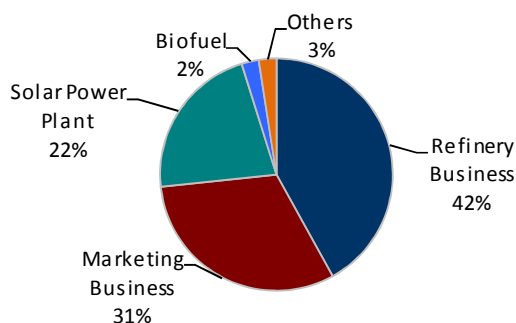
BUSINESS DESCRIPTION

BCP operates four major business segments: (i) refinery - a crude oil refinery complex in Bangkok with a total nameplate capacity of 120k bpd, (ii) renewable energy - palm-based biodiesel plant in Ayutthaya Province, cassava-based ethanol plant in Ubon Ratchathani Province and solar farms through its 70.35%-owned BCPG, (iii) marketing - distribution of finished products through its retail service stations under the 'Bangchak' brand to both retail and industrial consumers, and (iv) petroleum exploration and production through NIDO - petroleum fields currently in production: Galoc, Nido and Matinloc in Philippines, petroleum field under development: West Linapacan in Philippines and petroleum field under exploration: Gurita in Indonesia.

REVENUE BREAKDOWN as of 30 September 2016



EBITDA BREAKDOWN as of 30 September 2016



Source: Company, PSR

RISK FACTORS

1. Volatile crude oil prices
2. Petroleum supply glut
3. Unplanned maintenance shutdowns

KEY DEVELOPMENT

-Yr 2015 PTT sold its entire 27.22% stake in BCP to VAYU1 (15.25%) and Social Security Office (11.97%). Nido Petroleum Limited, a subsidiary of BCP upped its stake in Galoc Production Company WLL (GPC) to 55.88% from 22.88%. BCP divested its entire 10.66% stake in ASEAN Potash Chaiyaphum to S Group AEC (Thailand).

-Yr 2014BCP's refinery was shut down for 46 days for a major turnaround from May 1-Jun 15. BCP had generated and distributed power through PV generation to fulfill the 118-MW amount under the PPA since Nov and acquired 81.4% of ASX-listed Nido Petroleum Limited which was engaged in oil and gas exploration and production in Southeast Asia.

-Yr 2013BCP signed a long-term exclusive partnership deal with BIGC to open Mini Big C stores in Bangchak petrol stations, acquired 21.28% of Ubon Bioethanol in Ubon Ratchathani. Ubon Bioethanol, which had a capacity to produce 400,000 liters a day of cassava and molasses-based ethanol started commercial production in Jan.

KEY FINANCIAL SUMMARY

Btmn	3Q16	2Q16	1Q16	4Q15	3Q15
Sales	36,686	37,262	30,276	35,136	35,203
Gross profit	2,912	4,276	949	2,039	2,085
Net profit	1,178	2,417	47	(112)	432
Assets	96,303	89,786	81,956	81,942	81,333
Liabilities	53,237	52,466	45,970	45,959	44,978
Equities	38,429	36,936	35,555	35,481	35,719
EPS (Bt)	0.86	1.76	0.03	(0.08)	0.31
BVPS (Bt)	27.91	26.82	25.82	25.77	25.94
GPM (%)	8%	11%	3%	6%	6%
NPM (%)	3%	6%	0%	0%	1%

Source: Company, PSR

PEER COMPARISON * updated on 15 November 2016

Company name	as of	Mkt Cap. (Btmn)	P/E (x)	P/BV (x)	Div Yield (%)
Bangchak Petroleum PCL/The					
BCP TB	9/16	44,406	12.5	1.3	5.6
PTT PCL					
PTT TB	9/16	962,573	12.8	1.4	3.0
Thai Oil PCL					
TOP TB	9/16	146,882	7.7	1.6	4.6
Star Petroleum Refining PCL					
SPRC TB	9/16	53,332	6.2	1.5	6.5

Source: Bloomberg, PSR

*Data based on trailing 12 months earnings, book value and dividend per share

Corporate Governance - 2016



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	PS	MBK	MCOT	MINT	MONO	NKI
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	AMANAH
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	CI MBT	CKP	CM
CNS	CNT	COL	CPI	DCC	EA	ECF	EE	ERW	FORTH
FPI	GBX	GC	GCAP	GL	GLOBAL	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	PB	PCSGH
PDI	PE	PG	PJW	PLANB	PM	PPP	PR	PRANDA	PREB
PRG	PRINC	PT	PTG	PYLON	Q-CON	RICHY	ROBINS	RS	RWI
S	S & J	SABINA	SALEE	SAMCO	SCG	SEAFCO	SFP	SIAM	SINGER
SIS	SMK	SMPC	SMT	SNP	SPI	SPPT	SPRC	SR	SSF
SST	STA	SUSCO	SUTHA	SWC	SYMC	SYNEX	SYNTEC	TAE	TAKUNI
TASCO	TBSP	TCC	TF	TFI	TGCI	THAI	THANA	THANI	THIP
THRE	THREL	TICON	TIPCO	TK	TKS	TMC	TMI	TMILL	TMT
TNITY	TNL	TOG	TPC	TPCORP	TRC	TRU	TRUE	TSE	TSR
TSTE	TSTH	TTA	TTW	TVD	TVO	TWPC	UAC	UP	UPF
VIH	VNT	WINNER	YUASA	ZMICO					



AEC	AEONTS	AF	AIRA	AIT	AJ	AKR	AMARIN	AMATAV	AMC
APURE	AQUA	ARROW	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	IRCP	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	SEA OIL	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
TIPL	TPOLY	TRITN	TRT	TTI	TVI	TWP	U	UBIS	UMI
UPOIC	UT	UWC	VIBHA	VPO	VTE	WICE	WIJK	WIN	XO

Results Presentation

Score Range

- < 50%
- 50-59%
- 60-69%
- 70-79%
- 80-89%
- 90-100%

Number of Logo



The disclosure of the survey result of the Thai Institute of Directors Association (IOD) regarding corporate governance is made pursuant to 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 disclosure to the public and able to be accessed by a general public investor. The results, therefore, is from the perspective of a third party. It is not an evaluation 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 data. Phillip Securities (Thailand) of securities company does not confirm nor certify the accuracy of such survey result.

Anti-corruption indicators

Level 5 (Extended)

BCP	CPN	GYT	PE	PM	PPP	PT	PTT	PTTGC	SAT	scc
THANI	TOP									

Level 4 (Certified)

DCC	DTC	DRT	EASTW	ECL	EGCO	ERW	FSS	GCAP	HANA	HTC
INTUCH	IRPC	IVL	KBANK	KCE	KGI	KKP	KTB	LANNA	LHBANK	MTI
NKI	PSL	PTG	PTTEP	SABINA	SCB	SNC	SNP	SSF	SSSC	TCAP
THCOM	TISCO	TMB	TMD	TNITY	TOG					

Level 3 (Established)

Level 3A: Declaration to join CAC, etc

ABC	ACAP	ADVANC	AGE	AH	AMANAHA	ANAN	AP	APCS	APURE	AS
ASIA	ASIAN	ASIMAR	BIGC	BROOK	BTS	BWG	CEN	CENDEL	CFRESH	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	IFEC	INOX	INSURE	IRC	JAS	JTS	JUBILE
KC	KTC	KYE	LHK	LPN	LRH	MAKRO	MC	MCOT	MFC	MFEC
MINT	MJD	MONO	MOONG	NBC	MSC	NDR	NINE	NMG	NSI	NTV
OGC	PACE	PCSGH	PDI	PG	PHOL	PLAT	PPS	PR	PRANDA	PREB
PS	QLT	RATCH	RML	ROBINS	ROJNA	RWI	SAMCO	SCCC	SCG	SEAOIL
SE-ED	SENA	SINGER	SITHAI	SMK	SMPC	SPALI	SPC	SPCG	SPI	SRICHA
SSI	STANLY	SUPER	SVI	SYMC	SYNEX	SYNTEC	TASCO	TCMC	TFI	THAI
THRE	THREL	TICON	TKT	TLUXE	TMILL	TMT	TNL	TPCORP	TSTE	TSTH
TTCL	TU	TVI	UOBKH	UREKA	VGI	VNT	WACOAL	WHA	ZMICO	

Level 3B: Organization's statement but no declaration to join CAC, etc

AAV	AHC	AIT	AKR	ARROW	ASK	BA	BDMS	BEC	BJCHI	BUI
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	SVI	T
TBSP	TAE	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 2 (Declared)

2S	ABICO	AF	AKP	AMARIN	AMATA	AOT	APCO	AYUD	BEAUTY	BFIT
BH	BKD	BLAND	BTNC	CCP	CI	CSR	CSS	EFORL	EPCO	FE
FNS	FVC	GEL	GLOBAL	HEMRAJ	IEC	IFS	INET	JUTHA	KASET	KCAR
KKC	KSL	L&E	LALIN	LTX	M	MALEE	MBK	MBKET	MEGA	MK
MPG	MTLS	NCH	NCL	NPP	OCC	OCEAN	PB	PCA	PRINC	QH
ROCK	RPC	S & J	SGP	SIAM	SIS	SKR	SMG	SMIT	SORKON	SUSCO
TAKUNI	TEAM	TF	TIC	TIP	TIPCO	TMC	TMI	TTP	TRT	TRU
TRUE	TSC	TSI	TTW	TVD	TVO	UKEM	UNIQ	UWC	VNG	WIKI
WIN	XO									

Level 1 (Committed)

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

Data not available/No policy

A	ACC	AJD	AQ	BCH	BGT	BROCK	BSM	BTC	CHUO	CRANE
CPR	EIC	FER	JMART	JMT	KAMART	KBS	KIAT	LDC	MCS	METCO
MBAX	NEW	NEWS	NYT	PAE	PDG	PERM	PMTA	RCL	RICHY	ROH
POST	S	SIMAT	TCB	TR	TSF	TVT				

Anti-corruption indicators

Level 5 : Extended

Anti-corruption policies extend to business partners, dealers, and distributors.

Level 4 : Certified

Anti-corruption policies can be engaged by audit committee and auditors approved by the SEC.

Anti-corruption policies are certified by CAC and independent assurance providers.

Level 3 : Established

Anti-corruption corruption policies cover anti-bribery, and communications and educating all employees anti-corruption policies.

Level 3A Public out statement to join CAC, etc.

Level 3B Declare statement and organization's anti-corruption policies but no intention to join CAC, etc.

Level 2 : Declared

Declare statement to participate CAC against corruption.

Level 1 : Committed

Organization and Board of Directors' statements against corruption and not getting involve in any malpractices.

Assessment

Anti-corruption progress indicator for listed companies is a part of SEC's commitment to create sustainability in anti-corruption and to become a role model to any

related business. The progress indicators comprise of five levels: 1) Committed, 2) Declared, 3) Established, 4) Certified, and 5) Extended. These indicators will

encourage listed firms to formulate anti-corruption policies to opt out of corruption, and investors can determine their investment based on anti-corruption indicator

or avoid investment in listed firms that could get involve in corruption.

Industry Group

Name	Sector Name	Sector Index
Agro & Food Industry[AGRO]	Agribusiness	AGRI
	Food & Beverage	FOOD
Consumer Products[CONSUMP]	Fashion	FASHION
	Home & Office Products	HOME
	Personal Products & Pharmaceuticals	PERSON
Financials [FINCIAL]	Banking	BANK
	Finance & Securities	FIN
	Insurance	INSUR
Industrials [INDUS]	Automotive	AUTO
	Industrial Materials & Machinery	IMM
	Packaging	PKG
	Paper & Printing Materials	PAPER
	Petrochemicals & Chemicals	PETRO
	Steel	STEEL
Property & Construction[PROPCON]	Construction Materials	CONMAT
	Construction Services	CONS
	Property Development	PROP
	Property Fund & REITs	PF&REIT
Resources [RESOURC]	Energy & Utilities	ENERG
	Mining	MINE
Services [SERVICE]	Commerce	COMM
	Media & Publishing	MEDIA
	Health Care Services	HELTH
	Tourism & Leisure	TOURISM
	Professional Services	PROF
	Transportation & Logistics	TRANS
Technology [TECH]	Electronic Components	ETRON
	Information & Communication Technology	ICT

PSR Rating System

Capital Gain	Recommendation
> 15%	BUY
> 5% - 15%	ACCUMULATE / TRADING BUY
> 0% - 5%	NEUTRAL
0 <=	SELL

Remarks

We do not base our recommendations entirely on the above quantitative return bands. We consider qualitative factors like (but not limited to) a stock's risk reward profile, market sentiment, recent rate of share price appreciation, presence or absence of stock price catalysts, and speculative undertones surrounding the stock, before making our final recommendation

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