

Neutral **Maintained**

Price as of 11 Jun 2024	9.10
12M target price (Bt/shr)	9.50
Unchanged/Revised up(down)(%)	(6.9)
Upside/downside (%)	4.40

Key messages

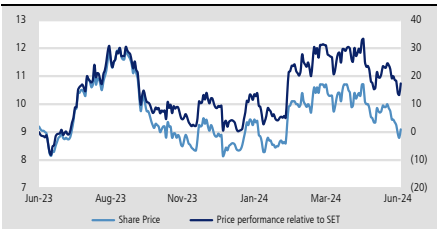
ด้วยเหตุจากกำไรใน 1Q67 ทำให้ไม่ย่อมา เราจึงปรับลดกำไรปี 2567F และ ปี 2568F ลงราว 40% และ 35% ตามลำดับ แต่อย่างไรก็ดี เรามองว่าผลการดำเนินงานใน 2Q67F น่าจะเพิ่มขึ้นด้วยแรงหนุนของเงินปันผลรับจาก GULF ส่วนกำไรหลักใน 2H67 น่าจะยังทยอยดีขึ้นด้วยรายได้สูงขึ้นจากโรงไฟฟ้าโซลาร์ 5 แห่งและโครงการก่อสร้างรถไฟฟ้า MRT สายสีม่วง (ฝั่งใต้) ซึ่งอยู่ระหว่างการก่อสร้างและ STEC คาดว่าจะได้รับงานรับเหมาก่อสร้างในมือ (backlog) เพิ่มอีกมูลค่าราว 4.0-5.0 หมื่นล้านบาทในปีนี้ นอกจากนี้ ส่วนแบ่งขาดทุนจากบริษัทในเครือที่เดินรถไฟฟาสายสีเหลืองและสายสีชมพูจะค่อย ๆ หนุนแนวโน้มกำไรในอีก 2-3 ปีข้างหน้า ทั้งนี้ เราคงคำแนะนำถือ ประเมินราคาเป้าหมาย SOTP ใหม่ที่ 9.50 บาท จากเดิม 10.20 บาท

Mkt cap (Btbn/US\$m)	14/451
Outstanding shares (mn)	1,525
Foreign ownership (mn)	235
3M avg. daily trading (mn)	5
52-week trading range (Bt)	8.2-12.0
Performance (%)	3M 6M 12M
Absolute	-14.2 7.7 -0.5
Relative	-9.8 12.9 17.3

Quarterly EPS

EPS	Q1	Q2	Q3	Q4
2022	0.15	0.11	0.09	0.18
2023	0.11	0.10	0.08	0.03
2024	0.01			

Share price chart




Source: SET

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Sino-Thai Engineering and Construction

(STEC.BK/STEC TB)



กำไรชะลอตัวแต่คาดหวังสูงจากการลงทุนรอบใหม่ของภาครัฐ

Event

ปรับประมาณการกำไรและอัตรากำไร

Impact

เงินปันผลรับจากสัดส่วนการถือหุ้นใน GULF จะช่วยหนุนกำไรใน 2Q67

กำไรสุทธิใน 1Q67 แยกอยู่ที่ 12 ล้านบาท โดยลดลง -93% YoY และ -84% QoQ หลัก ๆ เนื่องจาก i) รับรู้สัดส่วนขาดทุนก้อนใหญ่ที่ 146 ล้านบาทจากบริษัทในเครือที่เดินรถไฟฟาสายสีเหลืองและสายสีชมพู และ ii) ต้นทุนรายจ่ายในการจัดหาเงินทุนและภาษีแรงค้ำเพิ่มขึ้น อย่างไรก็ตาม เรามองว่า กำไรใน 2Q67 น่าจะฟื้นตัว QoQ ด้วยแรงหนุนจากเงินปันผลรับมูลค่าเกือบ 200 ล้านบาทจากการถือหุ้นใน Gulf Energy Development (GULF.BK/GULF TB)* ขณะที่ ธุรกิจหลักใน 2H67 น่าจะยังทยอยดีขึ้นด้วยการมีรายได้สูงขึ้นจากโรงไฟฟ้าพลังงานโซลาร์ 5 แห่งและ โครงการรถไฟฟ้า MRT สายสีม่วง (ฝั่งใต้)

ปรับลดประมาณการกำไรปี 2567F-2568F ลง

เราปรับลดประมาณการกำไรปี 2567F และ 2568F ลงราว 40% และ 35% ตามลำดับ หลัก ๆ เกิดจากการรับรู้สัดส่วนขาดทุนสูงกว่าคาดจากบริษัทในเครือที่ทำการเดินรถไฟฟาสายสีเหลืองและสายสีชมพู (Figure 1) ทั้งนี้ จำนวนผู้โดยสารรถไฟฟาสายสีเหลืองและสายสีชมพูยังคงอยู่ที่ 50-60% ต่ำกว่าระดับจุดคุ้มทุนที่ 1 แสนคนต่อวันต่อหนึ่งเส้นทาง โดยเราคงประมาณการรายได้ปี 2567F ที่ 3.1 หมื่นล้านบาท (+5% YoY) และอัตรากำไรขั้นต้นที่ 5% โกลดเคียง guidance ของบริษัท ขณะที่ สัดส่วนขาดทุนจากบริษัทในเครือที่เดินรถไฟฟาสายสีเหลืองและสีชมพู จะยังคงดันต่อกำไรสุทธิในอีก 3-5 ปีข้างหน้า

คาดหวังได้งานมูลค่าสูงจากโครงการใหม่ ๆ ของภาครัฐ

STEC คาดว่าจะได้งานโครงการใหม่ ๆ มูลค่ารวมราว 4.5-5.0 หมื่นล้านบาท (โดย 3% ของมูลค่ารวมได้เซ็นสัญญาไปแล้วใน 1Q67) และมีโอกาสได้โครงการภาครัฐและเอกชนอีก 12% ของมูลค่าที่จะเปิดประมูลภายในปีนี้ เมื่อเร็ว ๆ นี้ STEC ได้ยื่นประมูลก่อสร้างลานวิ่งเครื่องบินแห่งที่สองที่สนามบินอู่ตะเภา (สนามบินแห่งที่สามของประเทศไทย) มูลค่าราว 1.5 หมื่นล้านบาทในเดือน พ.ค.67 ทั้งนี้ เมืองโครงการการบินที่อู่ตะเภา (STEC ถือหุ้นอยู่ราว 20%) มูลค่า 2.9 แสนล้านบาท น่าจะเดินหน้าได้เมื่อโครงการรถไฟฟ้างวดความเร็วสูงได้เชื่อมต่อกับสนามบินทั้ง 3 แห่งซึ่งได้รับการพัฒนาโดยกลุ่มซีพีที่ดำเนินการต่อ โดยที่ STEC คาดจะได้งานมูลค่าราว 2.7 หมื่นล้านบาทจากโครงการอู่ตะเภาดังกล่าวนี้ อย่างไรก็ตาม STEC ซึ่งเคยร่วมงานกับ CH Kamchang (CK.BK/CK TB)* ในการบุกเบิกงานก่อสร้างรถไฟฟ้าสายสีส้ม (ฝั่งตะวันออก) อาจได้รับงานอีกหากการก่อสร้างในฝั่งตะวันตกเดินหน้าได้หลังจากที่คำตัดสินสุดท้ายจากศาลปกครองสูงสุดประกาศออกมาในวันที่ 12 มิ.ย. 67

Valuation & Action

ตามประมาณการใหม่ของเรา กำไรปี 2567F จะแยกลงราว 50% YoY ก่อนจะฟื้นตัว 35% ในปีหน้ากรณีทีโครงการต่าง ๆ ภาครัฐได้เดินหน้าต่อ ทั้งนี้ เราคงคำแนะนำถือ ประเมินราคาเป้าหมาย SOTP ใหม่ที่ 9.50 บาท (ประกอบด้วยการดำเนินงานของ STEC ที่ 4.50 บาทบนสมมติฐานที่ -0.5 SD ของกาเฉลี่ย PE ปี 2567-68F ที่ 22x และถือ 5.0 บาทจากสัดส่วนการลงทุน 1.9% ใน GULF)

Risks

ความรวดเร็วในอัตราการเติบโตของ GDP ความล่าช้าจากการอนุมัติของคณะรัฐมนตรีและการเริ่มดำเนินการโครงการใหม่ ๆ การแก้ไขสัญญาต่าง ๆ การปรับเปลี่ยนระเบียบต่าง ๆ การเพิ่มขึ้นของอัตราดอกเบี้ย และการปรับเพิ่มขึ้นของค่าแรงงาน

Key financials and valuations

	Dec - 21A	Dec - 22A	Dec - 23A	Dec - 24F	Dec - 25F
Revenue (Btmn)	27,675	30,326	29,598	31,081	33,259
Gross Profit (Btmn)	1,275	1,534	1,299	1,609	1,723
SG&A (Btmn)	675	779	834	839	931
Net Profit (Btmn)	711	857	528	264	356
Normalized Profit (Btmn)	694	821	504	239	336
EPS (Bt)	0.47	0.56	0.35	0.17	0.23
Normalized EPS (Bt)	0.46	0.54	0.33	0.16	0.22
DPS (Bt)	0.30	0.25	0.30	0.20	0.25
EPS Growth (%)	(35.0)	20.6	(38.5)	(49.9)	34.7
Normalized EPS Growth	(20.0)	18.3	(38.6)	(52.5)	40.4
P/E (X)	31.5	24.2	24.3	51.3	38.1
P/B (X)	1.3	1.0	0.7	1.0	1.0
EV/EBITDA (X)	9.4	6.9	9.0	9.0	8.1
Net Debt to Equity (%)	-23.4	-35.2	3.4	25.3	19.0
Dividend Yield (%)	2.0	1.8	3.6	2.2	2.8
Return on Average Equity (%)	4.1	4.3	2.9	2.0	2.7

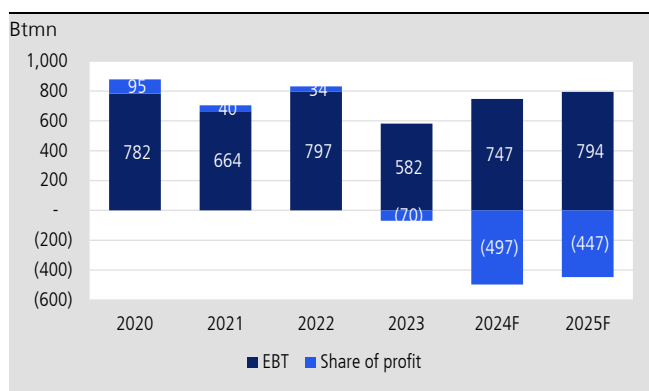
Source: Company data, KGI Securities Research

*The Company may be issuer of Derivative Warrants on these securities.

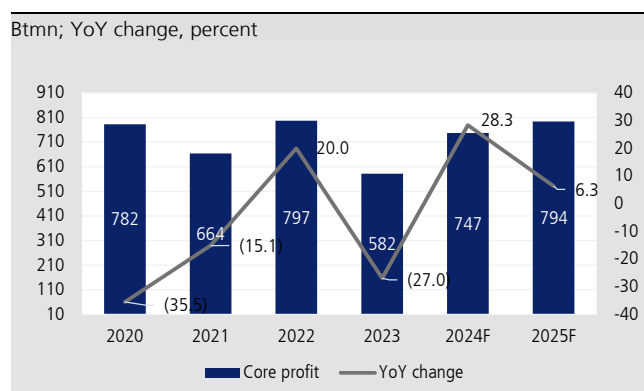
Figure 1: STEC's earnings revision

Year to 31 Dec (Btm)	2024F Previous	2024F New	Chg (%)	2025F Previous	2025F New	Chg (%)
Total revenue	31,081	31,081	0.0	34,965	33,259	(4.9)
Construction service	31,004	31,004	0.0	34,879	33,174	(4.9)
Rental and service revenue	78	78	0.4	86	86	(0.4)
Gross profit	1,609	1,609	(0.0)	1,756	1,723	(1.9)
Share income	-365	-497	36.1	-353	-447	26.5
Net profit	439	264	(39.8)	549	356	(35.1)
Key financials	2024F Previous	2024F New	Chg (ppts)	2025F Previous	2025F New	Chg (ppts)
Total gross margin (%)	5.2	5.2	(0.0)	5.0	5.2	0.2
SG&A to sales (%)	2.7	2.7	0.0	2.6	2.8	0.2
Net margin (%)	1.4	0.8	(0.6)	1.6	1.0	(0.6)

Source: Company data, KGI Securities Research

Figure 2: Breakdown of bottom line


Source: Company data, KGI Securities Research

Figure 3: Core profit excluding share of profit/(loss) from associates


Source: Company data, KGI Securities Research

Figure 4: High potential government/private projects likely to come out in 2024

	Project	Contract value (Btbn)	Status
1H24			
Motorways	Chatuchote-LamLukka (Cabinet approval in Mar-23)	19-20	Bid winner will be named soon
Double track railway	Khon Kaen - Nong Khai section (Cabinet approval in Oct-23)	29	Bidding is expected in 2Q24
2H24-Fast track under Transport Minister's list			
Motorway	Utraphimuk Elevated, Rangsit-Bang Pa-In (M5)*	28	EIA approved and bidding is expected in 2024
	Bang Khun Thian-Bang Bua Thong (M9)*	56	Bidding is expected in 2024
Expressway	Kratuu-Patong	18	EXAT to submit final proposal to MOT
Commuter trains	Dark Red line 3 sections	29	SRT to submit final proposal to MOT
Airports	Suvarnabhumi Airport east expansion	7-10	Bidding is expected in 2024
Total		186-190	
Other government projects			
Double Track Railway	Jira Junction-Ubonratchathani	36.5	Propose the Cabinet in 1H24 and bidding within 2024
MRT	Orange Line (West): Civil + M&E work	85	Signing&construction within 2024
Motorway (STEC's target)	Srinakarin Elevated-Suvarnabhumi (M7)	4.5	Propose the Cabinet in 1H24 and bidding within 2024
Expressway (STEC's target)	Expressway N2 (Prasertmanukit-Outer Ring Road East section)	17	Propose the Cabinet in 1H24 and bidding within 2024
Others (CK's target)	Bridge over Songkhla Lake	5	Waiting for a New Cabinet Approval
	Koh Lanta Bridge 2 (Lanta Island - Krabi Mainland)	2	Waiting for a New Cabinet Approval
	Roadside rest area Sriracha M7 Chonburi-Pattaya	3.7	
	Roadside rest area BangLamoong M7 Pattaya-Maptaput	2.5	New projects under the fast track list
Grand total		342-346	

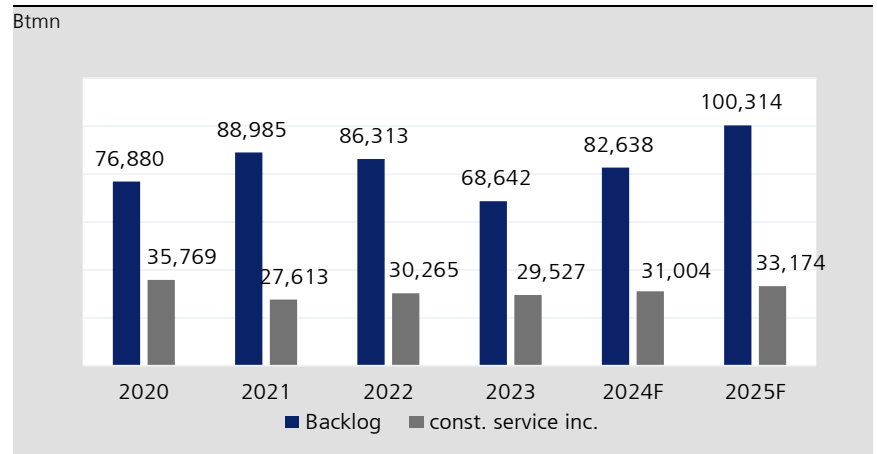
 Source: Company data, KGI Securities Research
 Environmental Impact Assessment (EIA), Expressway Authority of Thailand (EXAT), Ministry of Transport (MOT)

Figure 5: STEC's targeted projects

STEC's targeted projects	Bt bn	
Data Center	7.2	STEC's subsidiary
Others	14	Projects from private company
Renewable power plants	6	STEC's expertise
U-Tapao aviation city	27	UTA is a JV of BA, BTS, STEC
Total	54.2	

Source: Company data, KGI Securities Research

Figure 6: STEC's backlog and construction service income



Source: Company data, KGI Securities Research

Backlog excludes Bt27bn worth of U-Tapao aviation project

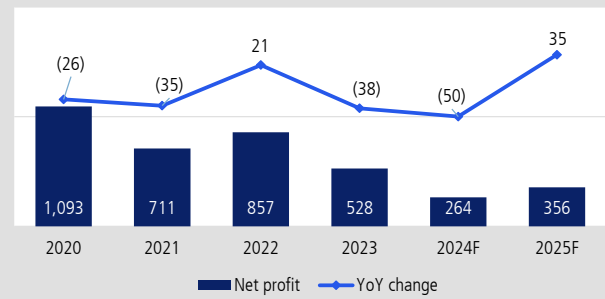
Figure 7: Company profile

Sino-Thai Engineering & Construction (STEC) is one of the top three construction companies in the country and is active at the regional level. STEC's comprehensive track record on large infrastructure, such as mass transit, and industrial project e.g. petrochemical and power plant, helps sustain its high backlog and allow its earnings to grow continuously. It also owns 15% in the operator of yellow and pink city monorail lines as well as 20% in the expansion of U-Tapao airport.

Source: Company data

Figure 8: Net profit

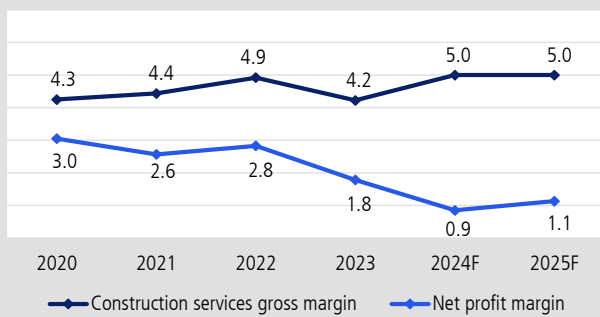
Net profit, Btmn (LHS); YoY change, percent (RHS)



Source: Company data, KGI Securities Research

Figure 9: Margins

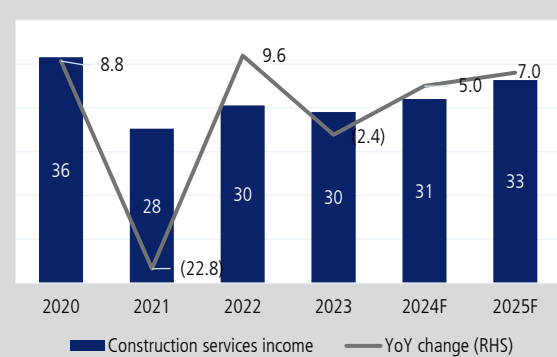
Construction services gross margin and net margin, percent



Source: Company data, KGI Securities Research

Figure 10: Construction services income

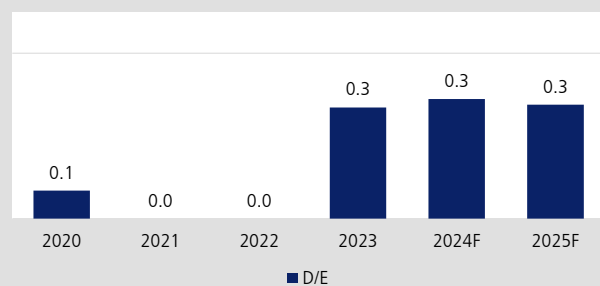
Btbn (LHS); YoY change, percent (RHS)



Source: Company data, KGI Securities Research

Figure 11: D/E ratio

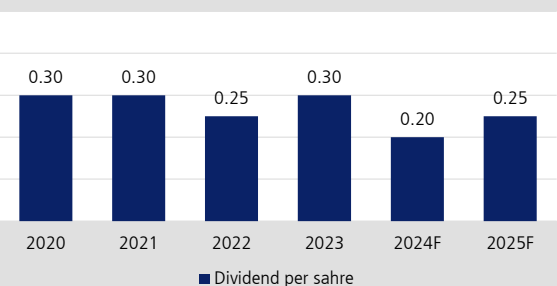
Times



Source: Company data, KGI Securities Research

Figure 12: Company dividend per share (DPS)

Bt



Source: Company data, KGI Securities Research

Figure 13: Company trading P/E

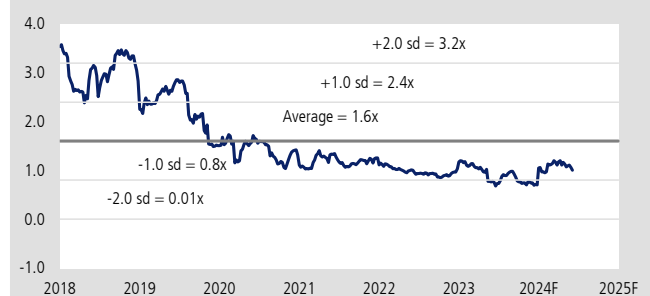
Times



Source: KGI Securities Research

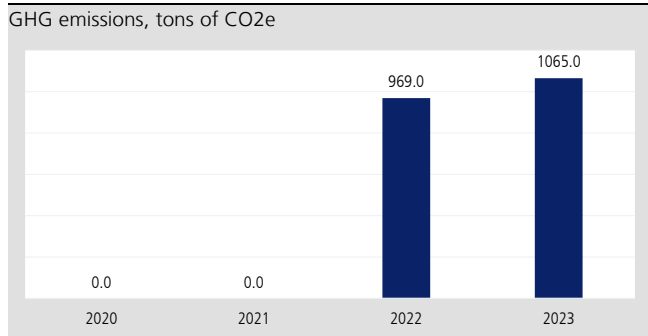
Figure 14: Company trading P/BV

Times



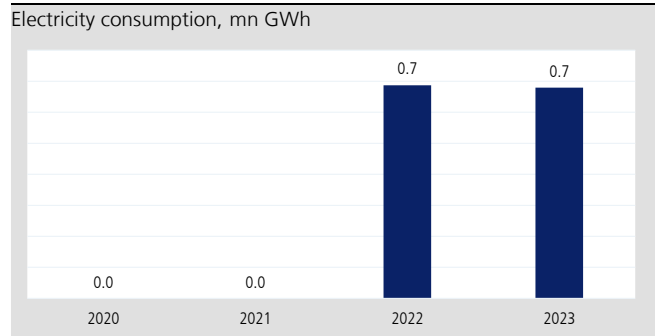
Source: KGI Securities Research

Figure 15: Total GHG emissions



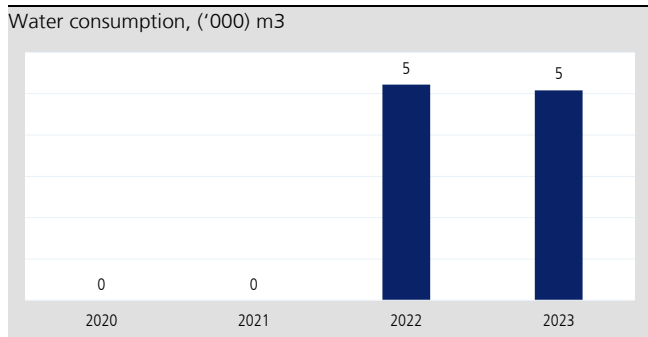
Source: Company data, SETSMART, KGI Securities Research

Figure 16: Total electricity consumption



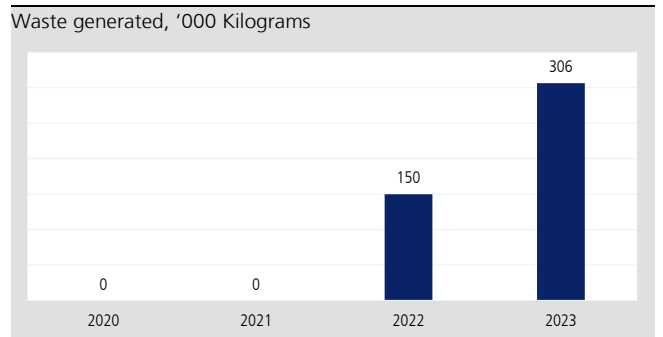
Source: Company data, SETSMART, KGI Securities Research

Figure 17: Total water consumption



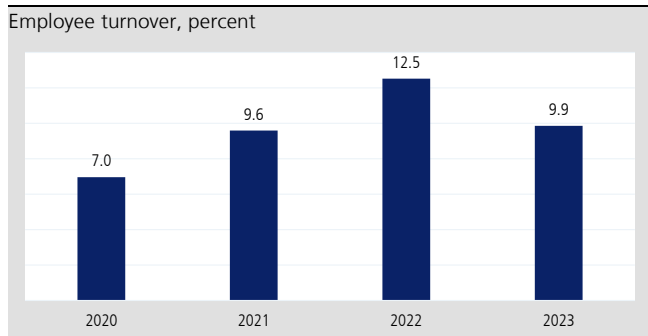
Source: Company data, SETSMART, KGI Securities Research

Figure 18: Total waste



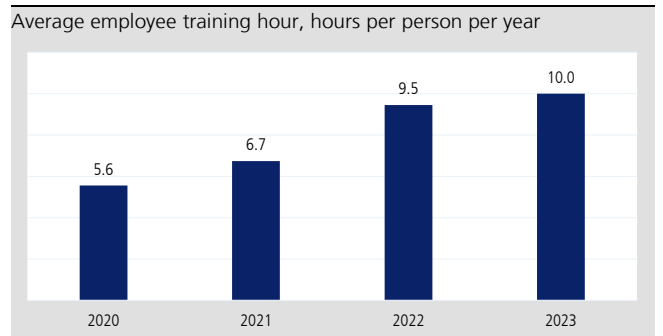
Source: Company data, SETSMART, KGI Securities Research

Figure 19: Employee turnover



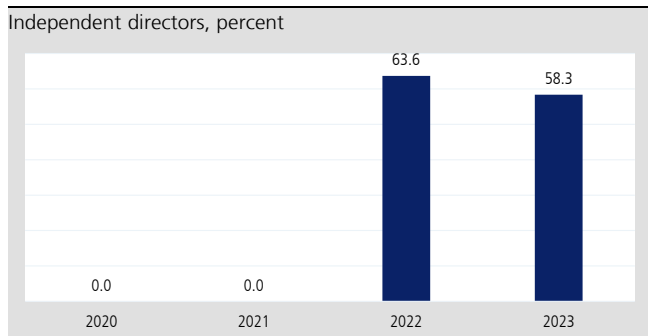
Source: Company data, SETSMART, KGI Securities Research

Figure 20: Average employee training hours



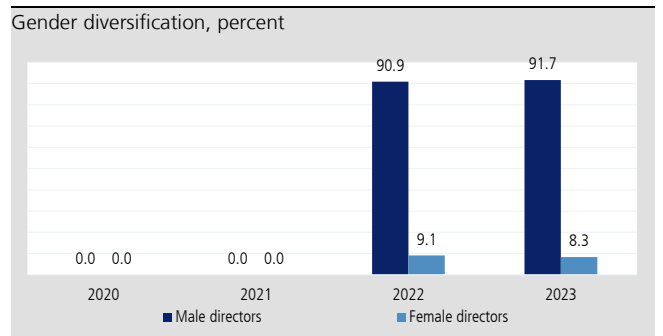
Source: Company data, SETSMART, KGI Securities Research

Figure 21: Proportion of independent directors



Source: Company data, SETSMART, KGI Securities Research

Figure 22: Gender diversification of directors



Source: Company data, SETSMART, KGI Securities Research

Balance Sheet

As of 31 Dec (Bt mn)	2021	2022	2023A	2024F	2025F
Total Assets	46,622	50,790	47,449	43,858	45,437
Current Assets	20,084	22,099	20,636	17,053	18,668
Cash & ST Investment	4,057	6,993	4,242	492	1,145
Inventories	352	352	440	462	486
Account Receivable	2,171	1,507	2,570	2,590	2,772
Others	13,504	13,249	13,384	13,509	14,265
Non-current Assets	26,538	28,690	26,813	26,804	26,769
LT Investment	4,981	4,945	4,707	4,942	5,190
Net fixed Assets	5,431	4,938	4,968	3,928	3,830
Others	16,127	18,807	17,138	17,934	17,750
Total Liabilities	29,255	30,900	29,377	30,525	32,119
Current Liabilities	26,191	27,472	26,698	27,649	29,022
Account Payable	5,432	8,118	8,725	9,162	9,620
ST Borrowing	650	324	5,082	4,160	3,981
Others	20,110	19,030	12,891	14,328	15,421
Long-term Liabilities	3,064	3,428	2,680	2,876	3,097
Long-term Debts	0	0	0	0	0
Others	3,064	3,428	2,680	2,876	3,097
Shareholders' Equity	17,367	19,889	18,072	13,332	13,318
Common Stock	1,525	1,525	1,525	1,525	1,525
Capital Surplus	2,097	2,097	2,097	2,097	2,097
Retained Earnings	8,800	9,276	9,369	9,329	9,304

Source: KGI Securities Research

Key Ratios

Year to 31 Dec	2021	2022	2023A	2024F	2025F
Growth (%YoY)					
Sales	(22.8)	9.6	(2.4)	5.0	7.0
OP	(23.2)	19.8	(37.9)	58.4	3.3
EBITDA	7.7	2.9	(25.0)	26.1	5.2
NP	(35.0)	20.6	(38.5)	(49.9)	34.7
Normalized Profit	(20.0)	18.3	(38.6)	(52.5)	40.4
EPS	(35.0)	20.6	(38.5)	(49.9)	34.7
Normalized EPS	(20.0)	18.3	(38.6)	(52.5)	40.4
Profitability (%)					
Gross Margin	4.6	5.1	4.4	5.2	5.2
Operating Margin	2.6	2.8	1.8	2.7	2.6
EBITDA Margin	7.2	6.7	5.2	6.2	6.1
Net Margin	2.6	2.8	1.8	0.9	1.1
ROAA	1.5	1.7	1.1	0.6	0.8
ROAE	4.1	4.3	2.9	2.0	2.7
Stability					
Gross Debt/Equity (%)	168.5	155.4	162.6	229.0	241.2
Net Debt/Equity (%)	(23.4)	(35.2)	3.4	25.3	19.0
Interest Coverage (x)	25.6	50.5	16.9	7.7	8.0
Interest & ST Debt Coverage (x)	1.3	2.9	0.1	0.2	0.3
Cash Flow Interest Coverage (x)	120.0	219.4	(126.0)	23.9	16.0
Cash Flow/Interest & ST Debt (x)	5.9	12.7	(1.1)	0.8	0.6
Current Ratio (x)	0.8	0.8	0.8	0.6	0.6
Quick Ratio (x)	0.8	0.8	0.8	0.6	0.6
Net Debt (Bt mn)	(4,057.4)	(6,992.8)	619.8	3,368.0	2,536.1
Per Share Data (Bt)					
EPS	0.5	0.6	0.3	0.2	0.2
Normalized EPS	0.5	0.5	0.3	0.2	0.2
CFPS	2.6	2.9	(3.6)	2.2	1.5
BVPS	11.4	13.0	11.8	8.7	8.7
SPS	18.1	19.9	19.4	20.4	21.8
EBITDA/Share	1.3	1.3	1.0	1.3	1.3
DPS	0.3	0.3	0.3	0.2	0.3
Activity					
Asset Turnover (x)	0.6	0.6	0.6	0.7	0.7
Days Receivables	28.6	18.1	31.7	30.4	30.4
Days Inventory	4.9	4.5	5.7	5.7	5.6
Days Payable	75.1	102.9	112.5	113.5	111.3
Cash Cycle	-41.6	-80.3	-75.2	-77.3	-75.3

Source: KGI Securities Research

Profit & Loss

Year to Dec 31 (Btmn)	2021	2022	2023A	2024F	2025F
Revenue	27,675	30,326	29,598	31,081	33,259
Cost of Goods Sold	(26,400)	(28,792)	(28,299)	(29,473)	(31,537)
Gross Profit	1,275	1,534	1,299	1,609	1,723
Operating Expenses	(675)	(779)	(834)	(839)	(931)
Other Incomes	119	106	70	78	83
Operating Profit	719	861	535	847	875
Depreciation of fixed assets	(1,129)	(1,038)	(805)	(860)	(897)
Operating EBITDA	1,984	2,042	1,532	1,931	2,032
Non-Operating Income	136	143	192	225	260
Interest Income	43	39	42	31	33
Other Non-op Income	93	104	150	194	227
Non-Operating Expense	(33)	(20)	(43)	(139)	(142)
Interest Expense	(33)	(20)	(43)	(139)	(142)
Other Non-op Expense	0	0	0	0	0
Equity Income/(Loss)	40	34	(70)	(497)	(447)
Pretax Profit	878	1,054	637	461	566
Current Taxation	(158)	(187)	(102)	(187)	(198)
Minorities	(10)	(9)	(8)	(10)	(11)
Extraordinaries items	17	36	23	25	20
Net Profit	711	857	528	264	356
Normalized Profit	694	821	504	239	336
EPS (Bt)	0.47	0.56	0.35	0.17	0.23
Normalized EPS (Bt)	0.46	0.54	0.33	0.16	0.22

Source: KGI Securities Research

Cash Flow

Year to 31 Dec (Bt mn)	2021	2022	2023A	2024F	2025F
Operating Cash Flow	4,012	4,361	(5,432)	3,312	2,281
Net Profit	711	857	528	264	356
Depreciation & Amortization	1,129	1,038	805	860	897
Change in Working Capital	2,219	2,526	(6,819)	1,706	590
Others	(47)	(61)	54	482	438
Investment Cash Flow	(4,335)	(2,756)	277	(1,126)	(1,068)
Net CAPEX	(1,219)	(473)	(574)	(29)	(1,026)
Change in LT Investment	(3,611)	(2,425)	1,393	(1,276)	(243)
Change in Other Assets	495	142	(542)	179	201
Free Cash Flow	(323)	1,605	(5,155)	2,186	1,213
Financing Cash Flow	864	1,330	2,404	(5,936)	(560)
Change in Share Capital	0	0	0	0	0
Net Change in Debt	(1,070)	(326)	4,757	(922)	(179)
Change in Other LT Liab.	2,392	2,037	(1,919)	(4,710)	0
Net Cash Flow	541	2,935	(2,751)	(3,750)	653

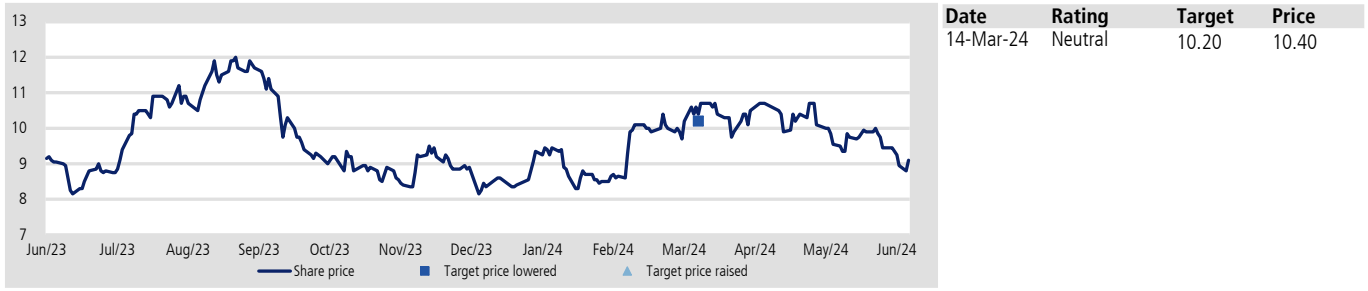
Source: KGI Securities Research

Rates of Return on Invested Capital

Year	1-	COGS Revenue	+ Depreciation Revenue	+ Operating Exp. Revenue	= Operating Margin
2021		95.4%	4.0%	2.4%	-1.9%
2022		94.9%	3.4%	2.6%	-0.9%
2023		95.6%	2.7%	2.8%	-1.1%
2024F		94.8%	2.7%	2.7%	-0.3%
2025F		94.8%	2.7%	2.8%	-0.3%
Year	1/	Working Capital Revenue	+ Net PPE Revenue	+ Other Assets Revenue	= Capital Turnover
2021		(0.2)	0.2	1.5	0.7
2022		(0.2)	0.2	1.5	0.7
2023		(0.2)	0.2	1.4	0.7
2024F		(0.3)	0.1	1.3	0.9
2025F		(0.3)	0.1	1.3	0.9
Year		Operating Margin	x Capital Turnover	x Cash Tax Rate	= After-tax Return on Inv. Capital
2021		-1.9%	0.7	18.0%	-0.2%
2022		-0.9%	0.7	17.8%	-0.1%
2023		-1.1%	0.7	16.0%	-0.1%
2024F		-0.3%	0.9	40.4%	-0.1%
2025F		-0.3%	0.9	35.1%	-0.1%

Source: KGI Securities Research

Sino-Thai Engineering and Construction – Recommendation & target price history



Source: KGI Securities Research

Company's ESG details

Environment

- Environmental impact of projects - At end 2023, STEC's backlog comprised 7% from environmental projects and 9% from power plant projects while revenue comprised 1% from environmental projects and 28% from power plant projects.
-Environmental projects include wastewater treatment projects, water supply projects, flood prevention, and pipeline installations whereas power & energy projects are mainly very small power producers (VSPP) projects of renewable energy such as solar farms, wind farms, biomass power plants, and waste to energy plants.
- Pollution & Waste - The company has consistent measures to deal with air/noise/water/pollution during construction.
- Reduce paper consumption in offices by 5% by 2025. Re-use 50% of materials in constructing workers' campsite
- Natural resources - Headquarters took measures to campaign for the reduction of use of water, paper, and electricity.
- Environmental awareness - The company is aware of the importance of the environment and has carried out a variety of activities to encourage employees and stakeholders to be aware of the impacts of business operations on the environment through meetings, training sessions, seminars and media of the company.

Social

- Human capital - Voluntary welfare programs such as Provident Fund, Life, and Accident Insurance, Loyalty Reward, Sino-Thai Scholarship, Annual Health Check-Up, Uniforms, Funeral Assistance Fund.
- The company is heavily supportive of developing its employees through the use of many training programs and courses with a focus on managerial skill development, technical knowledge skill, individual development plan.
- Average 10 training hours for 2900 staff in 2023
- External communities - In 2023, the Company found no complaints and no breaches according to human rights violations
- Donations to support victims of natural disaster, building collapse, medical relief, and infrastructure development
-The company has started the "Sino-Thai Payback to the Society" project in 2002 by constructing school buildings, library buildings, multipurpose buildings, offering scholarships and educational equipment to schools and educational institutions.
- In the "Trade Old Paper for New Paper" Project, the Company reduces paper use, uses paper cost-effectively, and recycles paper in the recycling process in the form of paper furniture.
- Employee safety - Courses for employee safety in the workplace are widely accessible for all levels of employees.
- The company has received several awards for safety performance i.e., success in work operation without lost time accidents at the Gulf Sriracha power plant, Gulf Pluak Daeng project, Thai Oil clean fuel project.
-The company has organized training on safety at work for all workers before starting work, change jobs, change worksites, or replace machinery or equipment which may cause danger to life, body, mental or health of workers.
- Injury frequency rate ratio (2023): 1.5, 1.471 in 2022, 1.676 in 2021

Governance

- The company maintains annual "Excellent" CG scoring From Thai Institute of Directors Association (IOD)

Climate Management (Being the subset of Environment)

- Climate change goals: Reduced by 2% in 2027, Reduced by 8% in 2036, Reduced by 20% in 2050. Archive carbon neutrality by 2050.

Source: Company data, KGI Securities Research

SET ESG Ratings

Stock	Company name	SET ESG Ratings	Stock	Company name	SET ESG Ratings
ADVANC	ADVANCED INFO SERVICE	AAA	KTC	KRUNGTHAI CARD	AAA
AMATA	AMATA CORPORATION	AAA	LH	LAND AND HOUSES	A
AOT	AIRPORTS OF THAILAND	A	MAJOR	MAJOR CINEPLEX GROUP	AA
AP	AP (THAILAND)	AA	MEGA	MEGA LIFESCIENCES	A
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	AA	MINT	MINOR INTERNATIONAL	AA
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	AA	MTC	MUANGTHAI CAPITAL	A
BANPU	BANPU	AAA	OR	PTT OIL AND RETAIL BUSINESS	AAA
BBGI	BBGI	AA	ORI	ORIGIN PROPERTY	AA
BBL	BANGKOK BANK	AA	OSP	OSOTSPA	AA
BCH	BANGKOK CHAIN HOSPITAL	AA	PLANB	PLAN B MEDIA	AA
BCP	BANGCHAK CORPORATION	AAA	PSH	PRUKSA HOLDING	BBB
BCPG	BCPG	AA	PTT	PTT	AAA
BDMS	BANGKOK DUSIT MEDICAL SERVICES	AA	PTTEP	PTT EXPLORATION AND PRODUCTION	AAA
BEM	BANGKOK EXPRESSWAY AND METRO	AA	PTTGC	PTT GLOBAL CHEMICAL	AAA
BGRIM	B.GRIMM POWER	AAA	RATCH	RATCH GROUP	AA
BPP	BANPU POWER	AAA	RBF	R&B FOOD SUPPLY	BBB
BTS	BTS GROUP HOLDINGS	AA	SAK	SAKSIAM LEASING	A
CBG	CARABAO GROUP	A	SAPPE	SAPPE	BBB
CENTEL	CENTRAL PLAZA HOTEL	A	SAT	SOMBOON ADVANCE TECHNOLOGY	AA
CK	CH. KARNCHANG	A	SAWAD	SRISAWAD CORPORATION	BBB
CKP	CK POWER	AAA	SCB	SCB X	AA
COM7	COM7	A	SCC	THE SIAM CEMENT	AAA
CPALL	CP ALL	AAA	SCCC	SIAM CITY CEMENT	AA
CPAXT	CP AXTRA	AAA	SCGP	SCG PACKAGING	AAA
CPF	CHAROEN POKPHAND FOODS	AAA	SHR	S HOTELS AND RESORTS	A
CPN	CENTRAL PATTANA	AA	SICT	SILICON CRAFT TECHNOLOGY	A
EGCO	ELECTRICITY GENERATING	AA	SMPC	SAHAMITR PRESSURE CONTAINER	AA
ERW	THE ERWAN GROUP	A	SNC	SNC FORMER	A
GFPT	GFPT	BBB	SPALAI	SUPALAI	AA
GLOBAL	SIAM GLOBAL HOUSE	AA	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION	A
GPSC	GLOBAL POWER SYNERGY	AA	STGT	SRI TRANG GLOVES (THAILAND)	AAA
GULF	GULF ENERGY DEVELOPMENT	AA	TCAP	THANACHART CAPITAL	A
HANA	HANA MICROELECTRONICS	AA	TFG	THAIFOODS GROUP	A
HENG	HENG LEASING AND CAPITAL	A	THCOM	THAICOM	AAA
HMPRO	HOME PRODUCT CENTER	AA	TISCO	TISCO FINANCIAL GROUP	AAA
INTUCH	INTOUCH HOLDINGS	AA	TOP	THAI OIL	AAA
IRPC	IRPC	AA	TTB	TMBTHANACHART BANK	AA
IVL	INDORAMA VENTURES	AA	UBE	UBON BIO ETHANOL	A
KBANK	KASIKORNBANK	AAA	VGI	VGI	AA
KEX	KERRY EXPRESS (THAILAND)	BBB	WHA	WHA CORPORATION	AAA
KKP	KIATNAKIN PHATRA BANK	BBB	WHAUP	WHA UTILITIES AND POWER	AAA
KTB	KRUNG THAI BANK	AAA	ZEN	ZEN CORPORATION GROUP	AA

Source: www.setsustainability.com

Disclaimer: The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.

Corporate Governance Report of Thai Listed Companies



Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	GFPT	GFPT	SAK	SAKSAM LEASING
ADVANC	ADVANCED INFO SERVICE	GGC	GLOBAL GREEN CHEMICALS	SAPPE	SAPPE
AEONTS	AEON THANA SINSAP (THAILAND)	GLOBAL	SIAM GLOBAL HOUSE	SAT	SOMBOON ADVANCE TECHNOLOGY
AMA	AMA MARINE	GPSC	GLOBAL POWER SYNERGY	SCB	SCB X
AMATA	AMATA CORPORATION	GULF	GULF ENERGY DEVELOPMENT	SCC	THE SIAM CEMENT
ANAN	ANANDA DEVELOPMENT	HANA	HANA MICROELECTRONICS	SCCC	SIAM CITY CEMENT
AOT	AIRPORTS OF THAILAND	HENG	HENG LEASING AND CAPITAL	SCGP	SCG PACKAGING
AP	AP (THAILAND)	HMPRO	HOME PRODUCT CENTER	SEAFECO	SEAFECO
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	INTUCH	INTOUCH HOLDINGS	SFT	SHRINKFLEX (THAILAND)
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	IRPC	IRPC	SHR	S HOTELS AND RESORTS
BANPU	BANPU	ITC	i-Tail Corporation	SICT	SILICON CRAFT TECHNOLOGY
BBGI	BBGI	IVL	INDORAMA VENTURES	SMPC	SAHAMITR PRESSURE CONTAINER
BBL	BANGKOK BANK	KBANK	KASIKORN BANK	SNC	SNC FORMER
BCH	BANGKOK CHAIN HOSPITAL	KCE	KCE ELECTRONICS	SNNP	SRIANAPORN MARKETING
BCP	BANGCHAK CORPORATION	KEX	KERRY EXPRESS (THAILAND)	SPALI	SUPALAI
BCPG	BCPG	KKP	KIATNAKIN PHATRA BANK	SPRC	STAR PETROLEUM REFINING
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KTB	KRUNG THAI BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
BEC	BEC WORLD	KTC	KRUNGTHAI CARD	STGT	SRI TRANG GLOVES (THAILAND)
BEM	BANGKOK EXPRESSWAY AND METRO	LH	LAND AND HOUSES	SUN	SUNSWEEP
BGRIM	B.GRIMM POWER	LPN	L.P.N. DEVELOPMENT	SVI	SVI
BH	BUMRUNGRAD HOSPITAL	M	MK RESTAURANT GROUP	TACC	T.A.C. CONSUMER
BPP	BANPU POWER	MAJOR	MAJOR CINEPLEX GROUP	TCAP	THANACHART CAPITAL
BTS	BTS GROUP HOLDINGS	MBK	MBK	TFG	THAIFOODS GROUP
CBG	CARABAO GROUP	MEGA	MEGA LIFESCIENCES	THCOM	THAICOM
CENTEL	CENTRAL PLAZA HOTEL	MINT	MINOR INTERNATIONAL	TIDLOR	NGERN TID LOR
CK	CH. KARNCHANG	MTC	MUANGTHAI CAPITAL	TISCO	TISCO FINANCIAL GROUP
CKP	CK POWER	OR	PTT OIL AND RETAIL BUSINESS	TKN	TAOKAENOI FOOD & MARKETING
COM7	COM7	ORI	ORIGIN PROPERTY	TOP	THAI OIL
CPALL	CP ALL	OSP	OSOTSPA	TTB	TMBTHANACHART BANK
CPAXT	CP AXTRA	PLANB	PLAN B MEDIA	UBE	UBON BIO ETHANOL
CPF	CHAROEN POKPHAND FOODS	PSH	PRUKSA HOLDING	VGI	VGI
CPN	CENTRAL PATTANA	PTT	PTT	WHA	WHA CORPORATION
DELTA	DELTA ELECTRONICS (THAILAND)	PTTEP	PTT EXPLORATION AND PRODUCTION	WHAUP	WHA UTILITIES AND POWER
DOHOM	DOHOME	PTTGC	PTT GLOBAL CHEMICAL	ZEN	ZEN CORPORATION GROUP
EGCO	ELECTRICITY GENERATING	QH	QUALITY HOUSES		
ERW	THE ERAWAN GROUP	RATCH	RATCH GROUP		



Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BSRC	BANGCHAK SRIRACHA	JMART	JAYMART GROUP HOLDINGS	SINGER	SINGER THAILAND
BTG	BETAGRO	NTSC	Nutrition SC	TNP	THANAPIRIYA
EKH	EKACHAI MEDICAL CARE	PQS	Premier Quality Starch	XO	EXOTIC FOOD
HUMAN	HUMANICA	PYLON	PYLON		



Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
IIG	I&I GROUP	SAWAD	SRISAWAD CORPORATION	SPA	SIAM WELLNESS GROUP
JMT	JMT NETWORK SERVICES	SMD	SAINTMED		

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
AU	AFTER YOU	PJW	PANJAWATTANA PLASTIC	TGE	THACHANG GREEN ENERGY
CHG	CHULARAT HOSPITAL	PLT	Pilatus Marine	TPCH	TPC POWER HOLDING
LPH	LADPRAO GENERAL HOSPITAL	PTG	PTG ENERGY	TU	THAI UNION GROUP
MENA	MENA TRANSPORT	SFLEX	STARFLEX		
NETBAY	NETBAY	SISB	SISB		

Source: www.thai-iod.com

Disclaimer: The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.

Anti-corruption Progress Indicator

Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	ROBINS	ROBINSON DEPARTMENT STORE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCC	THE SIAM CEMENT
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KBANK	KASIKORN BANK	SIRI	SANSIRI
BIGC	BIG C SUPERCENTER	KCE	KCE ELECTRONICS	SPALI	SUPALAI
CK	CH. KARNCHANG	KKP	KIATNAKIN BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DCC	DYNASTY CERAMIC	KTB	KRUNG THAI BANK	TCAP	THANACHART CAPITAL
DELTA	DELTA ELECTRONICS (THAILAND)	LPH	LADPRAO GENERAL HOSPITAL	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	PACE	PACE DEVELOPMENT CORPORATION	TMT	THAI METAL TRADE
EGCO	ELECTRICITY GENERATING	PTT	PTT	TOP	THAI OIL
GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL		

Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERAWAN GROUP	SAPPE	SAPPE
AP	ASIAN PROPERTY DEVELOPMENT	GLOW	GLOW ENERGY	SAWAD	SRISAWAD POWER 1979
BA	BANGKOK AIRWAYS	GUNKUL	GUNKUL ENGINEERING	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	ILINK	INTERLINK COMMUNICATION	SCN	SCAN INTER
BCP	THE BANGCHAK PETROLEUM	KTC	KRUNGTHAI CARD	SEAFCO	SEAFCO
BH	BUMRUNGRAD HOSPITAL	LH	LAND AND HOUSES	SVI	SVI
BJCHI	BJC HEAVY INDUSTRIES	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CBG	CARABAO GROUP	MAKRO	SIAM MAKRO	TKN	TAOKAENOI FOOD & MARKETING
CENDEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TMB	TMB BANK
CHG	CHULARAT HOSPITAL	MINT	MINOR INTERNATIONAL	TRT	TIRATHAI
CKP	CK POWER	MODERN	MODERNFORM GROUP	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
CPN	CENTRAL PATTANA	PTTEP	PTT EXPLORATION AND PRODUCTION		
DTAC	TOTAL ACCESS COMMUNICATION	PYLON	PYLON		

Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
BEM	BANGKOK EXPRESSWAY AND METRO	MTLS	MUANGTHAI LEASING	SPRC	STAR PETROLEUM REFINING
CPALL	CP ALL	SCI	SCI ELECTRIC		

No progress

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	BPP	BANPU POWER	FN	FN FACTORY OUTLET
BCPG	BCPG	BTS	BTS GROUP HOLDINGS	TPCH	TPC POWER HOLDING

Source: www.cgthailand.org

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KGI's Ratings

Rating	Definition
Outperform (OP)	The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan)..
Neutral (N)	The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan)
Under perform (U)	The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Not Rated (NR)	The stock is not rated by KGI.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances. Excess return = 12M target price/current price-
Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.

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