

**Thailand**
**HOLD** (no change)

Consensus ratings\*: Buy 8 Hold 7 Sell 1

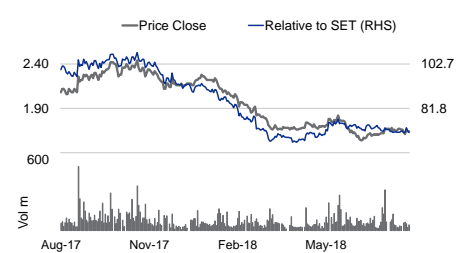
Current price:	THB1.64
Target price:	THB1.70
Previous target:	THB1.80
Up/downside:	3.7%
CGS-CIMB / Consensus:	-9.8%

Reuters:	SIRI.BK
Bloomberg:	SIRI TB
Market cap:	US\$738.3m
	THB24,375m
Average daily turnover:	US\$4.03m
	THB131.9m
Current shares o/s:	14,863m
Free float:	85.8%

\*Source: Bloomberg

**Key changes in this note**

- FY18F Share of profit from associates decreased by 28.6% but increased by 12.2-33.1% in FY19-20F.
- FY18-20F Interest expenses increased by 19.6-30.4%.
- FY18-20F EPS decreased by 5.9-9.2%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	1.2	-3	-21.9
Relative (%)	-0.6	0	-30.5

**Major shareholders**

	% held
Viriyah Insurance	6.3
UBS AG Singapore	4.7
Thai NVDR	4.7

**Analyst(s)**

**Pornthipa RAYABSANGDUAN**

T (66) 2 761 9229

E pornthipa.ra@cgs-cimb.com

# Sansiri

## Growing pain

- SIRI plans to launch 16 projects worth THB43.7bn in 2H18. The management guided for 2019 new launches to be similar to 2018's.
- Its presales YTD of THB34.2bn formed 75.9% of its full-year target of THB45bn. Management said it could raise the presales target given strong presales YTD.
- Maintain Hold with a lower TP of THB1.70 due to inferior growth outlook.
- Potential catalysts could come from faster-than-expected transfers, especially for JV projects. Risks include slower-than-expected presales and delays in new launches.

**2Q18 results below expectations**

SIRI reported a 2Q18 net profit of THB387.5m, up 53.8% qoq but down 51.9% yoy, 9.8% below our forecast and 7% below Bloomberg consensus due to higher-than-expected interest expenses and lower-than-expected share of profit from investments in associates. As expected, residential revenue increased 5.6% qoq but declined 43% yoy to THB4.27bn in 2Q18 due to lower condo transfers. Gross margin from residential sales improved to 34.1% due to higher gross margins from condos and detached houses.

**Plans to launch 16 projects in 2H18**

SIRI maintains its plan to launch 31 projects (16 low-rise housing; 15 condos) in 2018; however, it raised its launch value guidance by 11.6% to THB72.8bn due to higher value of condo launches. It plans to launch 16 projects with a total value of THB43.7bn in 2H18. It launched three condo projects under the XT brand, targeting generation Y, in early-Aug in Ekkamai (JV with Tokyu; project value: THB3.6bn; 67% sold), Huaykwang (project value: THB7.5bn; 38% sold) and Phayathai (project value: THB10.1bn; 13% sold).

**Potential upside to presales target of THB45bn in 2018**

SIRI's presales as of 15 Aug were THB34.2bn, representing 75.9% of its full-year target of THB45bn. Management said it could raise the presales target given strong presales from housing and condos YTD. Its presales picked up in 2Q18 to THB17.8bn from good feedback for new condo projects, Baan Sansiri (a flagship luxury housing project), and townhouse projects in the new segment priced at THB2m-3m/unit. Its presales momentum should continue to be strong in 2H18 supported by more condo launches.

**Expect softer qoq net profit in 3Q18**

SIRI maintains residential revenue guidance of THB23bn in 2018. We expect revenue to increase qoq in 3Q18F. However, 3Q18F net profit is likely to be slightly lower qoq dragged down by expenses related to new launches and commission paid to agents. Its earnings should peak in 4Q18 from an increase in residential revenue and share of profit from JV projects, driven by transfers of The Base Garden Rama 9 and The Line Asoke.

**To launch low-rise condos to improve visibility in 2019**

SIRI's THB30.6bn backlog as at end-2Q18 secures 75.8% and 19.7% of our FY18F and FY19F revenue forecasts, respectively. It plans to be more aggressive on low-rise housing projects to boost revenue in 2019. It also plans to launch 2-3 low-rise condo projects with a total value of THB3.6-5.4bn in early-19 and start transfers in 4Q19. This should reduce investors' concerns over the low backlog and revenue visibility in 2019.

**Maintain Hold on inferior growth outlook and limited upside**

We cut our FY18-20F core EPS by 5.9-9.2% as we change our assumptions on gross margins, interest expenses and share of profit from JVs. Our TP is cut to THB1.70, based on 8.7x FY19F P/E, +0.25 s.d. from its historical average forward P/E. We maintain Hold due to inferior growth outlook and fairly priced valuation. SIRI is likely to pay high yields of 6.5-7% in 2018-19F. We expect a core EPS CAGR of -0.8% in FY18-19F, due to a low backlog, high SG&A and share of loss from investment in The Standard.

**Financial Summary**

	Dec-16A	Dec-17A	Dec-18F	Dec-19F	Dec-20F
Total Net Revenues (THBm)	33,811	30,916	29,554	30,266	31,616
Operating EBITDA (THBm)	4,748	3,736	2,973	3,100	3,382
Net Profit (THBm)	3,380	2,825	2,632	2,880	3,569
Core EPS (THB)	0.23	0.21	0.18	0.19	0.24
Core EPS Growth	22.7%	(11.3%)	(14.1%)	9.4%	23.9%
FD Core P/E (x)	7.05	7.94	9.10	8.46	6.83
DPS (THB)	0.12	0.12	0.11	0.12	0.14
Dividend Yield	7.32%	7.32%	6.48%	7.09%	8.64%
EV/EBITDA (x)	11.73	15.86	20.80	19.36	17.90
P/FCFE (x)	8.49	NA	NA	26.32	16.61
Net Gearing	115%	117%	119%	109%	105%
P/BV (x)	0.83	0.77	0.77	0.75	0.71
ROE	12.0%	10.1%	8.5%	9.0%	10.6%
% Change In Core EPS Estimates			(8.92%)	(5.86%)	(9.20%)
CIMB/consensus EPS (x)			0.90	0.90	0.97

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

# Growing pain

## 2Q18 results review

SIRI reported a net profit of THB387.5m in 2Q18, up 53.8% qoq but down 51.9% yoy, below our and market expectations by 9.8% and 7%, respectively, due to higher-than-expected interest expenses and lower-than-expected share of profit from investments in associates.

As expected, residential revenue increased 5.6% qoq but declined 43% yoy to THB4.27bn in 2Q18 due to lower condo transfers. Low-rise housing transfers increased 12.4% qoq but declined 3.8% yoy to THB3.3bn. Meanwhile, condo transfers fell 12.3% qoq and 76.1% yoy to THB969m, mainly from 98 Wireless and The Monument Sanampao projects.

Gross margin from residential sales improved to 34.1% (vs. 33.6% in 2Q17 and 30.5% in 1Q18), above our expectation of 32.2%, from unit transfers of detached house projects and 98 Wireless project, which yielded high gross margins.

SG&A rose 16.1% qoq but was flat yoy at THB1.39bn in 2Q18 due to higher expenses related to new launches and promotions for its new brand "XT", as well as commission paid to an agent for selling condo units to foreign buyers. SG&A-to-revenue ratio increased to 25.8% in 2Q18 from 16.3% in 2Q17.

Share of profit from JVs jumped to THB113.6m in 2Q18, below our expectation of THB190m, driven by transfers of three JV projects – The Line Ratchathewi, The Line Wongsawang and The Line Jatuchak projects.

Figure 1: Results comparison

FYE Dec (THB m)	2QFY18	2QFY17	yoy %	1QFY18	qoq %	1HFY18	1HFY17	yoy %	Prev.	
			chg		chg	Cum	Cum	chg	FY18F	Comment
Revenue	5,389.2	8,524.1	(36.8)	5,032.1	7.1	10,421.3	15,517.1	(32.8)	29,554.0	In line
Operating costs	(4,994.5)	(7,231.1)	(30.9)	(4,822.9)	3.6	(9,817.5)	(13,214.9)	(25.7)	(26,631.2)	
EBITDA	394.7	1,293.0	(69.5)	209.1	88.7	603.8	2,302.3	(73.8)	2,922.8	Higher
EBITDA margin (%)	7.3	15.2	(7.8)	4.2	3.2	5.8	14.8	(9.0)	9.9	
Depn & amort.	(73.6)	(62.4)	18.0	(69.0)	6.6	(142.6)	(124.1)	14.9	(406.6)	Higher
EBIT	321.1	1,230.6	(73.9)	140.1	129.2	461.2	2,178.1	(78.8)	2,516.2	Higher
Interest expense	(152.7)	(183.7)	(16.9)	(113.2)	34.9	(265.8)	(358.9)	(25.9)	(452.5)	Higher
Interest & invt inc	195.6	116.6	67.7	202.3	(3.3)	397.9	236.2	68.4	617.4	Higher
Associates' contrib	107.6	(98.9)	(208.8)	56.6	90.3	164.2	(184.3)	(189.1)	745.0	Lower
Exceptionals	0.0	15.5	(100.0)	34.6	(100.0)	34.6	(123.0)	(128.1)	0.0	
Pretax profit	364.1	1,163.5	(68.7)	229.2	58.8	593.3	2,055.4	(71.1)	2,681.0	Higher
Tax	(85.7)	(275.7)	(68.9)	(69.3)	23.8	(155.0)	(432.0)	(64.1)	(536.2)	
Tax rate (%)	23.6	23.7	(0.1)	30.2	(6.7)	26.1	21.0	5.1	20.0	Higher
Minority interests	1.49	0.67	124.4	0.88	68.8	2.4	0.11	2,002.7	0.00	
Net profit	387.5	805.1	(51.9)	252.0	53.8	639.5	1,316.3	(51.4)	2,889.8	Below our and market expectations by 9.8% and 7% respectively due to higher-than-expected interest expense and lower-than-expected share of profit from investments in associates
Core net profit	387.5	789.6	(50.9)	217.4	78.2	604.9	1,439.2	(58.0)	2,889.8	
EPS (THB)	0.026	0.056	(53.7)	0.017	53.8	0.043	0.09	(53.3)	0.19	
Core EPS (THB)	0.026	0.055	(52.8)	0.015	78.2	0.041	0.101	(59.6)	0.19	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

1H18 net profit fell 51.4% yoy to THB639.5m, accounting for 24.3% of our full-year forecast. SIRI announced an interim dividend of THB0.04 per share, implying 93% payout ratio. XD is on 28 Aug and payment date is on 12 Sep 18.

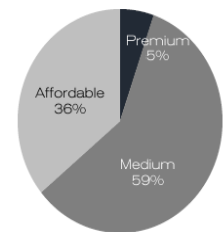
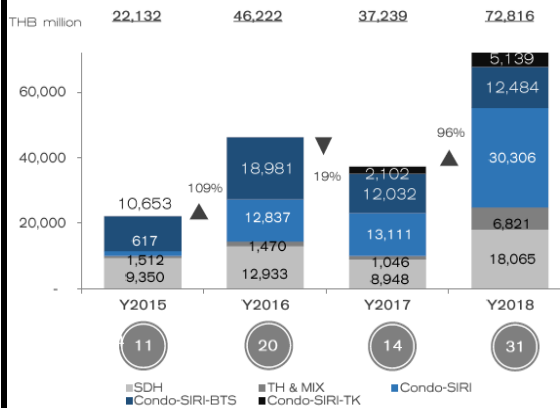
**Figure 2: Operating statistics**

	2QFY18	2QFY17	% yoy	1QFY18	% qoq	1HFY18	1HFY17	% yoy
<b>Revenue breakdown (THBm)</b>								
Revenue from low-rise housing	3,297	3,427	(3.8)	2,933	12.4	6,230	5,629	10.7
Revenue from condo	969	4,061	(76.1)	1,105	(12.3)	2,074	7,562	(72.6)
Others	0	0	n.m.	1	n.m.	1	-	n.m.
<b>Revenue from residential sales</b>	<b>4,266</b>	<b>7,488</b>	<b>(43.0)</b>	<b>4,039</b>	<b>5.6</b>	<b>8,305</b>	<b>13,191</b>	<b>(37.0)</b>
Revenue from business management	1,051	951	10.5	892	17.8	1,942	2,102	(7.6)
<b>Key performance indicators</b>								
Gross margin from residential sales (%)	34.1	33.6	0.4	30.5	3.6	32.3	33.9	(1.5)
Overall gross margin (%)	31.8	30.7	1.0	26.6	5.2	29.3	30.6	(1.3)
SG&A to revenue ratio (%)	25.8	16.3	9.5	23.8	2.0	24.9	16.6	8.3
Net margin (%)	7.2	9.4	(2.3)	5.0	2.2	6.1	8.5	(2.3)
D/E ratio (x)	1.37	1.24	0.1	1.25	0.1	1.37	1.24	0.1
Gross profit	1,713.0	2,620.8	(34.6)	1,338.8	27.9	3,051.7	4,746.3	(35.7)
Gross profit from residential sales	1,454.2	2,519.6	(42.3)	1,231.4	18.1	2,685.6	4,467.6	(39.9)
SG&A expenses	1,391.8	1,390.2	0.1	1,198.7	16.1	2,590.5	2,568.1	0.9

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 3: New project launches for 2018**

Y2018	SDH	TH & MIX	Condo			No. of project	Project value (MB)
			SIRI	SIRI-BTS	SIRI-Tokyu		
1Q2018	3	-	-	1	-	4	13,192
2Q2018	1	5	5	-	-	11	15,870
3Q2018	1	1	2	1	2	7	27,906
4Q2018	2	3	3	1	-	9	15,848
<b>No. of project</b>	<b>7</b>	<b>9</b>	<b>10</b>	<b>3</b>	<b>2</b>	<b>31</b>	
<b>Project value (MB)</b>	<b>18,065</b>	<b>6,821</b>	<b>30,306</b>	<b>12,484</b>	<b>5,139</b>	<b>72,816</b>	
<b>%</b>	<b>25%</b>	<b>9%</b>	<b>42%</b>	<b>17%</b>	<b>7%</b>	<b>100%</b>	



2018 Project Launches by Segment

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 4: Bedroom at XT Phayathai project**



SOURCE: CGS-CIMB RESEARCH, COMPANY

**Figure 5: Bathroom at XT Phayathai project**



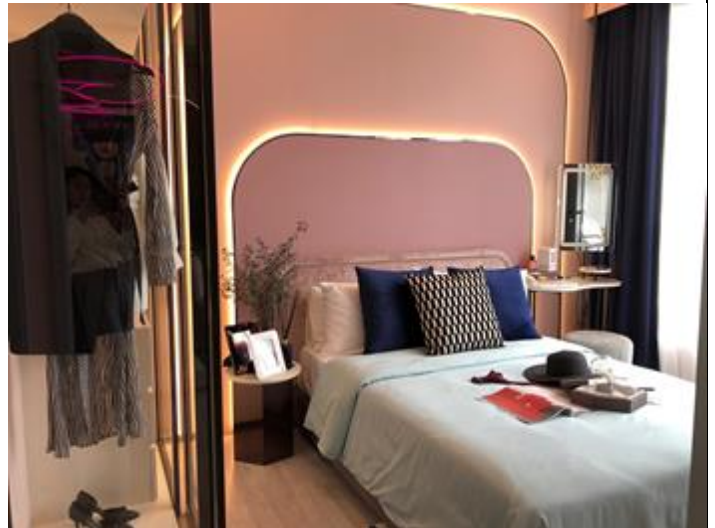
SOURCE: CGS-CIMB RESEARCH, COMPANY

**Figure 6: Living room at XT Ekkamai project**



SOURCE: CGS-CIMB RESEARCH, COMPANY

**Figure 7: Bedroom at XT Ekkamai project**



SOURCE: CGS-CIMB RESEARCH, COMPANY

**Figure 8: SIRI's forward P/E band**

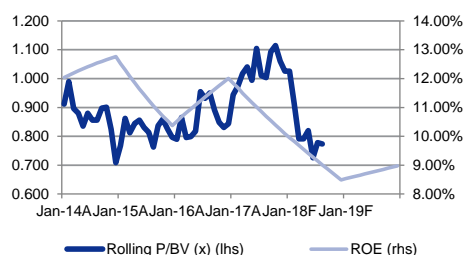
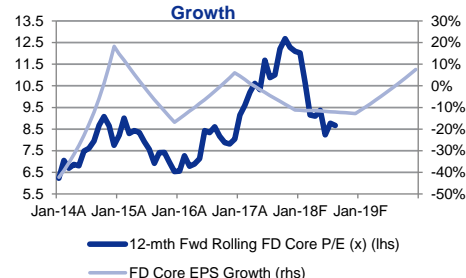


SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, BLOOMBERG

**Figure 9: Changes in key assumptions**

(THB m)	Old			New			% diff		
	2018F	2019F	2020F	2018F	2019F	2020F	2018F	2019F	2020F
Revenue from residential sales	23,007.0	22,705.4	23,989.7	23,007.0	22,705.4	23,989.7	0.0%	0.0%	0.0%
Revenue from business management	6,066.9	7,067.8	7,121.2	6,066.9	7,067.8	7,121.2	0.0%	0.0%	0.0%
Total revenue	29,554.0	30,265.6	31,616.2	29,554.0	30,265.6	31,616.2	0.0%	0.0%	0.0%
Gross profit	8,519.1	9,033.3	9,504.7	8,671.4	8,930.9	9,441.5	1.8%	-1.1%	-0.7%
SG&A expenses	6,003.0	6,090.3	6,171.1	6,105.1	6,259.8	6,510.6	1.7%	2.8%	5.5%
Interest expenses	452.5	454.3	476.3	541.1	588.4	621.1	19.6%	29.5%	30.4%
Share of profit (loss) from affiliates	745.0	550.0	1,100.0	532.0	732.0	1,234.0	-28.6%	33.1%	12.2%
Extra items	-	-	-	-	-	-	n.m.	n.m.	n.m.
Net profit	2,889.8	3,059.6	3,930.3	2,631.9	2,880.3	3,568.8	-8.9%	-5.9%	-9.2%
Core net profit	2,889.8	3,059.6	3,930.3	2,631.9	2,880.3	3,568.8	-8.9%	-5.9%	-9.2%
EPS (THB)	0.19	0.21	0.26	0.18	0.19	0.24	-8.9%	-5.9%	-9.2%
Core EPS (THB)	0.19	0.21	0.26	0.18	0.19	0.24	-8.9%	-5.9%	-9.2%
No. of outstanding shares	14,862.7	14,862.7	14,862.7	14,862.7	14,862.7	14,862.7	0.0%	0.0%	0.0%
Gross margin from residential sales (%)	31.6%	32.9%	33.0%	32.3%	32.4%	32.7%	0.7%	-0.5%	-0.3%
Gross margin from business management (%)	20.1%	21.9%	22.0%	20.1%	21.9%	22.0%	0.0%	0.0%	0.0%
Overall gross margin (%)	28.8%	29.8%	30.1%	29.3%	29.5%	29.9%	0.5%	-0.3%	-0.2%
SG&A to revenue ratio (%)	20.3%	20.1%	19.5%	20.7%	20.7%	20.6%	0.3%	0.6%	1.1%
Net margin (%)	9.8%	10.1%	12.4%	8.9%	9.5%	11.3%	-0.9%	-0.6%	-1.1%
Core net margin (%)	9.8%	10.1%	12.4%	8.9%	9.5%	11.3%	-0.9%	-0.6%	-1.1%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**BY THE NUMBERS**
**P/BV vs ROE**

**12-mth Fwd FD Core P/E vs FD Core EPS Growth**

**Profit & Loss**

(THBm)	Dec-16A	Dec-17A	Dec-18F	Dec-19F	Dec-20F
<b>Total Net Revenues</b>	<b>33,811</b>	<b>30,916</b>	<b>29,554</b>	<b>30,266</b>	<b>31,616</b>
<b>Gross Profit</b>	<b>10,318</b>	<b>9,583</b>	<b>8,671</b>	<b>8,931</b>	<b>9,441</b>
<b>Operating EBITDA</b>	<b>4,748</b>	<b>3,736</b>	<b>2,973</b>	<b>3,100</b>	<b>3,382</b>
Depreciation And Amortisation	(258)	(256)	(407)	(429)	(451)
<b>Operating EBIT</b>	<b>4,490</b>	<b>3,480</b>	<b>2,566</b>	<b>2,671</b>	<b>2,931</b>
Financial Income/(Expense)	(615)	(411)	(541)	(579)	(621)
Pretax Income/(Loss) from Assoc.	(78)	26	532	694	1,234
Non-Operating Income/(Expense)	436	588	600	603	609
<b>Profit Before Tax (pre-EI)</b>	<b>4,233</b>	<b>3,683</b>	<b>3,157</b>	<b>3,388</b>	<b>4,153</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>4,233</b>	<b>3,683</b>	<b>3,157</b>	<b>3,388</b>	<b>4,153</b>
<b>Taxation</b>	<b>(915)</b>	<b>(768)</b>	<b>(525)</b>	<b>(539)</b>	<b>(584)</b>
Exceptional Income - post-tax	62	(134)	0	0	0
<b>Profit After Tax</b>	<b>3,380</b>	<b>2,782</b>	<b>2,632</b>	<b>2,849</b>	<b>3,569</b>
Minority Interests	0	43	0	0	0
Pref. & Special Div	0	0	0	0	0
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>3,380</b>	<b>2,825</b>	<b>2,632</b>	<b>2,849</b>	<b>3,569</b>
Recurring Net Profit	3,319	2,958	2,632	2,849	3,569
<b>Fully Diluted Recurring Net Profit</b>	<b>3,319</b>	<b>2,958</b>	<b>2,632</b>	<b>2,849</b>	<b>3,569</b>

**Cash Flow**

(THBm)	Dec-16A	Dec-17A	Dec-18F	Dec-19F	Dec-20F
<b>EBITDA</b>	<b>4,748</b>	<b>3,736</b>	<b>2,973</b>	<b>3,100</b>	<b>3,382</b>
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(17,807)	(20,207)	(2,684)	472	(2,334)
Straight Line Adjustment					
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	22,485	19,176	59	14	(12)
Net Interest (Paid)/Received	(615)	(411)	(541)	(588)	(621)
Tax Paid	(915)	(768)	(525)	(537)	(584)
<b>Cashflow From Operations</b>	<b>7,896</b>	<b>1,526</b>	<b>(719)</b>	<b>2,461</b>	<b>(169)</b>
Capex	(2,599)	(4,021)	0	0	0
Disposals Of FAs/subsidiaries					
Disposals of Investment Properties					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow			83	432	934
<b>Cash Flow From Investing</b>	<b>(2,599)</b>	<b>(4,021)</b>	<b>83</b>	<b>432</b>	<b>934</b>
Debt Raised/(repaid)	(2,540)	1,932	(197)	(1,967)	702
Proceeds From Issue Of Shares	0	1,443	0	0	0
Shares Repurchased					
Dividends Paid	(2,286)	(1,857)	(1,651)	(1,654)	(1,917)
Preferred Dividends					
Other Financing Cashflow	615	424	541	588	621
<b>Cash Flow From Financing</b>	<b>(4,211)</b>	<b>1,942</b>	<b>(1,307)</b>	<b>(3,032)</b>	<b>(594)</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**BY THE NUMBERS... cont'd**
**Balance Sheet**

(THBm)	Dec-16A	Dec-17A	Dec-18F	Dec-19F	Dec-20F
Total Cash And Equivalents	3,541	2,978	1,034	895	1,067
Properties Under Development					
Total Debtors	170	157	43	43	45
Inventories	49,057	43,384	47,183	46,484	48,894
Total Other Current Assets	4,521	7,703	6,616	6,744	6,987
<b>Total Current Assets</b>	<b>57,289</b>	<b>54,222</b>	<b>54,876</b>	<b>54,166</b>	<b>56,993</b>
Fixed Assets	2,394	2,223	2,420	2,336	2,231
<b>Total Investments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Intangible Assets	0	0	0	0	0
Total Other Non-Current Assets	13,091	23,705	23,551	23,505	23,460
<b>Total Non-current Assets</b>	<b>15,485</b>	<b>25,927</b>	<b>25,970</b>	<b>25,841</b>	<b>25,690</b>
Short-term Debt	8,792	8,368	7,842	7,761	8,020
Current Portion of Long-Term Debt	5,300	13,172	3,200	3,200	3,200
Total Creditors	7,198	8,959	8,872	8,773	9,094
Other Current Liabilities					
<b>Total Current Liabilities</b>	<b>21,290</b>	<b>30,500</b>	<b>19,914</b>	<b>19,734</b>	<b>20,314</b>
Total Long-term Debt	21,699	17,186	27,488	25,603	26,045
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	1,689	1,986	1,986	1,986	1,986
<b>Total Non-current Liabilities</b>	<b>23,388</b>	<b>19,172</b>	<b>29,474</b>	<b>27,589</b>	<b>28,031</b>
Total Provisions	0	0	0	0	0
<b>Total Liabilities</b>	<b>44,678</b>	<b>49,672</b>	<b>49,387</b>	<b>47,322</b>	<b>48,345</b>
<b>Shareholders' Equity</b>	<b>28,095</b>	<b>30,507</b>	<b>31,488</b>	<b>32,715</b>	<b>34,367</b>
Minority Interests	1	(29)	(29)	(29)	(29)
<b>Total Equity</b>	<b>28,096</b>	<b>30,478</b>	<b>31,459</b>	<b>32,686</b>	<b>34,338</b>

**Key Ratios**

	Dec-16A	Dec-17A	Dec-18F	Dec-19F	Dec-20F
Revenue Growth	(8.51%)	(8.56%)	(4.40%)	2.41%	4.46%
Operating EBITDA Growth	6.0%	(21.3%)	(20.4%)	4.3%	9.1%
Operating EBITDA Margin	14.0%	12.1%	10.1%	10.2%	10.7%
Net Cash Per Share (THB)	(2.26)	(2.49)	(2.52)	(2.40)	(2.44)
BVPS (THB)	1.97	2.13	2.12	2.20	2.31
Gross Interest Cover	7.30	8.48	4.74	4.61	4.72
Effective Tax Rate	21.6%	20.9%	16.6%	15.9%	14.1%
Net Dividend Payout Ratio	68.9%	62.8%	62.7%	57.7%	53.5%
Accounts Receivables Days	1.36	1.93	1.24	0.52	0.51
Inventory Days	779.8	790.8	791.5	801.2	787.1
Accounts Payables Days	21.19	24.92	28.78	29.38	28.86
ROIC (%)	6.03%	4.49%	3.01%	3.01%	3.33%
ROCE (%)	7.20%	5.23%	3.69%	3.84%	4.16%
Return On Average Assets	5.36%	4.24%	3.81%	4.12%	5.00%

**Key Drivers**

	Dec-16A	Dec-17A	Dec-18F	Dec-19F	Dec-20F
Unbooked Presales (m) (THB)	31,000.0	33,000.0	33,000.0	33,000.0	33,000.0
Unbooked Presales (area: m sm)	N/A	N/A	N/A	N/A	N/A
Unbooked Presales (units)	N/A	N/A	N/A	N/A	N/A
Unsold attrib. landbank (area: m sm)	N/A	N/A	N/A	N/A	N/A
Gross Margins (%)	31.5%	33.3%	32.3%	32.4%	32.7%
Contracted Sales ASP (per Sm) (THB)	N/A	N/A	N/A	N/A	N/A
Residential EBIT Margin (%)	N/A	N/A	N/A	N/A	N/A
Investment rev / total rev (%)	N/A	N/A	N/A	N/A	N/A
Residential rev / total rev (%)	N/A	N/A	N/A	N/A	N/A
Inv. properties rental margin (%)	N/A	N/A	N/A	N/A	N/A
SG&A / Sales Ratio (%)	17.2%	19.7%	20.7%	20.7%	20.6%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

---

**DISCLAIMER**

The content of this report (including the views and opinions expressed therein, and the information comprised therein) has been prepared by and belongs to CGS-CIMB or CIMB Investment Bank Berhad ("CIMB"), as the case may be. Reports relating to a specific geographical area are produced and distributed by the corresponding CGS-CIMB entity as listed in the table below. Reports relating to Malaysia are produced and distributed by CIMB.

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 law or regulation.

By accepting this report, the recipient hereof represents and warrants that he is entitled to receive such report in accordance with the restrictions set forth below and agrees to be bound by the limitations contained herein (including the "Restrictions on Distributions" set out below). Any failure to comply with these limitations may constitute a violation of law. This publication is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of CGS-CIMB or CIMB, as the case may be.

The information contained in this research report is prepared from data believed to be correct and reliable at the time of issue of this report. CGS-CIMB or CIMB, as the case may be, may or may not issue regular reports on the subject matter of this report at any frequency and may cease to do so or change the periodicity of reports at any time. Neither CGS-CIMB nor CIMB has an obligation to update this report in the event of a material change to the information contained in this report. Neither CGS-CIMB nor CIMB accepts any, obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant, (ii) ensure that the content of this report constitutes all the information a prospective investor may require, (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and information, and accordingly, CGS-CIMB and CIMB, their respective affiliates and related persons including China Galaxy International Financial Holdings Limited ("CGIFHL") and CIMB Group Sdn. Bhd. ("CIMBG") and their respective related corporations (and their respective directors, associates, connected persons and/or employees) shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof. In particular, CGS-CIMB and CIMB disclaim all responsibility and liability for the views and opinions set out in this report.

Unless otherwise specified, this report is based upon sources which CGS-CIMB or CIMB, as the case may be, considers to be reasonable. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research.

Whilst every effort is made to ensure that statements 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 as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of CGS-CIMB or CIMB, as the case may be, or any of their respective affiliates (including CGIFHL, CIMBG and their respective related corporations) to any person to buy or sell any investments.

CGS-CIMB, CIMB, their respective affiliates and related corporations (including CGIFHL, CIMBG and their respective related corporations) and/or their respective directors, associates, connected parties and/or employees may own or have positions in securities of the company(ies) covered in this research report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities. Further, CGS-CIMB, CIMB, their respective affiliates and their respective related corporations (including CGIFHL, CIMBG and their respective related corporations) do and seek to do business with the company(ies) covered in this research report and may from time to time act as market maker or have assumed an underwriting commitment in securities of such company(ies), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit such investment, advisory or other services from any entity mentioned in this report.

CGS-CIMB, CIMB or their respective affiliates (including CGIFHL, CIMBG and their respective related corporations) may enter into an agreement with the company(ies) covered in this report relating to the production of research reports. CGS-CIMB or CIMB, as the case may be, may disclose the contents of this report to the company(ies) covered by it and may have amended the contents of this report following such disclosure.

The analyst 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. No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report. The analyst(s) who prepared this research report is prohibited from receiving any compensation, incentive or bonus based on specific investment banking transactions or for providing a specific recommendation for, or view of, a particular company. Information barriers and other arrangements may be established where necessary to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/their coverage of company(ies) in the performance of his/their duties or the performance of his/their recommendations and the research personnel involved in the preparation of this report may also participate in the solicitation of the businesses as described above. In reviewing this research report, an investor should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additional information is, subject to the duties of confidentiality, available on request.

Reports relating to a specific geographical area are produced by the corresponding CGS-CIMB entity as listed in the table below. The term "CGS-CIMB" shall denote, where appropriate, the relevant entity distributing or disseminating the report in the particular jurisdiction referenced below, or, in every other case except as otherwise stated herein, CGS-CIMB Securities International Pte. Ltd. and its affiliates, subsidiaries and related corporations.



Country	CGS-CIMB Entity	Regulated by
Hong Kong	CGS-CIMB Securities (Hong Kong) Limited	Securities and Futures Commission Hong Kong
India	CGS-CIMB Securities (India) Private Limited	Securities and Exchange Board of India (SEBI)
Indonesia	PT CGS-CIMB Sekuritas Indonesia	Financial Services Authority of Indonesia
Singapore	CGS-CIMB Research Pte. Ltd.	Monetary Authority of Singapore
South Korea	CGS-CIMB Securities (Hong Kong) Limited, Korea Branch	Financial Services Commission and Financial Supervisory Service
Thailand	CGS-CIMB Securities (Thailand) Co. Ltd.	Securities and Exchange Commission Thailand

Reports relating to Malaysia are produced by CIMB as listed in the table below:

Country	CIMB Entity	Regulated by
Malaysia	CIMB Investment Bank Berhad	Securities Commission Malaysia

#### Other Significant Financial Interests:

(i) As of August 20, 2018 CGS-CIMB / CIMB has a proprietary position in the securities (which may include but not limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a) -

(ii) Analyst Disclosure: As of August 21, 2018, the analyst(s) who prepared this report, and the associate(s), has / have an interest in the securities (which may include but not limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a) -

This report does not purport to contain all the information that a prospective investor may require. Neither CGS-CIMB or CIMB, as the case may be, nor any of their respective affiliates (including CGIFHL, CIMBG and their related corporations) make any guarantee, representation or warranty, express or implied, as to the adequacy, accuracy, completeness, reliability or fairness of any such information and opinion contained in this report. Neither CGS-CIMB or CIMB, as the case may be, nor any of their respective affiliates nor their related persons (including CGIFHL, CIMBG and their related corporations) shall be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

This report is general in nature and has been prepared for information purposes only. It is intended for circulation amongst CGS-CIMB's or CIMB's (as the case may be) clients generally 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. The information and opinions in this report are not and should not be construed or considered as an offer, recommendation or solicitation to buy or sell the subject securities, related investments or other financial instruments or any derivative instrument, or any rights pertaining thereto.

Investors are advised to make their own independent evaluation of the information contained in this research report, consider their own individual investment objectives, financial situation and particular needs and consult their own professional and financial advisers as to the legal, business, financial, tax and other aspects before participating in any transaction in respect of the securities of company(ies) covered in this research report.

The securities of such company(ies) may not be eligible for sale in all jurisdictions or to all categories of investors.

**Australia:** Despite anything in this report to the contrary, this research is provided in Australia by CGS-CIMB Securities (Singapore) Pte. Ltd. and CGS-CIMB Securities (Hong Kong) Limited. This research is only available in Australia to persons who are "wholesale clients" (within the meaning of the Corporations Act 2001 (Cth) and is supplied solely for the use of such wholesale clients and shall not be distributed or passed on to any other person. You represent and warrant that if you are in Australia, you are a "wholesale client". This research is of a general nature only and has been prepared without taking into account the objectives, financial situation or needs of the individual recipient. CGS-CIMB Securities (Singapore) Pte. Ltd. and CGS-CIMB Securities (Hong Kong) Limited do not hold, and are not required to hold an Australian financial services license. CGS-CIMB Securities (Singapore) Pte. Ltd. and CGS-CIMB Securities (Hong Kong) Limited rely on "passporting" exemptions for entities appropriately licensed by the Monetary Authority of Singapore (under ASIC Class Order 03/1102) and the Securities and Futures Commission in Hong Kong (under ASIC Class Order 03/1103).

**Canada:** This research report has not been prepared in accordance with the disclosure requirements of Dealer Member Rule 3400 – Research Restrictions and Disclosure Requirements of the Investment Industry Regulatory Organization of Canada. For any research report distributed by CIBC, further disclosures related to CIBC conflicts of interest can be found at <https://researchcentral.cibcwm.com>.

**China:** For the purpose of this report, the People's Republic of China ("PRC") does not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region or Taiwan. The distributor of this report has not been approved or licensed by the China Securities Regulatory Commission or any other relevant regulatory authority or governmental agency in the PRC. This report contains only marketing information. The distribution of this report is not an offer to buy or sell to any person within or outside PRC or a solicitation to any person within or outside of PRC to buy or sell any instruments described herein. This report is being issued outside the PRC to a limited number of institutional investors and may not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose.

**France:** Only qualified investors within the meaning of French law shall have access to this report. This report shall not be considered as an offer to subscribe to, or used in connection with, any offer for subscription or sale or marketing or direct or indirect distribution of financial instruments and it is not intended as a solicitation for the purchase of any financial instrument.

**Germany:** This report is only directed at persons who are professional investors as defined in sec 31a(2) of the German Securities Trading Act (WpHG). This publication constitutes research of a non-binding nature on the market situation and the investment instruments cited here at the time of the publication of the information.

The current prices/yields in this issue are based upon closing prices from Bloomberg as of the day preceding publication. Please note that neither the German Federal Financial Supervisory Agency (BaFin), nor any other supervisory authority exercises any control over the content of this report.

**Hong Kong:** This report is issued and distributed in Hong Kong by CGS-CIMB Securities (Hong Kong) Limited ("CHK") which is licensed in Hong Kong by the Securities and Futures Commission for Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) activities. Any investors wishing to purchase or otherwise deal in the securities covered in this report should contact the Head of Sales at

CGS-CIMB Securities (Hong Kong) Limited. The views and opinions in this research report are our own as of the date hereof and are 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. CHK has no obligation to update its opinion or the information in this research report.

This publication is strictly confidential and is for private circulation only to clients of CHK.

CHK does not make a market on other securities mentioned in the report.

**India:** This report is issued and distributed in India by CGS-CIMB Securities (India) Private Limited ("CGS-CIMB India") which is registered with the National Stock Exchange of India Limited and BSE Limited as a trading and clearing member under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992. In accordance with the provisions of Regulation 4(g) of the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013, CGS-CIMB India is not required to seek registration with the Securities and Exchange Board of India ("SEBI") as an Investment Adviser. CGS-CIMB India is registered with SEBI as a Research Analyst pursuant to the SEBI (Research Analysts) Regulations, 2014 ("Regulations").

This report does not take into account the particular investment objectives, financial situations, or needs of the recipients. It is not intended for and does not deal with prohibitions on investment due to law/jurisdiction issues etc. which may exist for certain persons/entities. Recipients should rely on their own investigations and take their own professional advice before investment.

The report is not a "prospectus" as defined under Indian Law, including the Companies Act, 2013, and is not, and shall not be, approved by, or filed or registered with, any Indian regulator, including any Registrar of Companies in India, SEBI, any Indian stock exchange, or the Reserve Bank of India. No offer, or invitation to offer, or solicitation of subscription with respect to any such securities listed or proposed to be listed in India is being made, or intended to be made, to the public, or to any member or section of the public in India, through or pursuant to this report.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of CGS-CIMB India and they have received compensation based upon various factors, including quality, accuracy and value of research, firm profitability or revenues, client feedback and competitive factors. Research analysts', strategists' or economists' compensation is not linked to investment banking or capital markets transactions performed or proposed to be performed by CGS-CIMB India or its affiliates.

CGS-CIMB India has not received any investment banking related compensation from the companies mentioned in the report in the past 12 months.

CGS-CIMB India has not received any compensation from the companies mentioned in the report in the past 12 months.

**Indonesia:** This report is issued and distributed by PT CGS-CIMB Sekuritas Indonesia ("CGS-CIMB Indonesia"). The views and opinions in this research report are our own as of the date hereof and are subject to change. CGS-CIMB Indonesia has no obligation to update its opinion or the information in this research report. Neither this report nor any copy hereof may be distributed in Indonesia or to any Indonesian citizens wherever they are domiciled or to Indonesian residents except in compliance with applicable Indonesian capital market laws and regulations.

This research report is not an offer of securities in Indonesia. The securities referred to in this research report have not been registered with the Financial Services Authority (Otoritas Jasa Keuangan) pursuant to relevant capital market laws and regulations, and may not be offered or sold within the territory of the Republic of Indonesia or to Indonesian citizens through a public offering or in circumstances which constitute an offer within the meaning of the Indonesian capital market law and regulations.

**Ireland:** CGS-CIMB is not an investment firm authorised in the Republic of Ireland and no part of this document should be construed as CGS-CIMB acting as, or otherwise claiming or representing to be, an investment firm authorised in the Republic of Ireland.

**Malaysia:** This report is distributed in Malaysia by CIMB solely for the benefit of and for the exclusive use of our clients. Recipients of this report are to contact CIMB, at 17th Floor Menara CIMB No. 1 Jalan Stesen Sentral 2, Kuala Lumpur Sentral 50470 Kuala Lumpur, Malaysia, in respect of any matters arising from or in connection with this report. CIMB has no obligation to update, revise or reaffirm its opinion or the information in this research reports after the date of this report.

**New Zealand:** In New Zealand, this report is for distribution only to persons who are wholesale clients pursuant to section 5C of the Financial Advisers Act 2008.

**Singapore:** This report is issued and distributed by CGS-CIMB Research Pte Ltd ("CGS-CIMBR"). CGS-CIMBR is a financial adviser licensed under the Financial Advisers Act, Cap 110 ("FAA") for advising on investment products, by issuing or promulgating research analyses or research reports, whether in electronic, print or other form. Accordingly CGS-CIMBR is a subject to the applicable rules under the FAA unless it is able to avail itself to any prescribed exemptions.

Recipients of this report are to contact CGS-CIMB Research Pte Ltd, 50 Raffles Place, #16-02 Singapore Land Tower, Singapore in respect of any matters arising from, or in connection with this report. CGS-CIMBR has no obligation to update its opinion or the information in this research report. This publication is strictly confidential and is for private circulation only. If you have not been sent this report by CGS-CIMBR directly, you may not rely, use or disclose to anyone else this report or its contents.

If the recipient of this research report is not an accredited investor, expert investor or institutional investor, CGS-CIMBR accepts legal responsibility for the contents of the report without any disclaimer limiting or otherwise curtailing such legal responsibility. If the recipient is an accredited investor, expert investor or institutional investor, the recipient is deemed to acknowledge that CGS-CIMBR is exempt from certain requirements under the FAA and its attendant regulations, and as such, is exempt from complying with the following :

- (a) Section 25 of the FAA (obligation to disclose product information);
- (b) Section 27 (duty not to make recommendation with respect to any investment product without having a reasonable basis where you may be reasonably expected to rely on the recommendation) of the FAA;
- (c) MAS Notice on Information to Clients and Product Information Disclosure [Notice No. FAA-N03];
- (d) MAS Notice on Recommendation on Investment Products [Notice No. FAA-N16];
- (e) Section 36 (obligation on disclosure of interest in securities), and
- (f) any other laws, regulations, notices, directive, guidelines, circulars and practice notes which are relates to the above, to the extent permitted by applicable laws, as may be amended from time to time, and any other laws, regulations, notices, directive, guidelines, circulars, and practice notes as we may notify you from time to time. In addition, the recipient who is an accredited investor, expert investor or institutional investor acknowledges that a CGS-CIMBR is exempt from Section 27 of the FAA, the recipient will also not be able to file a civil claim against CGS-CIMBR for any loss or damage arising from the recipient's reliance on any recommendation made by CGS-CIMBR which would otherwise be a right that is available to the

recipient under Section 27 of the FAA, the recipient will also not be able to file a civil claim against CGS-CIMBR for any loss or damage arising from the recipient's reliance on any recommendation made by CGS-CIMBR which would otherwise be a right that is available to the recipient under Section 27 of the FAA.

CGS-CIMBR, its affiliates and related corporations, their directors, associates, connected parties and/or employees may own or have positions in securities of the company(ies) covered in this research report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities. Further, CGS-CIMBR, its affiliates and its related corporations do and seek to do business with the company(ies) covered in this research report and may from time to time act as market maker or have assumed an underwriting commitment in securities of such company(ies), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit such investment, advisory or other services from any entity mentioned in this report.

As of August 20, 2018, CGS-CIMBR does not have a proprietary position in the recommended securities in this report.

CGS-CIMBR does not make a market on the securities mentioned in the report.

**South Korea:** This report is issued and distributed in South Korea by CGS-CIMB Securities (Hong Kong) Limited, Korea Branch ("CGS-CIMB Korea") which is licensed as a cash equity broker, and regulated by the Financial Services Commission and Financial Supervisory Service of Korea. In South Korea, this report is for distribution only to professional investors under Article 9(5) of the Financial Investment Services and Capital Market Act of Korea ("FSCMA").

**Spain:** This document is a research report and it is addressed to institutional investors only. The research report is of a general nature and not personalised and does not constitute investment advice so, as the case may be, the recipient must seek proper advice before adopting any investment decision. This document does not constitute a public offering of securities.

CGS-CIMB is not registered with the Spanish Comision Nacional del Mercado de Valores to provide investment services.

**Sweden:** This report contains only marketing information and has not been approved by the Swedish Financial Supervisory Authority. The distribution of this report is not an offer to sell to any person in Sweden or a solicitation to any person in Sweden to buy any instruments described herein and may not be forwarded to the public in Sweden.

**Switzerland:** This report has not been prepared in accordance with the recognized self-regulatory minimal standards for research reports of banks issued by the Swiss Bankers' Association (Directives on the Independence of Financial Research).

**Thailand:** This report is issued and distributed by CGS-CIMB Securities (Thailand) Co. Ltd. ("CGS-CIMB Thailand") based upon sources believed to be reliable (but their accuracy, completeness or correctness is not guaranteed). The statements or expressions of opinion herein were arrived at after due and careful consideration for use as information for investment. Such opinions are subject to change without notice and CGS-CIMB Thailand has no obligation to update its opinion or the information in this research report.

CGS-CIMB Thailand may act or acts as Market Maker, and issuer and offerer of Derivative Warrants and Structured Note which may have the following securities as its underlying securities. Investors should carefully read and study the details of the derivative warrants in the prospectus before making investment decisions.

AAV, ADVANC, AMATA, AOT, AP, BANPU, BBL, BCH, BCP, BCPG, BDMS, BEAUTY, BEM, BGRIM, BJC, BH, BLA, BLAND, BPP, BTS, CBG, CENTEL, CHG, CK, CKP, COM7, CPALL, CPF, CPN, DELTA, DTAC, EA, EGCO, EPG, ERW, ESSO, GGC, GFPT, GLOBAL, GLOW, GPSC, GUNKUL, HANA, HMPRO, INTUCH, IRPC, ITD, IVL, KBANK, KCE, KKP, KTB, KTC, LH, LPN, MAJOR, MEGA, MINT, MTL, ORI, PRM, PSH, PSL, PTG, PTT, PTEP, PTTGC, QH, RATCH, ROBINS, RS, SAWAD, SCB, SCC, SGP, SIRI, SPALI, SPRC, STA, STEC, SUPER, TASC, TCAP, THAI, THANI, TISCO, TKN, TMB, TOA, TOP, TPIPL, TPIPP, TRUE, TTW, TU, TVO, UV, WHA, WHAUP, WORK.

**Corporate Governance Report:**

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 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 date. CGS-CIMB Thailand does not confirm nor certify the accuracy of such survey result.

<b>Score Range:</b>	90 - 100	80 – 89	70 - 79	Below 70 or	No Survey Result
<b>Description:</b>	Excellent	Very Good	Good	N/A	

**United Arab Emirates:** The distributor of this report has not been approved or licensed by the UAE Central Bank or any other relevant licensing authorities or governmental agencies in the United Arab Emirates. This report is strictly private and confidential and has not been reviewed by, deposited or registered with UAE Central Bank or any other licensing authority or governmental agencies in the United Arab Emirates. This report is being issued outside the United Arab Emirates to a limited number of institutional investors and must not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose. Further, the information contained in this report is not intended to lead to the sale of investments under any subscription agreement or the conclusion of any other contract of whatsoever nature within the territory of the United Arab Emirates.

**United Kingdom and European Economic Area (EEA):** In the United Kingdom and European Economic Area, this material is also being distributed by CGS-CIMB Securities (UK) Limited ("CGS-CIMB UK"). CGS-CIMB UK is authorized and regulated by the Financial Conduct Authority and its registered office is at 27 Knightsbridge, London, SW1X7YB. The material distributed by CGS-CIMB UK has been prepared in accordance with CGS-CIMB's policies for managing conflicts of interest arising as a result of publication and distribution of this material. This material is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of CGS-CIMB UK; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Order"), (c) fall within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc") of the Order; (d) are outside the United Kingdom subject to relevant regulation in each jurisdiction, material(all such persons together being referred to as "relevant persons"). This material is directed only at relevant persons and must not be acted on or relied

on by persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons.

Where this material is labelled as non-independent, it does not provide an impartial or objective assessment of the subject matter and does not constitute independent “research” (cannot remove research from here under the applicable rules of the Financial Conduct Authority in the UK. Consequently, any such non-independent material will not have been prepared in accordance with legal requirements designed to promote the independence of research (cannot remove research from here) and will not subject to any prohibition on dealing ahead of the dissemination of research. Any such non-independent material must be considered as a marketing communication.

**United States:** This research report is distributed in the United States of America by CGS-CIMB Securities (USA) Inc, a U.S. registered broker-dealer and a related company of CGS-CIMB Research Pte Ltd, PT CGS-CIMB Sekuritas Indonesia, CGS-CIMB Securities (Thailand) Co. Ltd, CGS-CIMB Securities (Hong Kong) Limited, CGS-CIMB Securities (India) Private Limited, and is distributed solely to persons who qualify as “U.S. Institutional Investors” as defined in Rule 15a-6 under the Securities and Exchange Act of 1934. This communication is only for Institutional Investors whose ordinary business activities involve investing in shares, bonds, and associated securities and/or derivative securities and who have professional experience in such investments. Any person who is not a U.S. Institutional Investor or Major Institutional Investor must not rely on this communication. The delivery of this research report to any person in the United States of America is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein. CGS-CIMB Securities (USA) Inc, is a FINRA/SIPC member and takes responsibility for the content of this report. For further information or to place an order in any of the above-mentioned securities please contact a registered representative of CGS-CIMB Securities (USA) Inc.

CIMB Securities (USA) Inc. does not make a market on other securities mentioned in the report.

CGS-CIMB Securities (USA) Inc. has not managed or co-managed a public offering of any of the securities mentioned in the past 12 months.

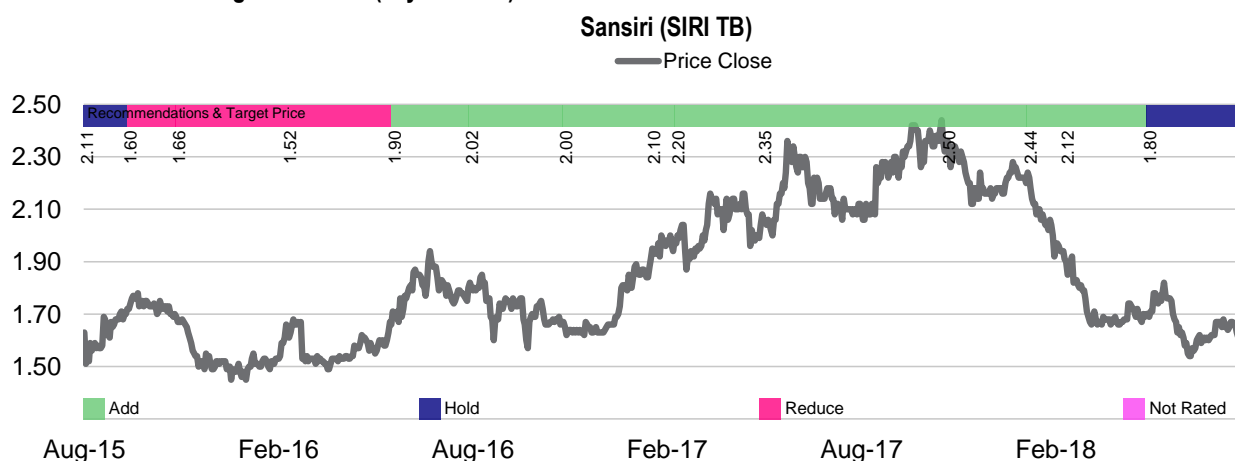
CGS-CIMB Securities (USA) Inc. has not received compensation for investment banking services from any of the company mentioned in the past 12 months.

CGS-CIMB Securities (USA) Inc. neither expects to receive nor intends to seek compensation for investment banking services from any of the company mentioned within the next 3 months.

**Other jurisdictions:** In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is only for distribution to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

Distribution of stock ratings and investment banking clients for quarter ended on 30 June 2018		
1203 companies under coverage for quarter ended on 30 June 2018		
	Rating Distribution (%)	Investment Banking clients (%)
Add	62.3%	4.5%
Hold	26.2%	2.5%
Reduce	9.3%	0.8%

**Spitzer Chart for stock being researched ( 2 year data )**



**Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2017, Anti-Corruption 2017**

**AAV** – Very Good, n/a, **ADVANC** – Excellent, Certified, **AEONTS** – Good, n/a, **AMATA** – Very Good, n/a, **ANAN** – Excellent, n/a, **AOT** – Excellent, Declared, **AP** – Excellent, Declared, **ASK** – Very Good, Declared, **ASP** – Very Good, Certified, **BANPU** – Excellent, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Declared, **BGP** - Excellent, Certified, **BPCG** – Very Good, n/a, **BEM** – Very Good, n/a, **BDMS** – Very Good, n/a, **BEAUTY** – Good, n/a, **BEC** – Very Good, n/a, **BGRIM** – not available, n/a, **BH** - Good, n/a, **BJC** – Very Good, Declared, **BJCHI** – Very Good, Declared, **BLA** – Very Good, Certified, **BPP** – Good, n/a, **BR** - Good, Declared, **BTS** - Excellent, Certified, **CBG** – Good, n/a, **CCET** – Good, n/a, **CENTEL** – Very Good, Certified, **CHG** – Very Good, Declared, **CK** – Excellent, n/a, **COL** – Very Good, Declared, **CPALL** – not available, Declared, **CPF** – Excellent, Declared, **CPN** - Excellent, Certified, **DELTA** - Excellent, n/a, **DEMCO** – Excellent, Certified, **DIF** – not available, n/a, **DTAC** – Excellent, Certified, **EA** – Very Good, n/a, **ECL** – Very Good, Certified, **EGCO** - Excellent, Certified, **EPG** – Very Good, n/a, **GFPT** - Excellent, Declared, **GGC** – not available, Declared, **GLOBAL** – Very Good, Declared, **GLOW** – Very Good, Certified, **GPSC** – Excellent, Declared, **GRAMMY** - Excellent, n/a, **GUNKUL** – Excellent, Declared, **HANA** - Excellent, Certified, **HMPRO** - Excellent, Certified, **ICHI** – Excellent, n/a, **III** – not available, n/a, **INTUCH** - Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** - Excellent, Certified, **JAS** – not available, Declared, **JASIF** – not available, n/a, **JUBILE** – Good, Declared, **KAMART** – not available, n/a, **KBANK** - Excellent, Certified, **KCE** - Excellent,

Certified, **KGI** – Very Good, Certified, **KKP** – Excellent, Certified, **KSL** – Very Good, Certified, **KTB** - Excellent, Certified, **KTC** – Excellent, Certified, **LH** - Very Good, n/a, **LPN** – Excellent, Certified, **M** – Very Good, n/a, **MACO** – Very Good, n/a, **MAJOR** – Very Good, n/a, **MAKRO** – Very Good, Declared, **MALEE** – Very Good, n/a, **MBKET** – Very Good, Certified, **MC** – Very Good, Declared, **MCOT** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** - Excellent, Certified, **MTLS** – Very Good, Declared, **NYT** – Excellent, n/a, **OISHI** – Very Good, n/a, **PLANB** – Excellent, Declared, **PLAT** – Very Good, Certified, **PSH** – Excellent, Certified, **PSL** - Excellent, Certified, **PTT** - Excellent, Certified, **PTTEP** - Excellent, Certified, **PTTGC** - Excellent, Certified, **QH** – Excellent, Certified, **RATCH** – Excellent, Certified, **ROBINS** – Excellent, Certified, **RS** – Very Good, n/a, **SAMART** - Excellent, n/a, **SAPPE** - Good, n/a, **SAT** – Excellent, Certified, **SAWAD** – Very Good, n/a, **SC** – Excellent, Declared, **SCB** - Excellent, Certified, **SCBLIF** – not available, n/a, **SCC** – Excellent, Certified, **SCN** – Very Good, Declared, **SCCC** - Excellent, Declared, **SIM** - Excellent, n/a, **SIRI** – Very Good, Declared, **SPA** - Good, n/a, **SPALI** - Excellent, n/a, **SPRC** – Excellent, Declared, **STA** – Very Good, Declared, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **TASCO** – Very Good, n/a, **TCAP** – Excellent, Certified, **THAI** – Very Good, n/a, **THANI** – Very Good, Certified, **THCOM** – Excellent, Certified, **THRE** – Very Good, Certified, **THREL** – Excellent, Certified, **TICON** – Very Good, Declared, **TIPCO** – Very Good, Certified, **TISCO** - Excellent, Certified, **TK** – Very Good, n/a, **TKN** – Very Good, Declared, **TMB** - Excellent, Certified, **TNR** – Good, n/a, **TOP** - Excellent, Certified, **TPCH** – Good, n/a, **TPIPP** – not available, n/a, **TRUE** – Excellent, Declared, **TTW** – Very Good, n/a, **TU** – Excellent, Declared, **TVO** – Excellent, Declared, **UNIQ** – not available, Declared, **VGI** – Excellent, Declared, **WHA** – not available, Declared, **WHART** – not available, n/a, **WORK** – not available, n/a.

**Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of October 28, 2016) are categorized into:**

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

#### Recommendation Framework

##### Stock Ratings

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

*The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.*

##### Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

##### Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.