



Corporate Governance Report of Thai Listed Companies 2014

Thai Institute of Directors Association

Supported by
The Stock Exchange of Thailand
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Thai Institute of Directors Association (Thai IOD)

Established in December 1999, the Thai IOD is a membership organization that strives to promote professionalism in directorship. The Thai IOD offers directors certification and professional development courses, provides a variety of seminars, forums and networking events, and conducts research on board governance issues and practices. Membership comprises board members from companies ranging from large publicly listed companies to small private firms.

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Preface

The **Corporate Governance Report of Thai Listed Companies (CGR)** of the Year 2014 makes a considerable improvement in the assessment of the corporate governance practices of Thai listed companies. It is the 12th CGR publication by the Thai Institute of Directors Association (Thai IOD) in collaboration with the Stock Exchange of Thailand (SET) and the Office of the Securities and Exchange Commission (SEC). With additional assessment criteria corresponding to the ASEAN CG Scorecard, the CGR publication well-recognized by the listed companies since 2001 is now well-rounded.

The overall average score in 2014 is 72 percent (550 companies) which is six percentage points lower than that of 2013 (526 companies). Of 550 companies, 308 companies (56% of companies) receive a score higher than 70 percent level, with 30 companies (5.5% of companies) earning an ‘Excellent’ level of recognition. By market capitalization, the average (median) score increases monotonically with the market capitalization. Larger companies have on average better corporate governance performance than their smaller counterparts. Companies constituting the SET50 Index are impressive, having 40 out of 50 firms earning the “Excellent” or “Very Good” recognition level. Nonetheless, there are quite a number of firms in the medium-to-large capitalization categories (1,000 – 9,999 million baht market capitalization) that achieve the “Very Good” and “Good” levels of recognition.

Thai IOD has regularly updated the CGR assessment criteria and, with a support from SET, disseminated the assessment information to the listed companies through workshops and seminars. The recent CGR assessment criteria aim to check for consistency between the disclosure of corporate governance policies (form) and the effective implementation of such policies (substance). The assessment outcomes and levels of governance recognition have been published in the financial analysts’ reports and posted on the SET website for investors to incorporate company governance information into their investment decisions.

The CGR 2014 corporate governance standards are very challenging, resulting in the scores that are relatively lower than those in the previous years. An immediate impact after a big change is never easy. It is thus considerate to give Thai listed companies a year or two to embrace these revised internationally-accepted governance standards. After all, Thai IOD is certain that an effective corporate governance system will enable the listed companies to accomplish sustainable businesses.

Research & Policy Department
Thai Institute of Directors Association (IOD)

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We also would like to express great appreciation to the **CGR Steering Committee**. The members of the Committee have brilliantly offered valuable guidance and encouragement to the **CGR research team**. Their reflection of good corporate governance has made the CGR project a must for all Thai listed companies.

We are grateful to **the Thai Investors Association** for verifying information related to the shareholders' meetings, **the Securities Analysts Association** for information on the analyst meetings, and the **executives at the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission** for their indispensable suggestions.

Finally, we are obliged to the effort of the CGR research team at Thai IOD. They have worked diligently to make the CGR 2014 a must-see publication.

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I. Introduction

The **Corporate Governance Report of Thai Listed Companies 2014 (CGR 2014)** assessed 550 companies listed in the Stock Exchange of Thailand (SET) and the Market for Alternative Investment (MAI). The sample companies in the CGR 2014 must have a complete set of governance and financial information for the 2013 fiscal year. The CGR research team positioned itself from a viewpoint of a small outside investor and thus collected only publicly available documents as the basis for scoring. They were annual reports, shareholder meeting announcements and minutes, company websites, articles of association, and regulatory filings (e.g., Form 56-1 and SET documents). Table 1 classifies the sample companies by their corresponding industries.

Table 1: Number of Companies Included in the CGR 2014, by Industry Group

Industry Group	Total
Agro & Food Industry	43
Consumer Products	38
Financials	57
Industrials	73
Property & Construction	86
Resources	30
Services	91
Technology	37
Market for Alternative Investment (MAI)	95
Total Sample Companies	550

The CGR 2014 also categorizes the sample companies by their market capitalizations to measure the relative corporate governance performance among peer companies (Table 2).

Table 2: Number of Companies Included in the CGR 2014, by Market Capitalization

Market Capitalization (Size)	Total
10,000 million baht or above	147
3,000 – 9,999 million baht	123
1,000 – 2,999 million baht	166
Less than 1,000 million baht	114
Total Sample Companies	550

The CGR assessment framework and criteria contain five corporate governance categories for a total of 237 questions: Rights of Shareholders (33 questions), Equitable Treatment of Shareholders (19 questions), Role of Stakeholders (28 questions), Disclosure and Transparency (50 questions) and Board Responsibilities (107 questions). An assessment covers two dimensions. First, a firm is scored in terms of whether a specific corporate governance practice is present or absent. Second, the quality of each governance practice is assessed on three qualitative levels: 'Poor', which means the observed practice for a measure is unsatisfactory or completely absent; 'Good', meaning the practice meets the local standards and practice; and 'Excellent', meaning a practice exceeds the local standards and meets the international best practices.

The weighting scheme in the CGR 2014 is proprietary and determined by a panel of corporate governance experts. The two-tier weighting system starts by assigning a section weight to each of the five corporate governance categories. Then, each question within each category is assigned an individual-question weight. The final scores were calculated for each firm using the scores from all applicable regular questions and bonus/penalty questions. The final scores were normalized to a 0-100 percent score range and each firm was assigned the level of governance recognition from the "Excellent" practices to just "Pass."

The report is organized as follows. Executive summary is next. Section III presents the findings, question by question, in 2014. Section IV analyzes the corporate governance performance of listed companies in the CGR 2014. Section V compares the corporate governance performance across the 2 years. Section VI associates the CGR performance with firm valuation and investment returns. Section VII presents an evolution of key corporate governance practices under the Board Responsibilities. The conclusion is provided in Section VIII.



II. Executive Summary

Lower CG scores due to additional evaluation criteria.

1. The overall average corporate governance score of 550 companies in 2014 is 72 percent (237 assessment criteria), which is 6 percentage points lower than that of 526 companies in 2013 (148 assessment items). By examining each CGR category, the average governance scores for all, but the equitable Treatment of Shareholders, categories in 2014 are lower than those of 2013. For matching comparison, 516 same companies remained in the sample across 2 years. Their overall average and category average scores in 2014 exhibit similar patterns to those of the full sample. The additional assessment criteria are certainly the reason of relatively lower corporate governance scores in 2014.

Proportion of “Excellent” level of recognition has dropped.

2. There are 30 companies (5.5% of companies in 2014 vs. 17% of companies in 2013) achieving the recognition level of “Excellent.” There are 107 companies (19.5% vs. 31% in 2013) earning the “Very Good” recognition level and 171 companies (31% vs. 29% in 2013) receiving the “Good” level of recognition. There are 242 companies (44% vs. 23% in 2013) classified below the “Good” level. A comparative analysis across two years suggest that certain listed companies in the “Very Good” and “Excellent” recognition levels moved into the “Good” or below level due to tougher assessment criteria.

Size does matter.

3. In general, companies in the largest market capitalization of 10,000 million baht or more have the highest average and median scores comparing to other market capitalization groups (3,000 – 9,999 million baht, 1,000 – 2,999 million baht, and less than 1,000 million baht). The average and median scores in each CGR category are consistent with the overall score. Companies that have good overall corporate governance performance usually do well in all corporate governance categories.

SET 50 Companies

4. For companies constituting the SET 50 Index, the overall score and the scores in all, but one, categories have decreased. However, the analysis of the maximum scores suggests that the best SET50 firm has exhibited a consistent corporate governance performance and thus maintained a high level of governance practices across time.

III. CGR 2014 Findings by Categories

This section presents the CGR 2014 findings that are tabulated into percentages corresponding to the corporate governance practices defined as ‘Poor’, ‘Good’, and ‘Excellent.’ The presentation is according to the five CGR categories: Rights of Shareholders, Equitable Treatment of Shareholders, Role of Stakeholders, Disclosure and Transparency, and Board Responsibilities.

Rights of Shareholders

The Rights of Shareholders category looks beyond the conventional provisions in the corporate charters and by-laws. A good governance firm must ensure that the shareholders’ rights are well facilitated. Shareholders should be able to exercise their ownership rights such as rights on issues that affect the corporation as a whole, rights to receive dividends, rights to participate in the annual general meeting (AGM), rights to elect the directors, rights to subscribe to new securities offerings, rights related to the (buy/sell/transfer) assets of the corporation, rights to inspect the records and books of the corporation, and rights to bring lawsuit against the corporation for wrongful acts by the directors and officers of the corporation, among others. For shareholders to exercise their rights effectively, important corporate information – e.g., director’s election and compensation, auditor appointment and auditing fees, and dividend policy – should be fully provided to the shareholders prior to the AGM.

To assess the Rights of Shareholders, there are 29 regular questions and 4 penalty questions (discussed separately in Table 8). The section weight is 15 percent. Table 3 shows the percentage of corporate governance (CG) scores by questions. A majority of Thai listed companies exhibit ‘Excellent’ governance practices in allowing shareholders participation in decision-making and exercising their rights at the AGM, evident by the percentage of ‘Excellent’ score of more than 80 percent.

However, certain governance areas need an improvement. Only 11% of companies allowed shareholders to approve all forms of director remuneration. All forms of remuneration include retainer fees, meeting allowance, bonuses, and other privileges. If the directors do receive certain types of remuneration and do not accept any other types of remuneration, the company should specifically indicate it as such in the notice to call AGM or meeting minutes. Around half of companies (49%) disclosed that it has appointed an independent party to validate the votes at the AGM and 65% of companies provided full details of the nominated directors in the notice to call AGM. The details should include (1) name, (2) age, (3) education and work experience, (4) number of board positions in listed

and non-listed companies, (5) nomination criteria and process, (6) type of directors proposed for approval whether s/he is an executive, non-executive, or independent director. For returning directors, it must also include (7) Board meeting attendance performance and (8) first appointment date/the number of years/terms that a director has been with the company. Finally, 70% of companies provided an opportunity to shareholders to the propose agenda item or submit questions before the AGM.¹

Table 3: Percentage of CG Scores for Rights of Shareholders

Question	Assessment Criteria	Percentage of Companies for Each Score Level		
		Poor	Good	Excellent
A01	Does the company offer other ownership rights beyond voting?	0%		100%
A02	Is the decision on all form of director remuneration approved by the shareholders annually?	1%	88%	11%
A03	How is the remuneration of the board presented to the shareholders?	20%		80%
A04	Does the company allow shareholders to elect board members individually?	4%		96%
A05	Does the company disclose that it has appointed an independent party (scrutineer/inspector) to validate the votes at the AGM?	51%		49%
A06	Are there any opportunity provided to shareholders to propose agenda item, or submit questions before the AGM?	30%		70%
A07	Does the company publicly disclose a policy to encourage shareholders to attend the AGM?	19%		81%
A08	Does each resolution in the AGM deal with only one item – no bundling of several items into the same resolution?	1%		99%

¹ Other governance criteria that the percentage of 'Excellent' practices is less than 50% are related to the shareholding structure. They are (1) whether the share ownership by institutional investors, other than controlling shareholders, greater than 5% and (2) whether the proportion of outstanding shares that are considered "freed float" is greater than 40% of outstanding shares.

Question	Assessment Criteria	Percentage of Companies for Each Score Level		
		Poor	Good	Excellent
	Assess the quality of the notice to call the shareholders' meeting:			
A09	Appointment of directors, providing (1) names, (2) age, (3) background, (4) number of board positions in listed and non-listed companies. (5) nomination criteria, (6) type of directors, and for a returning director, (7) attendance record and (8) first appointment date/the number of years/terms that a director has been with the company.	3%	32%	65%
A10	Appointment of auditors, providing (1) names, (2) profile, and (3) fees.	1%	8%	91%
A11	Dividend payment, providing (1) policy (2) amount, and (3) explanation.	1%	12%	87%
A12	Objective and reason for each item on the shareholders' meeting agenda.	14%		86%
A13	Director's comments and opinion for each agenda item.	1%		99%
	Assess the quality of the minute of the shareholders' meeting:			
A14	Voting method and vote counting system.	5%	4%	91%
A15	Do the AGM minutes record that there was an opportunity for shareholders to ask questions/ raise issues? Also, is there a record of questions and answers?	2%	1%	97%
A16	Meeting resolution with voting results for each agenda item including both "for" and "against" vote tallies.	1%	1%	98%
A17	Is a name list of board members attending the AGM available in the AGM minutes?	3%		97%
A18	Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM for all resolutions?	1%		99%
A19	Did the Chairman of the board attend the AGM?	8%		92%
A20	Did the CEO/President/Managing Director attend the AGM?	3%		97%

Question	Assessment Criteria	Percentage of Companies for Each Score Level		
		Poor	Good	Excellent
A21	Did the Chairman of the Audit Committee attend the AGM?	7%		93%
A22	Did the Chairman of the Remuneration Committee attend the AGM?	11%		89%
A23	Did the Chairman of the Nomination Committee attend the AGM?	10%		90%
A24	Did the company organize the most recent AGM in an easy to reach location?	0%		100%
	Does the firm have anti-takeover defenses?			
A25	Is cross shareholding apparent?	2%		98%
A26	Is pyramid holding apparent?	16%		84%
A27	Do Board members hold more than 25% of the outstanding shares?	33%		67%
A28	What is the proportion of outstanding shares that are considered "free float"?	18%	35%	47%
A29	Is the share ownership by institutional investors, other than controlling shareholders, greater than 5%?	61%		39%

Equitable Treatment of Shareholders

The Equitable Treatment of Shareholders category addresses whether minority (non-controlling) shareholders are treated fairly and equally along with the controlling shareholder. Especially, when a listed company is not widely held, the controlling shareholder can exercise an absolute control over the firm, placing outside shareholders at a disadvantage position. Thus, the company should have the governance mechanisms to facilitate the rights of all shareholders equally to, for instance, call a special shareholders' meeting, put issues on the agenda of a shareholders' meeting, or participate in nominating and electing directors (e.g., a cumulative voting scheme).

The assessment in the Equitable Treatment of Shareholders category consists of 12 regular questions and 7 bonus/penalty items (discussed separately in Table 8). This category receives a section weight of 10 percent in the final score calculation. Table 4 presents the percentage of CG scores by questions. The findings show that 8 out of 11 regular assessment criteria obtain the 'Excellent' score of over 90 percent, excluding N/A in Question B02.

Table 4: Percentage of CG Scores for Equitable Treatment of Shareholders

Question	Assessment Criteria	Percentage of Companies for Each Score Level		
		Poor	Good	Excellent
B01	Does the company offer one-share, one-vote?	0%		100%
B02	Where the company has more than one class of shares, does the company publicize the voting rights attached to each class of shares?	0.2%	N/A 97.8%	2%
B03	Does the company have any mechanism to allow minority shareholders to influence board composition?	36%		64%
B04	Has the company established a system to prevent the use of material inside information?	1%		99%
B05	Does the company provide a rationale / explanation for related-party transactions affecting the corporation BEFORE conducting related-party transactions that require shareholders' approval?	0%	0%	100%
B06	Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arms' length?	4%		96%
B07	Assess the level of business interconnections which may lead to possible conflicts of interest (tunneling) through an economic group that is under the influence of the controlling shareholders.	0%	0%	100%
B08	Does the company facilitate voting by proxy?	1%	1%	98%
B09	Does the notice to shareholders specify the documents required to give proxy?	1%		99%
B10	Is there any requirement for a proxy appointment to be notarized?	1%		99%
B11	How many days in advance does the company send out the notice of general shareholder meetings?	1%	68%	31%
B12	Did the company post the notice to call the shareholders' meeting at least 30 days in advance on its website?	26%		74%

The remaining 3 governance areas receive the score of 70 percent or less, suggesting opportunities for improvement. First, there were 74% of companies posting the notice to call AGM more than 30 days in advance on the company website. The company should leave the notice to call AGM on the website's archive for investors to view or download the information in a later day, rather than removing it completely from the website after the AGM. Second, 64% of companies had a mechanism that allowed minority shareholders to nominate a candidate for a director position prior to the AGM, a practice that can be implemented together with a proposal of the AGM agenda prior to the AGM. Third, only 31% of companies sent out the notice to call AGM more than 20 days before the AGM date.²

Role of Stakeholders

The third governance principle focuses on the stakeholders, including not only shareholders but also customers, employees, creditors, business partners, competitors, and society as a whole. Stakeholders are affected by the decisions and actions that the firms make and as such the companies should behave ethically and in a socially responsible manner. For example, employees should receive proper training and be able to participate actively in the corporate policies and activities. The companies should also have in place the preventive measures against bribery, intellectual property and human rights violations, and the policies on acceptable environmental standards and efficient utilization of corporate resources. Moreover, all stakeholders should be able to communicate their concerns about illegal or unethical practices to the board of directors without being compromised.

The policies and activities pertaining to the stakeholders remain an important part of the business operations. The assessment criteria include 26 regular questions and 2 penalty questions. A section weight is 20 percent of the final score. Table 5 shows the percentage of CG scores by questions. The results show that there is still plenty of room for Thai listed companies to improve their governance practices for the treatment of stakeholders into the international standards. Only a few governance criteria receive an 'Excellent' score of more than 80%.

² It is understandable that this is a challenging task due to the administrative process at the Thailand Securities Depository.

Table 5: Percentage of CG Scores for Role of Shareholders

Question	Assessment Criteria	Percentage of Companies for Each Score Level		
		Poor	Good	Excellent
C01	Does the company have a separate corporate responsibility / sustainability report according to the GRI?	4%	88%	8%
C02	Does the company have a policy pertaining to the workplace safety and sanitation? The rates of injury, occupational illness, or absenteeism should be disclosed as well.	13%	64%	23%
C03	Does the company have a policy for the employee's compensation and welfare benefits? Types of benefits should be discussed too.	2%	53%	45%
C04	Does the company provide a provident fund for its employees?	9%		91%
C05	Does the company have a policy and guidelines for the employee development program to enhance their knowledge and potential? Hours of training should be publicized too.	2%	64%	34%
C06	Does the company have a policy preventing human rights violations?	14%	29%	57%
C07	Does the company have a policy for the treatment of the customers?	2%	15%	83%
C08	Does the company have a policy for the treatment of the business competitors?	11%	33%	56%
C09	Does the company have a policy for the treatment of the business partners with disclosure of supplier/ contractor selection practices?	7%	56%	37%
C10	Does the company have a policy for the treatment of the creditors? The policy should include a discussion on 1) collaterals, 2) covenants, 3) financial distress/default, or 4) capital management.	16%	52%	32%
C11	Does the company have a policy preventing violations of the intellectual properties and copyrights?	50%	22%	28%
C12	Does the company have a policy against corruption?	21%		79%
C13	Does the company have a corruption risk assessment procedure in place to determine the extent of the risk of corruption to the business?	79%		21%
C14	Does the company put in place an internal compliance and control program to prevent and monitor a corruption risk?	69%		31%
C15	Does the company have the procedures to	80%		20%

Question	Assessment Criteria	Percentage of Companies for Each Score Level		
		Poor	Good	Excellent
	monitor and enforce the anti-corruption policy?			
C16	Have the company been educating its employees on the anti-corruption policy and procedures?	76%		24%
C17	Does the company have a policy for the community services?	1%	19%	80%
C18	Does the company organize social activities or take part in the community development program?	9%	14%	77%
C19	Does the company have a business operations policy conforming to environmental standards?	8%	47%	45%
C20	Does the company encourage the utilization of its resources efficiently?	26%	32%	42%
C21	Does the company have a training program to educate its employees about the environmental issues?	68%	22%	10%
C22	Does the company provide a channel for stakeholders to communicate any concerns to the board?	49%	11%	40%
C23	Does the company have procedures for complaints by employees concerning illegal (including corruption) and unethical behavior?	65%		35%
C24	Does the company have a policy or procedures to protect an employee/person who reveals illegal/unethical behavior from retaliation?	57%		43%
C25	Does the company provide contact details via the company's website or annual report which stakeholders can use to voice their concerns or complaints for possible violation of their rights?	55%		45%
C26	Does the company have a compensation policy that accounts for the performance of the company beyond short-term financial measures?	87%		13%

Key important areas for improvement in the Role of Stakeholders category are noted. First, the company should prepare a corporate responsibility report certified according to the Global Reporting Initiative standards. Second, the company should report the actual activities, statistics, and figures corresponding to an effective implementation of the published policies for the treatment of employee's safety and welfare, trading partners, and creditors. Third, the company should have a corruption risk assessment procedure to determine the extent of the

risk of corruption to the business, an internal compliance and control program to prevent and monitor a corruption risk, procedures to monitor and enforce the anti-corruption policy, and an educational program on the company's anti-corruption policy and procedures. Fourth, the company should have a policy and procedure for complaints by employees concerning illegal (including corruption) and unethical behavior with a process to protect a person who reveals illegal or unethical behavior from retaliation. Finally, the company should disclose an employee's compensation policy that accounts for the performance of the company beyond short-term financial measures.

An important observation for the Role of Stakeholders section is that the company should disclose not only the written policies but also what have been done during the year.

Disclosure and Transparency

The Disclosure and Transparency category contains corporate governance assessment pertaining to the disclosure of mandated and voluntary corporate information through a variety of channels to reach all interested and relevant parties in a timely manner. External users of corporate information such as investors, lenders, creditors, employees, customers, suppliers, tax authorities, and regulatory agencies rely on the public information disclosed in the annual reports and websites to satisfy their different decision needs. Important corporate information whose omission or misstatement may influence the decisions of the information users include, but not limited to, major share ownership, profiles of the board members and key executives, company's financial and operating results, risk factors, board and managerial compensation, related party transactions, auditor's opinion, and any material issues affecting key stakeholders. A good governance company should disclose sufficient and timely information to the public to promote transparency, integrity, and accountability.

The Disclosure and Transparency category has a total of 49 regular questions and 1 penalty item (discussed separately in Table 8). This category receives a section weight of 20 percent in the calculation of the final score. Table 6 shows the percentage of CG scores by questions. The findings show that a majority of listed companies achieve the 'Excellent' governance practices in several governance dimensions. However, the disclosure of certain corporate information was missing. They were, for instance, the shareholdings of directors and senior management, good governance compliance report, company's market shares, corporate long-term goal, a pay-basis for the board remuneration, whistle-blowing policy, director training in a previous year, and a policy requiring directors to report transactions of the company's shares to the board of directors.

Table 6: Percentage of CG Scores for Disclosure and Transparency

Question	Assessment Criteria	Percentage of Companies for Each Score Level		
		Poor	Good	Excellent
	Does the company have a transparent ownership structure?			
D01	Breakdown of shareholding structure.	0%		100%
D02	Is it easy to identify beneficial owners?	2%	10%	88%
D03	Does the company disclose the direct and indirect (deemed) shareholdings of directors?	1%	81%	18%
D04	Does the company disclose the direct and indirect (deemed) shareholdings of senior management?	3%	81%	16%
	Assess the quality of the annual report by identifying the following items:			
D05	Does the annual report contain a statement confirming the company's full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for such issues?	1%	94%	5%
D06	Corporate objectives or long Term goal.	79%		21%
D07	Financial performance	1%	2%	97%
D08	Non-financial performance indicators (e.g. market shares or customer satisfaction index)	78%		22%
D09	Business operations and competitive position.	1%	4%	95%
D10	Corporate group structure (N/A for a company that does not belong to a corporate group).	10%		90%
D11	Key risks in business operations.	1%		99%
D12	Dividend policy.	7%		93%
D13	Details of a whistle-blowing policy.	62%		38%
D14	Board member background including (1) name, (2) age, (3) position, (4) education, (5) experience, (6) shareholding, (7) number of board position in listed and non-listed companies, and (8) first appointment date/the number of years that a director has been with the company.	3%	80%	17%

Question	Assessment Criteria	Percentage of Companies for Each Score Level		
		Poor	Good	Excellent
D15	Identification of independent directors.	1%		99%
D16	Basis of the board remuneration.	1%	52%	47%
D17	Basis of the key executives compensation.	4%	24%	72%
D18	Disclosure of individual directors' remuneration.	2%	9%	89%
D19	Number of board of directors meetings held during the year.	3%		97%
D20	Board meeting attendance of individual directors.	3%	1%	96%
D21	Training and continuing education programs attended by each director last year.	81%	5%	14%
D22	Does the company fully disclose details of related-party transactions in public communication?	0%	1%	99%
D23	Does the company have a specific policy requiring directors to report their shareholding and transactions of company shares to the board of directors?	17%	42%	41%
D24	Does the company disclose trading in the company's shares by insiders by showing the levels of holding at the beginning and at the end of the year?	67%		33%
D25	Does the company have a policy requiring directors to report possible conflicts of interest?	37%		63%
D26	Does the company disclose its policy covering the review and approval of material and significant RPTs by the board of directors or Audit Committee?	32%		68%
D27	Does the company perform an annual audit using independent and reputable auditors?	0%	0%	100%
D28	Are audit fees paid to the auditors disclosed in the annual report?	20%		80%
D29	Are non-audit fees paid to the auditors disclosed in the annual report?	33%		67%
D30	Are there any accounting qualifications in the audited financial statements apart from the qualification on uncertainty of economic situation?	1%	8%	91%
	Does the company offer multiple channels of access to corporate information?			

Question	Assessment Criteria	Percentage of Companies for Each Score Level		
		Poor	Good	Excellent
D31	Annual report.	1%		99%
D32	Quarterly reports.	1%		99%
D33	Company website.	1%		99%
D34	Analyst briefings or SET's opportunity day.	54%		46%
D35	Press briefings or press release pertaining to the company's financial performance.	54%		46%
D36	Was the financial report disclosed in a timely manner during the past year?	1%	1%	98%
	Does the company have a website, disclosing up-to-date information?			
D37	Business operations.	2%		98%
D38	Financial statements.	26%		74%
D39	Press release.	21%		79%
D40	Shareholding structure.	30%		70%
D41	Organization structure.	34%		66%
D42	Corporate group structure (N/A for a company that does not belong to a corporate group).	57%		43%
D43	Information on the board of directors and management.	18%		82%
D44	Information on the investor relations.	10%		90%
D45	Company's constitution (by-laws or articles of association).	67%		33%
D46	Downloadable annual report.	13%		87%
D47	Downloadable notice to call shareholders' meeting.	11%		89%
D48	Be provided in both Thai and English.	1%	28%	71%
D49	Does the company provide contact details for a specific Investor Relations person that is easily accessible to outside investors?	16%	4%	80%

Certain practices for improvement are worth mentioning in details. First, the company should disclose the direct and indirect shareholdings of the directors and top management. Second, the annual report should contain a statement confirming the company's full compliance with the code of good corporate governance by SET and where there is non-compliance, identify and explain reasons for such issues. Third, the company should disclose the corporate objectives or long-term goal, non-financial performance indicators, e.g., market shares and customer satisfaction index, whistle-blowing policy, director trainings attended by each director last year, among others, in the annual report. Fourth, the company should disclose information on trading in the company's shares by insiders showing the holding levels at the beginning and at the end of the year in the annual report. Finally, the company's website should display the corporate group structure and have the articles of association for download.

Board Responsibilities

The Board Responsibilities category examines whether there is an effective corporate governance framework for which the board members act on a fully informed basis, in good faith, with due diligence and care, and in the best interests of the company and the shareholders. The board of directors must exercise the duties of care and loyalty in overseeing the business organization and protecting the shareholders' assets. Basic board responsibilities are to create and review a statement of vision and mission that articulates the organization's goals and primary constituents, participate in an overall planning process and assist in implementing and monitoring the plan, secure adequate financial resources for the organization to fulfill its mission, assist in developing the annual budget and ensuring that proper financial controls are in place, articulate prerequisites for director candidates, orient new board members, and periodically and comprehensively evaluate their own performance, adhere to legal norms and high ethical standards, undertake a careful search to find the most qualified chief executive, and support and evaluate the chief executive, among others.

There are 90 regular questions and 17 bonus/penalty questions made up this category for which the section weight of 35 percent is in the final score calculation. Table 7 presents the percentage of CG scores by questions. The corporate governance performance in this section exhibits a wide range. A handful of governance practices receive 'Excellent' for almost 100% of companies (e.g., having a CG policy in place, disclosure of how key risks are managed, and no evident of non-compliance). However, there are a lot of governance areas that certainly require attention (e.g., a policy to limit the board position and term of service for independent directors).

Table 7: Percentage of CG Scores for Board Responsibilities

Question	Assessment Criteria	Percentage of Companies for Each Score Level		
		Poor	Good	Excellent
E01	Does the board of directors have the company's own corporate governance policy that clearly describes its value system and board responsibilities?	1%	1%	98%
E02	Does the board of directors provide a code of business ethics or code of conduct and disclose all details?	47%		53%
E03	Does the company disclose that all directors, management, and employees are required to comply with the code?	35%		65%
E04	Does the company disclose how it implements and monitors compliance with the code?	57%		43%
E05	Does the board of directors have a corporate vision / mission?	14%		86%
E06	Has the board of directors reviewed the company's vision and mission during the last 5 years?	87%		13%
E07	Does the board of directors state a policy that limit of five board seats in publicly-listed companies that a director can hold?	78%		22%
E10	Does the board of directors state a policy that addresses the board positions in other firms held by the company's CEO?	73%		27%
E11	Does the board of directors have a term limit of nine years or less for independent directors?	94%		6%
E16	Does the company have any independent directors who serve on more than five boards of publicly-listed companies?	10%		90%
E17	Does the company have any executive directors who serve on more than two boards of publicly-listed companies outside of the group?	2%		98%

Question	Assessment Criteria	Percentage of Companies for Each Score Level		
		Poor	Good	Excellent
E18	Does at least one non-executive director have prior working experience in the major industry the company is operating in?	13%		87%
E19	Does the SET/SEC have any evidence of non-compliance with the SET/SEC rules and regulations during the past year?	2%	4%	94%
E21	Does the board of directors have an internal audit operation established as a separate unit in the company?	2%	25%	73%
E22	To whom does the internal audit function report to? Does it have a reporting line to the Audit Committee?	3%		97%
E23	Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?	12%		88%
	Assess the quality of the Audit Committee report in the annual report. Does it contain the following information?			
E24	Meeting attendance	6%		94%
E25	Internal control	3%		97%
E26	Related-party transactions	13%		87%
E27	Proposed appointment of auditors	6%		94%
E28	Review of financial reports	3%		97%
E29	Regulatory compliance	7%		93%
E30	Overall concluding opinions	8%		92%
E31	Does the company disclose a board diversity policy (e.g., diversity of dexterity, expertise, and gender)?	54%		46%
E32	Does the company disclose the criteria used in selecting new directors?	50%		50%
E33	Does the company disclose the process followed in appointing new directors?	32%		68%



Question	Assessment Criteria	Percentage of Companies for Each Score Level		
		Poor	Good	Excellent
E36	Does the company provide an orientation to a new director?	44%		56%
E37	Does the company have a policy that encourages directors to attend on-going or continuous professional education programs?	35%		65%
E38	Have board members participated in the professional/accredited directors' training?	6%	27%	67%
E39	Does the board of directors encourage at least one director to regularly attend the continuing development programs or seminar for the directors?	63%		37%
E40	How many board meetings were held in the past year?	1%	51%	48%
E41	What is the attendance performance of the board members during the past 12 months?	3%	7%	90%
E42	Does the company require a minimum quorum of at least 2/3 for board decisions?	93%		7%
E43	Are the board of directors meetings scheduled before or at the beginning of the year?	61%		39%
E44	Has each of the directors attended at least 75% of all board meetings held during the year?	49%		51%
E45	Is document for board meetings provided to the board at least five business days in advance of the meeting?	27%		73%
E46	Are there any meetings of non-executive directors in the absence of the management?	87%		13%
E47	Does the board of directors provide a risk management policy?	20%		80%
E48	Does the company disclose the internal control procedures and risk management system it has in place?	6%		94%
E49	Does the annual report disclose that the board of directors has conducted a review of the company's material controls and risk management system?	20%		80%

Question	Assessment Criteria	Percentage of Companies for Each Score Level		
		Poor	Good	Excellent
E51	Does the company disclose how key risks are managed?	2%		98%
E52	Does the board of directors state a policy on conflicts of interest?	16%		84%
E53	Does the board of directors clearly distinguish the roles and responsibilities of the board and those of the management?	30%		70%
E54	Are the types of decisions requiring board of directors' approval disclosed?	66%		34%
E55	Does the board of directors conduct an annual self-assessment?	51%		49%
E56	Does the company disclose the process followed in conducting the board assessment?	83%		17%
E57	Does the company disclose the criteria used in the board assessment?	77%		23%
E58	Is there an annual performance assessment of individual directors?	80%		20%
E59	Does the company disclose the process followed in conducting the individual director assessment?	92%		8%
E60	Does the company disclose the criteria used in the individual director assessment?	89%		11%
E61	Is there an annual performance assessment of the Board Committees?	87%		13%
E62	Does the board of directors conduct an annual performance assessment of the CEO?	75%		25%
E63	Does the board of directors have a CEO succession plan in place?	58%	23%	19%
E64	Does the company disclose its compensation policy having both short-term and long-term incentives and performance measures for its executive directors and CEO?	96%		4%
E65	Is there a disclosure of the compensation structure for non-executive directors?	53%		47%

Question	Assessment Criteria	Percentage of Companies for Each Score Level		
		Poor	Good	Excellent
E66	Do the shareholders (the board of directors) approve the remuneration of the executive directors (senior executives)?	15%		85%
E67	Does the board of directors appoint a company secretary?	1%	12%	87%
E68	Is the company secretary educated or trained in legal, accountancy or company secretarial practices?	29%		71%
E69	Is the Chairman of the board an independent director?	69%		31%
E70	Is the Chairman of the board also the CEO (CEO duality)?	16%		84%
E71	Are the role and responsibilities of the Chairman of the board disclosed?	79%		21%
	Appointment of the Audit Committee.			
E72	Audit Committee exists? If yes, are the following items disclosed?	0%		100%
E73	Charter/ role and responsibilities.	1%		99%
E74	Profile / qualifications	1%		99%
E75	Is the Committee composed entirely of independent directors?	0%		100%
E76	Did the Audit Committee meet at least four times during the year?	4%		96%
E77	Is the attendance of members at the Audit Committee meetings disclosed?	13%		87%
E78	Does at least one of the Audit Committee members have accounting expertise (accounting qualification or experience)?	37%		63%
E79	Does the Audit Committee have a responsibility to make recommendation on the appointment and removal of the external auditor?	95%		5%
E80	Does the appointment and removal of the internal auditor require the approval of the Audit Committee?	18%		82%

Question	Assessment Criteria	Percentage of Companies for Each Score Level		
		Poor	Good	Excellent
	Appointment of the Remuneration Committee.			
E81	Remuneration Committee exists? If yes, are the following items disclosed?	41%		59%
E82	Charter/ role and responsibilities.	42%		58%
E83	Is the Committee composed of a majority of independent directors (more than 50%)?	61%		39%
E84	Is the Chairman of the Committee an independent director?	54%		46%
E85	Did the Remuneration Committee meet at least twice during the year?	64%		36%
E86	Is the attendance of members at the Remuneration Committee meetings disclosed?	55%		45%
	Appointment of the Nomination Committee.			
E87	Nomination committee exists? If yes, are the following items disclosed?	43%		57%
E88	Charter/ role and responsibilities.	44%		56%
E90	Is the Committee composed of a majority of independent directors (more than 50%)?	65%		35%
E91	Is the Chairman of the Committee an independent director?	55%		45%
E92	Did the Nomination Committee meet at least twice during the year?	65%		35%
E93	Is the attendance of members at the Nomination Committee meetings disclosed?	55%		45%
E94	Does the board of directors appoint the Corporate Governance Committee or other Board Committee overseeing the corporate governance functions?	77%		23%
E95	Does the board of directors appoint the Risk Management Committee (either at the board or management level)?	50%		50%
E96	Does the board of directors comprise of at least 5 members and no more than 12 members?	15%		85%
E98	How many board members are non-executive directors?	0%	28%	72%

Question	Assessment Criteria	Percentage of Companies for Each Score Level		
		Poor	Good	Excellent
E99	Among the board of directors, how many are independent directors?	2%	88%	10%
E100	Does the board of directors provide the definition of 'independence' for identifying independent directors in public communication?	6%	72%	22%
E101	Are the independent directors independent of the management and major shareholders?	7%		93%
E102	Does the company have a separate board of director's report reviewing the firm's financial statements in the annual report?	32%		68%

Certain governance areas for improvement in the Board Responsibilities category are noted. First, the company should have a code of business ethics or conduct available to the directors, management, and employees, explicitly requires all of them to comply with the code, and disclose how it implements and monitors compliance with the code of ethics or conduct. Second, the board of directors should review the company's vision, mission and strategies every year and report it in the annual report. Third, the limit for the independent directors' term of service should be no more than 9 years with no exception. Fourth, there should be a minimum quorum of at least 2/3 of the board members for board decisions to be valid to facilitate the participation in the board meeting. Finally, there should be an annual assessment of the performance of the board of directors, individual directors, Board Committee with disclosure of the process and criteria used in the annual report.



The bonus and penalty questions altogether are discussed separately from the regular questions in this section. There are a total of 31 bonus and penalty questions in the CGR 2014. The bonus questions recognize and reward companies with enhanced internationally-accepted governance standards. In contrast, a penalty is coded for companies with governance practices that are beyond the pale of good corporate governance. Table 8 presents the results for the bonus and penalty questions.

Table 8: Bonus and Penalty Questions

Category	Question	Assessment Criteria	Percentage of Companies for Each Score Level	
			No Action	Bonus/ Penalty
Rights of Shareholders	A30	Were there additional AGM/EGM agenda item(s) that were not included in the notice to call the meeting? (Penalty)	98.4%	Penalty = 1.6%
	A31	Did the company fail or neglect to offer equal treatment for share repurchases to all shareholders? (Penalty)	100%	Penalty = 0%
	A32	Is there evidence of barriers that prevent shareholders from communicating or consulting with other shareholders?(Penalty)	100%	Penalty = 0%
	A33	Did the company fail to disclose the existence of shareholders agreement? (Penalty)	100%	Penalty = 0%
Equitable Treatment of Shareholders	B13	Does the company use cumulative voting in the election of board members? (Bonus)	99%	Bonus = 1%
	B14	Did the company also send out the English translation of the notice to all Shareholders Meetings to foreign shareholders? (Bonus)	24%	Bonus = 76%
	B15	Were there any related-party transactions that can be classified as financial assistance to non-subsidiary companies? (Penalty)	94%	Penalty = 6%
	B16	Have there been any cases of insider trading involving company directors and/or management in the past year? (Penalty)	99.8%	Penalty = 0.2%
	B17	Has there been any non-compliance case regarding a related-party transaction in the past year? (Penalty)	100%	Penalty = 0%
	B18	Has there been any non-compliance case regarding the buy and sale of company's asset? (Penalty)	100%	Penalty = 0%
	B19	Does the company have a policy requiring directors and key officers to notify the board or its delegate at least one day before they deal in the company shares? (Bonus)	97%	Bonus = 3%



Category	Question	Assessment Criteria	Percentage of Companies for Each Score Level	
			No Action	Bonus/ Penalty
Role of Stakeholders	C27	Has there been any violation of any laws pertaining to labor, employment, consumer, insolvency, commercial, competition, or environmental issues? (Penalty)	99%	Penalty = 1%
	C28	Has the company faced any sanctions by regulators for failure to make announcements within the requisite time period for material events? (Penalty)	100%	Penalty = 0%
Disclosure and Transparency	D50	Was there any record of sanctions by the SEC requiring the company to revise its financial statements during the past year? (Penalty)	97%	Penalty = 3%
Board Responsibilities	E08	Does the board of directors state a policy that limit of three board seats in publicly-listed companies that a director can hold? (Bonus)	97%	Bonus= 3%
	E09	Does the company set a limit of five board seats in both publicly-listed companies and unlisted subsidiaries? (Bonus)	98%	Bonus= 2%
	E12	Does the board of directors have a term limit of six years or less for independent directors? (Bonus)	99%	Bonus= 1%
	E13	Does the company have any independent directors who have served for more than nine years? (Penalty)	47%	Penalty = 53%
	E14	Did the company fail to disclose the identity of the independent directors? (Penalty)	99%	Penalty = 1%
	E15	Is any of the directors or senior management a former employee or partner of the current external auditor (in the past 2 years)? (Penalty)	99%	Penalty = 1%
	E20	Does the company have a compliance unit? (Bonus)	78%	Bonus= 22%
	E34	Does the company compile a board profile when considering candidates to the board (i.e., identify the missing skills and characteristics and nominate individuals who could fill possible gaps)? (Bonus)	92%	Bonus= 8%

Category	Question	Assessment Criteria	Percentage of Companies for Each Score Level	
			No Action	Bonus/ Penalty
	E35	Does the company use professional search firms or other external sources of candidates (e.g., Director Pool) when searching for candidates to the board of directors? (Bonus)	94%	Bonus= 6%
	E50	Does the annual report contain a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management system? (Bonus)	21%	Bonus= 79%
	E89	Does the Nomination Committee comprise entirely of independent directors? (Bonus)	91%	Bonus= 9%
	E97	Does the company have at least one female independent director on board? (Bonus)	55%	Bonus= 45%
	E103	Does the company provide an employee stock options scheme with (1) the exercise period over 3 years,(2) the strike price above the market price at the time of the award, and (3) no concentration such that no particular individual received more than 5% of the award? (Bonus/Penalty)	97%	Bonus= 1% Penalty=2%
	E104	Did the company sign the declaration of the Private Sector Collective Action Coalition Against Corruption? (Bonus)	77%	Bonus= 23%
	E105	Has the company had any non-compliance cases regarding fraud/ethics in the past year? (Penalty)	100%	Penalty = 0%
	E106	Have there been any instances where non-executive directors have resigned and raised any issues of governance-related concerns? (Penalty)	100%	Penalty = 0%
	E107	Have there been major corporate scandals that point to weak board of directors' oversight? (Penalty)	100%	Penalty = 0%



A discussion herein focuses only on certain interesting bonus and penalty criteria. For Rights of Shareholders, 1.6% of companies received a penalty for having an AGM agenda that was not previously specified in the notice to call AGM. In the Equitable Treatment of Shareholders category, bonuses were awarded to 1% of companies for using a cumulative voting scheme for the election of directors and 76% of companies for making the English translation of the notice to call AGM available. A penalty is coded to 6% of companies for having the related-party transactions that could be considered as a financial assistance to non-direct subsidiaries and 0.2% of companies for insider trading violation. In the Role of Stakeholders category, a penalty is recorded for 1% of companies for a violation of laws pertaining to labor, employment, consumer, insolvency, commercial, competition, or environmental issues. A penalty in the Disclosure and Transparency category is evident for 3% of companies for showing a record of sanction by the SEC requiring the companies to revise the financial statements.

In the Board Responsibilities category, a bonus was given to 3%, 2%, and 1% of companies for a policy that limit three board seats in publicly-listed companies that a director can hold, a policy that limit five board seats in both publicly-listed companies and unlisted subsidiaries, and a term limit of six years or less for independent directors, respectively. However, there were 53% of listed companies that have independent directors who have served for more than nine years (penalty). A bonus was also awarded to 22% of companies for having a compliance unit, 8% of companies for compiling a board profile when considering candidates to the board, 6% of companies for using professional search firms or other external sources of candidates (e.g., Director Pool) when searching for candidates to the board of directors, 79% of companies for having a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management system, 9% of companies for having all independent directors on the Nomination Committee, 45% of companies for having at least one female independent director on board, and 23% of companies for signing the declaration of the Private Sector Collective Action Coalition Against Corruption.

A bonus was granted to 1% of companies providing an options incentive scheme with the exercise periods over 3 years, an exercise price higher than the market price, and no particular individual received more than 5% of the option. On the other hand, a penalty is documented for 2% of companies because one of the criteria of the higher-than-the-market-price exercise price, 3-year exercise periods, or no concentration was not fulfilled.

IV. CGR 2014 Performance Analyses

The CGR 2014 assessed corporate governance practices of 550 companies using 237 assessment criteria. The average corporate governance (CG) score in 2014 is 72 percent, which is 6 percentage points lower than that of the CGR 2013.

Table 9 presents the descriptive statistics for each CGR category. The Equitable Treatment of Shareholders category receives the highest average score of 91 percent following by the Rights of Shareholders at 87 percent. The Disclosure and Transparency category is next with the average score of 77 percent. Board Responsibilities and Role of Stakeholders obtain the average scores of 63 percent and 62 percent, respectively. The median scores confirm that the average scores (average practices) are not biased toward either the maximum scores (best practices) or minimum scores (worst practices).

Table 9: Descriptive Statistics of the CGR 2014 Scores (Percent)

Survey Category	Average	Median	Maximum	Minimum
(A) Rights of Shareholders	87	88	100	51
(B) Equitable Treatment of Shareholders	91	92	99	52
(C) Role of Stakeholders	62	62	100	10
(D) Disclosure and Transparency	77	78	99	40
(E) Board Responsibilities	63	63	92	33
Overall Scores	72	71	94	41

It is worth mentioning that the Role of Stakeholders category exhibits a wide range from a minimum score of 10 percent to a maximum score of 100 percent. There were a variety of corporate governance practices pertaining to the stakeholders by Thai listed companies. In contrast, there is a greater consistency of corporate governance practices among Thai listed companies in the Rights of Shareholders and Equitable Treatment of Shareholders categories.

CGR 2014 Performance by Industry Group

Table 10 presents the descriptive statistics of the CGR 2014 scores by industry group sorted from the highest average score to the lowest average score.

Table 10: CGR 2014 Descriptive Statistics by Industry Group (Percent)

Industry Group	Number of Firms	Average	Median	Maximum	Minimum
Resources	30	77	75	93	59
Technology	37	76	76	94	51
Financials	57	75	75	94	53
Agro & Food Industry	43	73	77	90	48
Services	91	73	72	92	52
Property & Construction	86	71	71	94	51
Industrials	73	69	68	94	52
Consumer Products	38	68	70	89	41
MAI	95	68	69	86	50
All Sample Companies	550	72	71	94	41

The Resources industry obtains the highest average score of 77 percent. The Technology sector receives the average score of 76 percent and the Financials sector earns 75 percent. By examining the range between the minimum and maximum scores, the Resources sector exhibits the narrowest range of scores, suggesting the least variation in corporate governance practices among peer companies. In contrast, the range between the minimum and maximum scores in the Consumer Products industry suggests a high variation of governance practices among the peers.

CGR 2014 Performance by Market Capitalization

To measure a corporate governance performance by size, the CGR 2014 classified the sample companies into 4 size groups based on the average monthly market capitalization during the calendar year 2013. For each month in 2013, the monthly market capitalization is calculated as the number of outstanding shares multiplied by the end-of-month closing price. Then, the 12 monthly market capitalizations are averaged for a categorization purpose.

The first group includes companies with large market capitalization of 10,000 million baht or more (147 companies). The second largest companies are those with market capitalization between 3,000 – 9,999 million baht (123 companies). The third size-group represents companies with market capitalization between 1,000 – 2,999 million baht (166 companies). The smallest size-group contains companies the market capitalization of less than 1,000 million baht (114 companies). Table 11 presents the descriptive statistics for 550 companies in the CGR 2014 by their market capitalizations.

Table 11: CGR 2013 Descriptive Statistics by Market Capitalization (Percent)

Market Capitalization	Number of Firms	Average	Median	Maximum	Minimum
10,000 million baht or above	147	79	80	94	53
3,000 – 9,999 million baht	123	72	73	91	51
1,000 – 2,999 million baht	166	69	68	92	41
Less than 1,000 million baht	114	65	66	86	46
All Sample Companies	550	72	71	94	41

Generally, the average (median) score increases monotonically with the market capitalization. Larger companies have on average better corporate governance performance than their smaller counterparts. The best companies (maximum score) in the top 3 biggest market capitalization groups receive the CG score of more than 90 percent – “Excellent” level of recognition. There is no company earning the “Excellent” recognition level in the smallest size-group.

CGR 2014 Performance by Level of Recognition

Thai IOD converted the 0-100 scores into six meaningful levels of corporate governance recognition as illustrated below. For instance, the highest level of recognition is “Excellent” which is corresponding to the score between 90–100 percent. The next recognition level is “Very Good” which is equivalent to the score between 80–89 percent. The subsequent recognition levels are counted in a descending order with 10 points interval. No recognition level is designated for the score of less than 50 percent, however.






Score Range	Number of Logos	Description
90 – 100		Excellent
80 – 89		Very Good
70 – 79		Good
60 – 69		Satisfactory
50 – 59		Pass
Less than 50	No Logo Given	-

Table 12 presents the CGR 2014 results by the level of governance recognition. There are 30 companies (5.5% of companies in 2014 vs. 17% of companies in 2013) achieving the recognition level of “Excellent.” There are 107 companies (19.5% vs. 31% in 2013) earning the “Very Good” recognition level and 171 companies (31% vs. 29% in 2013) receiving the “Good” level of recognition. There are 242 companies (44% vs. 23% in 2013) classified below the “Good” level. A comparative analysis across two years suggest that certain listed companies in the “Very Good” and “Excellent” recognition levels moved into the “Good” or below level due to tougher assessment criteria. It is noted that listed companies with regulatory notations are included in the “Lower Levels” recognition category.

Table 12: CGR 2014 Results by Corporate Governance Recognition Level





Recognition Levels		No. of Firms	%
Excellent		30	5.5%
Very Good		107	19.5%
Good		171	31%
Lower Levels	Below 	242	44%
Total Sample Companies		550	100%

Table 13 presents the level of corporate governance recognition by industry group. The Financials group is detailed into 3 sub-sectors for a better analysis of corporate governance performance. The Banking sector has the best performance with all 11 banks achieving at least the “Very Good” recognition. The Resources and Technology sectors are second and third, having 13 out of 30 firms and 15 out of 37 firms receiving the “Excellent” or “Very Good” recognition level. None of the MAI companies earned the “Excellent” recognition level.

Table 13: Corporate Governance Recognition Level by Industry Group

Industry Group	Recognition Levels				Total
	Excellent	Very Good	Good	Lower Levels	
Agro & Food Industry	1	13	13	16	43
Consumer Products	-	9	10	19	38
Financials – Total	6	17	17	17	57
Banking	6	5	-	-	11
Finance and Securities	-	7	10	11	28
Insurance	-	5	7	6	18
Industrials	3	8	19	43	73
Property & Construction	3	13	29	41	86
Resources	7	6	10	7	30
Services	4	24	29	34	91
Technology	6	9	10	12	37
MAI	-	8	34	53	95
TOTAL	30	107	171	242	550

Table 14 reveals a pattern that firms with high market capitalization tend to have better corporate governance performance, considering the proportion of companies achieving the “Excellent” or “Very Good” recognition level. SET50 companies are impressive, having 40 out of 50 firms earning the “Excellent” or “Very Good” recognition level. About two-third of SET100 companies (63%) also received at least the “Very Good” recognition. As indicated by the relative frequency of firms receiving each level of distinction, there are quite a number of firms in the medium capitalization categories that achieve the “Very Good” and “Good” levels of recognition. Many medium-sized firms exhibit corporate governance practices that are on par with their larger counterparts. However, a majority of companies in the smaller size-group (68%) received the recognition level that is less than the “Good” level.

Table 14: Corporate Governance Recognition Level by Market Capitalization

Market Capitalization	Recognition Levels				Total
	Excellent	Very Good	Good	Lower Levels	
SET50 ³	17	23	7	3	50
SET100	22	41	25	12	100
10,000 million baht or above	28	52	41	26	147
3,000 – 9,999 million baht	1	28	50	44	123
1,000 – 2,999 million baht	1	18	53	94	166
Less than 1,000 million baht	0	9	27	78	114
TOTAL	30	107	171	242	550

Table 15 presents the proportion of companies within their market capitalizations achieving each level of recognition. About half of companies with the largest market capitalization (54%) achieve the top 2 levels of recognition. A majority of companies (63%) with market capitalization of between 3,000 – 9,999 million baht reside in the “Very Good” and “Good” recognition levels, only 1% achieving the “Excellent” level. For the last two small size categories with market capitalization of between 1,000 – 2,999 million baht and with market capitalization of less than 1,000 million baht position, there is only 1% of companies earning an “Excellent” recognition level. A majority of these companies are in the “Good” recognition level and below.

³ The statistics for SET50 and SET100 constituent firms are shown separately for comparison. The constituent firms for the SET50 and SET100 indices are based on the companies comprising the indices from January to June 2014. There are 50 SET50 companies and 100 SET100 companies included in the CGR 2014.

Table 15: Proportion of Recognition Levels Within Market Capitalization (Percent)

Market Capitalization	Recognition Levels				Total
	Excellent	Very Good	Good	Lower Levels	
SET50	34%	46%	14%	6%	100%
SET100	22%	41%	25%	12%	100%
10,000 million baht or above	18%	36%	28%	18%	100%
3,000 – 9,999 million baht	1%	23%	40%	36%	100%
1,000 – 2,999 million baht	1%	11%	32%	56%	100%
Less than 1,000 million baht	0%	8%	24%	68%	100%

Table 16 analyzes proportions of firms achieving the top 3 recognition levels. Of 30 companies earning the highest recognition level, 93.3% of the companies are from the largest size group with market capitalization of 10,000 million baht or more. At the “Very Good” level of distinction, the distribution varies. Around 50% of companies are the largest companies. Approximately one-third of companies with market capitalization of 3,000 – 9,999 and 1,000 – 2,999 million baht are located in the “Good” level of governance performance.

Table 16: Top 3 Recognition Level by Market Capitalization (Percentage)

Market Capitalization	Top 3 Recognition Levels		
	Excellent	Very Good	Good
10,000 million baht or above	93.3%	49%	24%
3,000 – 9,999 million baht	3.3%	26%	29%
1,000 – 2,999 million baht	3.3%	17%	31%
Less than 1,000 million baht	0%	8%	16%
TOTAL	100%	100%	100%

From an analysis by market capitalization, a few interesting observations are noted. First, larger firms tend to have better corporate governance performance than do smaller firms. Second, certain medium-sized firms can achieve a high level of corporate governance recognition. Finally, small-sized firms should pay more attention to their corporate governance policies.

Performance of SET50 and SET100 Companies

This section compares the performance of the largest listed companies comprising the SET50 and SET100 indices to that of the overall sample. Table 17 presents the overall CG score and the scores by category for the full sample of 550 companies, for the 50 companies in the SET50 index, and for the 100 companies that are part of the SET100 index.

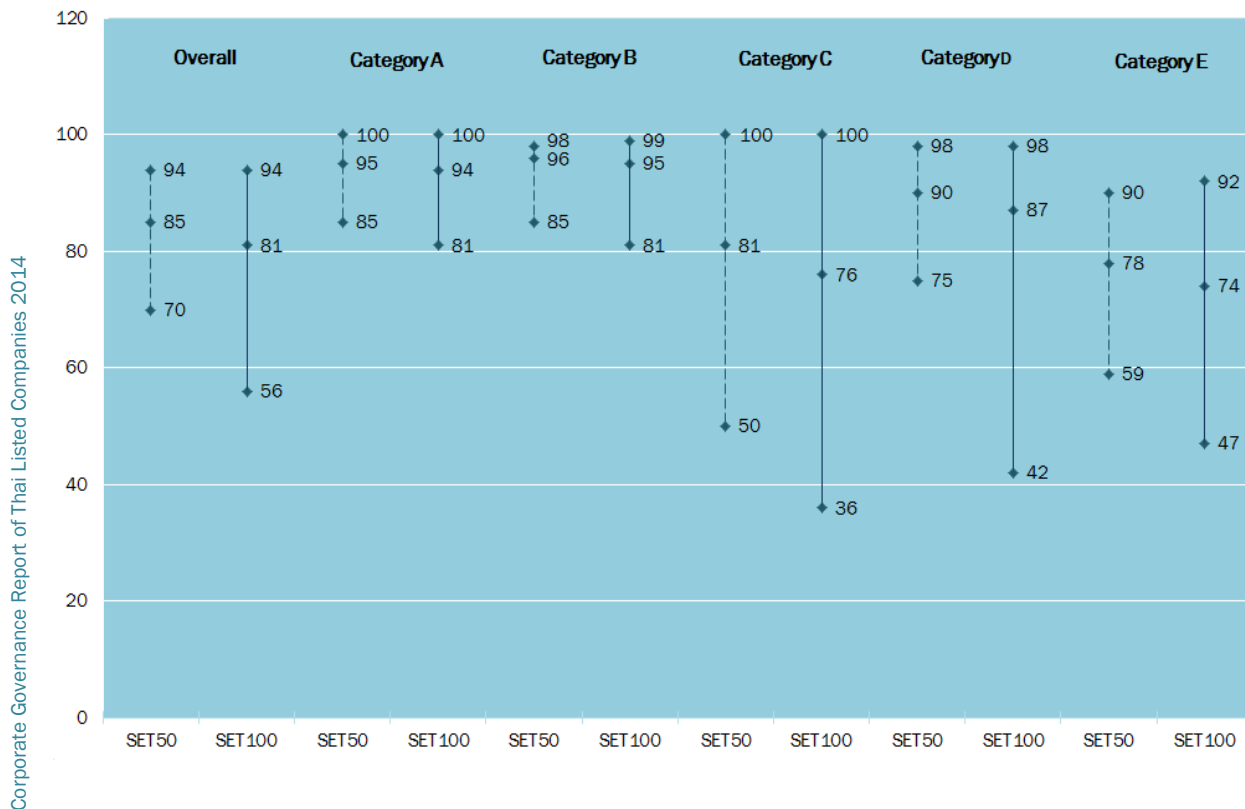
Table 17: Comparison of Full Sample, SET50, and SET100 Corporate Governance Scores (Percent)

	Overall	A	B	C	D	E
Full Sample (550 Companies)						
Average	72	87	91	62	77	63
Median	71	88	92	62	78	63
Maximum	94	100	99	100	99	92
Minimum	41	51	52	10	40	33
SET50 (50 Companies)						
Average	85	95	96	81	90	78
Median	86	95	98	82	91	80
Maximum	94	100	98	100	98	90
Minimum	70	85	85	50	75	59
SET100 (100 Companies)						
Average	81	94	95	76	87	74
Median	82	95	96	77	89	74
Maximum	94	100	99	100	98	92
Minimum	56	81	81	36	42	47

The average CG score for the SET50 companies is 85 percent compared with 81 percent for the SET100 companies and 72 percent for the full sample. The SET50 and SET100 companies have higher average scores than does the full sample in all of the five governance categories. Comparing between SET50 and SET100 companies, the average scores for SET50 companies are higher than those of SET100 companies in all categories. And, the SET50 and SET100 companies show less variation in corporate governance practices than does the full sample, as reflected in a narrower range between the maximum and minimum scores.

Figure 1 presents a graphical view of the CG scores of SET50 and SET100 companies. Generally, the average SET50 firm exhibits a better governance performance than does the average SET100 firm. An analysis in this section shows that these SET50 and SET100 firms are the leaders not only in term of market capitalization but also in the practices of good corporate governance.

Figure 1: Corporate Governance Scores of SET50 and SET100 Constituent Companies



The next section is a comparative analysis of the governance performance in the CGR 2014 versus the CGR 2013.



V. Comparative Analysis

This section compares the corporate governance performance of sample companies across the 2 years. There are **550** companies in the CGR 2014 and **526** companies in the CGR 2013. The first comparison is based on the full sample. Figure 2 shows the maximum, minimum, and average scores of the CGR 2014 and CGR 2013 studies. Table 18 tabulates the descriptive statistics. The overall average CG score in 2014 is six percentage points lower than that of the 2013. The average scores for all, but one, categories in 2014 are lower than those of 2013. An exception is an average score in the Equitable Treatment of Shareholders category. It increases from 86 points in 2013 to 91 points in 2014. Interestingly, the average score in the Board Responsibilities in 2014 is only one point lower than that of 2013 even though there were 53 more assessment questions in 2014.

Figure 2: Overall Corporate Governance Scores, CGR 2014 vs. CGR 2013

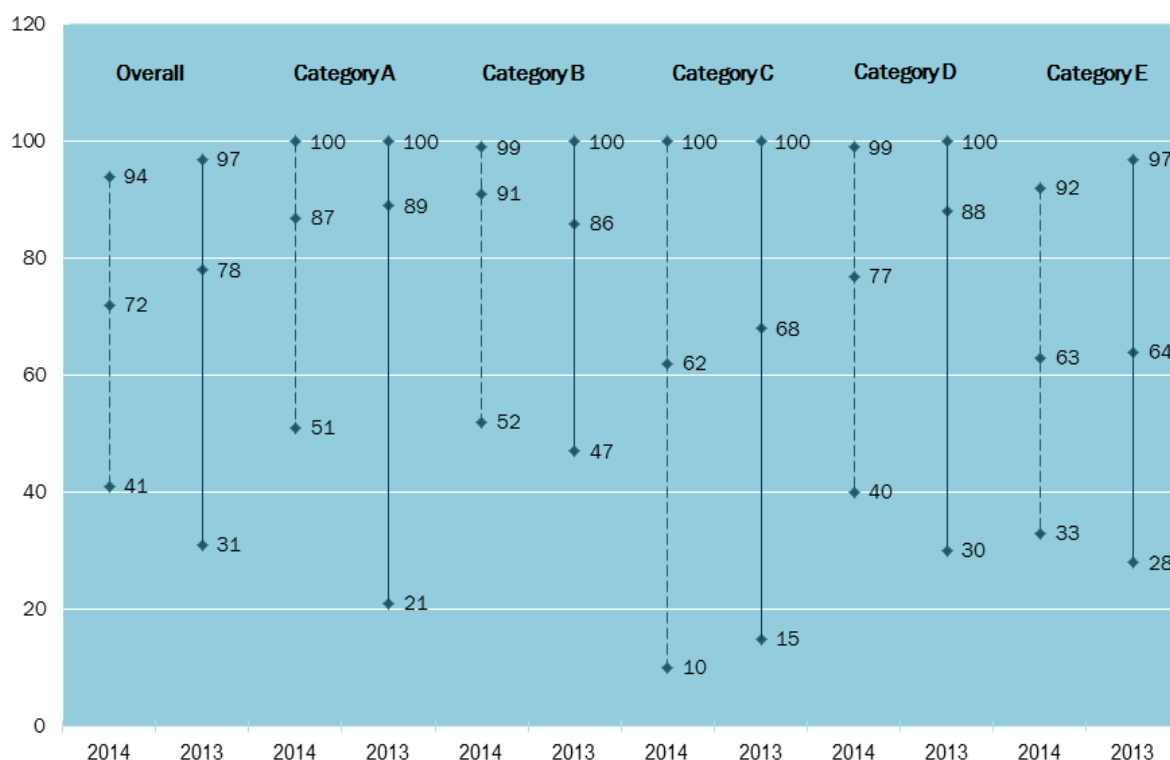


Table 18: Corporate Governance Scores, CGR 2014 vs. CGR 2013

	CGR 2014 (550 Companies)					
	Overall	A	B	C	D	E
Average	72	87	91	62	77	63
Median	71	88	92	62	78	63
Maximum	94	100	99	100	99	92
Minimum	41	51	52	10	40	33
	CGR 2013 (526 Companies)					
	Overall	Overall	Overall	Overall	Overall	Overall
Average	78	78	78	78	78	78
Median	79	79	79	79	79	79
Maximum	97	97	97	97	97	97
Minimum	31	31	31	31	31	31

For the check of robustness, this section analyzes **516** companies that remained in the sample across the CGR 2014 and CGR 2013 years. Figure 3 compares the range and average scores of these 516 same companies. Table 19 presents the descriptive statistics. The analysis is similar to the full sample comparison. The overall average score in 2014 is lower than that of 2013. This is due to the added assessment questions from 148 items in 2013 to 237 items in 2014. The same set of companies in 2013 and 2014 has lower corporate governance scores. The average scores in all but the Equitable Treatment of Shareholders categories have either decreased or remained in the same vicinity.

Figure 3: Governance Scores for 516 Companies in both CGR 2014 and CGR 2013

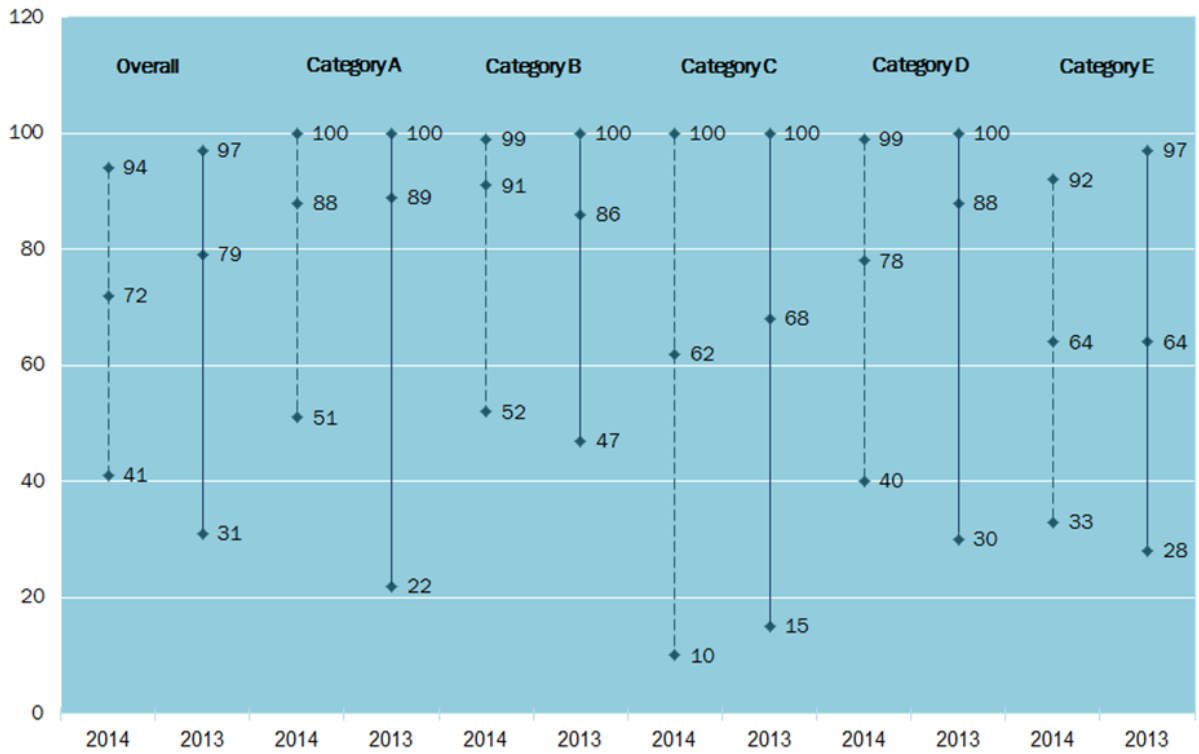


Table 19: Governance Scores for 516 Companies in both CGR 2014 and CGR 2013

	CGR 2014 (516 Companies)					
	Overall	A	B	C	D	E
Average	72	88	91	62	78	64
Median	72	89	94	62	78	63
Maximum	94	100	99	100	99	92
Minimum	41	51	52	10	40	33
	CGR 2013 (516 Companies)					
	Overall	A	B	C	D	E
Average	79	89	86	68	88	64
Median	80	91	88	70	91	63
Maximum	97	100	100	100	100	97
Minimum	44	30	52	15	33	31

What is the governance performance of the new companies entering the CGR 2014? Table 20 presents the corporate governance scores of 34 new companies that made their appearance in the CGR 2014 but were not included in the CGR 2013. These 34 new companies in the CGR 2014 have on average lower CG performance than that of the other 516 companies included in both 2014 and 2013 (72 percent vs. 67 percent). However, the minimum scores (overall and for each category) for these 34 new companies are not inferior to those of the other 516 firms. Perhaps, companies that were lagging behind still remain lagging.

Table 20: Governance Scores of 34 Companies in CGR 2014, but not in CGR 2013

	34 Companies in 2014, but not in 2013					
	Overall	A	B	C	D	E
Average	67	85	85	52	76	60
Median	68	86	87	54	77	59
Maximum	80	98	98	77	91	73
Minimum	48	57	61	26	46	40

Table 21 compares the corporate governance scores of MAI Companies to the survey companies that are listed on the SET. It shows that the 95 MAI companies have an average CG score of 4 percentage points below that of the 455 SET companies (68 percent vs. 72 percent). An average SET company has a better corporate governance performance than an average MAI company in all categories. In addition, the corporate governance scores of the MAI companies tend to cluster together, as evident by a narrow range of the minimum and maximum scores. Corporate governance practices are consistent among their MAI peers.

Table 21: Governance Scores of MAI vs. SET Companies in CGR 2014

	MAI Companies (N=95)					
	Overall	A	B	C	D	E
Average	68	85	88	56	76	60
Median	69	86	88	57	77	59
Maximum	86	94	99	90	98	84
Minimum	50	55	61	16	42	44
	SET Companies (N=455)					
	Overall	A	B	C	D	E
Average	72	88	91	63	78	64
Median	72	89	94	63	79	64
Maximum	94	100	99	100	99	92
Minimum	41	51	52	10	40	33

The next performance analysis is from the CG scores of SET50 and SET100 companies. Although the sample of companies constituting the SET50 and SET100 indices changes over time, the comparison is relevant and consistent since these firms represent large market-capitalization firms across time.

Table 22 presents the overall and category scores for the SET50 firms of the CGR 2014 and CGR 2013 studies. On average, the overall score and the scores in all, but one, categories have decreased. By examining the maximum score, the best SET50 firm has shown consistent corporate governance practices. The top SET50 firm has maintained a high level of governance practices across time. The minimum scores provide mixed evidence, however.

Table 22: Comparison of Corporate Governance Scores for SET50 Firms, CGR 2014 vs. CGR2013

SET50	Overall	A	B	C	D	E
Average Score						
CGR2014 (50 firms)	85	95	96	81	90	78
CGR2013 (50 firms)	91	96	93	91	96	80
Maximum Score						
CGR2014 (50 firms)	94	100	98	100	98	90
CGR2013 (50 firms)	96	100	100	100	100	94
Minimum Score						
CGR2014 (50 firms)	70	85	85	50	75	59
CGR2013 (50 firms)	81	77	85	65	85	56

Table 23 shows the CG scores of SET100 companies. The analysis for the average SET100 firm reveals similar patterns to those of the average SET50 firm. There is a fall off in governance performance for an average SET100 firm. Overall, the top SET100 firm shows consistent corporate governance practices across time. However, the bottom SET100 firm exhibits mixed outcomes.

**Table 23: Comparison of Average Corporate Governance Scores for SET100 Firms,
CGR 2014 vs. CGR2013**

SET100	Overall	A	B	C	D	E
Average Score						
CGR2014 (100 firms)	81	94	95	76	87	74
CGR2013 (100 firms)	88	95	91	83	94	77
Maximum Score						
CGR2014 (100 firms)	94	100	99	100	98	92
CGR2013 (100 firms)	97	100	100	100	100	97
Minimum Score						
CGR2014 (100 firms)	56	81	81	36	42	47
CGR2013 (100 firms)	68	62	61	38	55	48

All in all, the comparative analysis suggests that SET50 and SET100 listed companies have maintained a high standard of corporate governance practices from 2013 to 2014. The next section examines the corporate governance performance by market capitalization.

Table 24 details the descriptive statistics of the CGR 2014 scores versus those of the CGR 2013 by market capitalization. In general, companies in the largest market capitalization of 10,000 million baht or more have highest average and median scores comparing to other market capitalization groups. The average and median scores in each CGR category are consistent with the overall score. Companies that have good overall CG performance usually do well in all corporate governance categories.

Panel A compares the corporate governance performance of the largest companies with market capitalization of 10,000 million baht or above in 2014 (147 companies) and in 2013 (120 companies). The overall average and median scores are lower in 2014. A slight improvement is observed for the (B) Equitable Treatment of Shareholders category. The remaining categories exhibit lower average scores in 2014. By examining the maximum scores, the best CG company exhibits consistent practices of high performance. However, there are improvement opportunities for the companies that are still lagging behind their peers (minimum score).

Table 24: Comparison of Governance Scores by Market Capitalization 2014 vs. 2013

Panel A: Market Capitalization = 10,000 million baht or above

2014	CGR 2014 (147 Companies)					
	Overall	A	B	C	D	E
Average	79	92	93	73	85	72
Median	80	94	96	74	86	72
Maximum	94	100	99	100	99	92
Minimum	53	71	74	36	40	44
2013	CGR 2013 (120 Companies)					
	Overall	A	B	C	D	E
Average	86	93	90	82	93	74
Median	88	95	92	88	95	78
Maximum	96	100	100	100	100	97
Minimum	55	75	61	21	46	36

Panel B presents the corporate governance performance of the companies with market capitalization of 3,000 – 9,999 million baht in 2014 (123 companies) and in 2013 (102 companies). The overall average and each category's average scores exhibit a similar pattern to large companies in Panel A.

Panel B: Market Capitalization = 3,000 - 9,999 million baht

2014	CGR 2014 (123 Companies)					
	Overall	A	B	C	D	E
Average	72	88	91	62	79	64
Median	73	89	95	63	80	64
Maximum	91	99	99	96	96	84
Minimum	51	64	52	16	48	46
2013	CGR 2013 (102 Companies)					
	Overall	A	B	C	D	E
Average	81	90	88	74	90	68
Median	84	92	90	79	92	70
Maximum	97	100	100	100	100	94
Minimum	49	37	52	17	33	39

Panel C and Panel D show the corporate governance performance of the companies with market capitalization of 1,000 – 2,999 million baht and market capitalization of less than 1,000 million baht. Generally, the average and median CG scores for each size group in 2014 exhibit a drop in corporate governance performance.

Panel C: Market Capitalization = 1,000 - 2,999 million baht

2014	CGR 2014 (166 Companies)					
	Overall	A	B	C	D	E
Average	69	85	89	58	75	60
Median	68	86	88	57	75	60
Maximum	92	99	99	95	96	88
Minimum	41	51	64	19	43	33
2013	CGR 2013 (143 Companies)					
	Overall	A	B	C	D	E
Average	77	89	86	66	87	61
Median	78	91	85	69	89	62
Maximum	94	100	95	100	98	90
Minimum	43	26	52	15	33	28

Panel D: Market Capitalization = less than 1,000 million baht

2014	CGR 2014 (114 Companies)					
	Overall	A	B	C	D	E
Average	65	84	88	52	70	58
Median	66	86	88	50	71	57
Maximum	86	96	99	94	98	84
Minimum	46	53	61	10	42	39
2013	CGR 2013 (161 Companies)					
	Overall	A	B	C	D	E
Average	72	85	83	55	82	56
Median	73	90	85	57	87	55
Maximum	93	100	95	96	98	91
Minimum	31	21	47	15	30	30

The next section examines the association of corporate governance performance and firm valuation as well as investment returns.

VI. Value in Good Corporate Governance:

Corporate Governance and Firm Value

This section examines whether there is a relationship between corporate governance and firm value. Tobin's Q is used as a proxy for the market's valuation of the firm. It is the ratio of the firm's market value (measured by the market value of equity plus the book value of liabilities) to the book value of total assets. Tobin's Q is thus based on market valuation rather than on accounting earnings such as the return on equity (ROE) or return on assets (ROA). The higher the Tobin's Q value, the better the firm valuation.

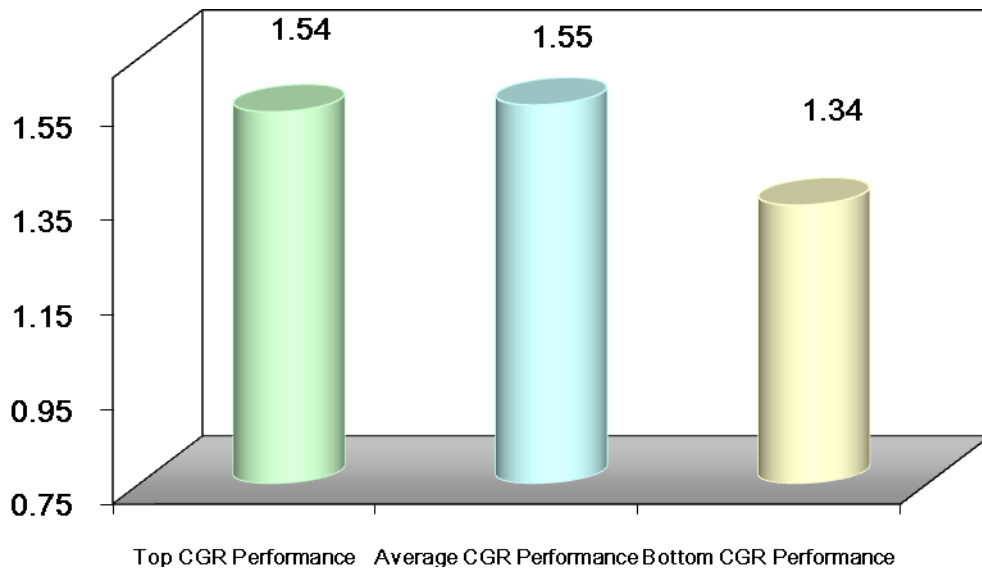
First, Tobin's Q is calculated for each firm using the 2013 financial data. Then, all sample firms are sorted into four quartiles based on their CG scores from the highest (Top CGR Performance) to lowest scores (Bottom CGR Performance). The second and third CGR quartiles are combined into the "Average CGR Performance" group. Finally, to avoid the bias from the undue influence of extreme Tobin's Q values, 23 outliers for which Tobin's Q is greater than 4 are excluded from the analysis. A final sample for the Tobin's Q analysis is thus 527 companies.

Table 25 tabulates the statistics of Tobin's Q by classifying into three levels of corporate governance performance. Figure 4 presents the average Tobin's Q values for the 3 "Performance" groups. The "Bottom CGR Performance" group has a lower average Tobin's Q value than the other 2 groups. An average Top CGR firm has a Tobin's Q of 1.54 which is 15% higher than that of an average firm in the Bottom CGR Performance (Tobin's Q=1.34). Interestingly, the "Average CGR Performance" group has an average Tobin's Q of 1.55 which is in the same vicinity of that of the "Top CGR Performance."

Table 25: CGR Performance and Tobin's Q

CGR Performance	N	Average	Median	Max	Min
Top CGR Performance	133	1.54	1.27	3.59	0.76
Average CGR Performance	262	1.55	1.33	3.98	0.26
Bottom CGR Performance	132	1.34	1.15	3.95	0.37
Overall	527	1.49	1.27	3.98	0.26

Figure 4: Average Tobin's Q and CGR Performance



The IOD/CG Investment Index

To associate the value of good corporate governance to investment returns, a hypothetical investment portfolio was created. A selection of companies into the portfolio was based on the publicly-available CGR publications. The investment portfolio is proprietary and comprises of companies earning the “Excellent” level of corporate governance recognition (a minimum CGR score of 90 points) from the CGR studies. It is named the IOD/CG Index.

The IOD/CG Index is a market-value-weighted index and can be formulated by ordinary stock market investors who wish to incorporate the corporate governance information into their investment decision. The IOD/CG Index allows investors to benchmark their portfolio returns with the portfolio returns of the listed companies that encompass good corporate governance practices.

Portfolio Formation

1. The IOD/CG Index portfolio was composed of companies receiving a minimum overall CGR score of 90 points from the CGR 2006 (9 firms), CGR 2008 (22 firms), CGR 2009 (52 firms), CGR 2010 (70 firms), CGR 2011 (46 firms), CGR 2012 (59 firms), and CGR 2013 (87 firms).
2. The IOD/CG Index was rebalanced annually at the end of December from 2008 to 2013 – corresponding to the CGR announcement to include and exclude companies receiving the “Excellent” level of recognition.
3. The IOD/CG Index started at 1,000 index level on the beginning of January 2007.
4. At the end of each month, the total market value of each firm in the portfolio was calculated as the number of shares outstanding multiplied by the closing market price. The total market value of the IOD/CG Index portfolio was the sum of each stock’s market value as follows.

$$\text{Where: } \text{IOD/CG Index}_t = \frac{\sum_{i=1}^n P_{it} Q_{it}}{\sum_{i=1}^n P_{ib} Q_{ib}} \times 1000$$

IOD/CG Index_t = Index value on month *t*.

P_{it} = Closing price of stock *i* at the end of month *t*.

Q_{it} = Number of outstanding shares of stock *i* at the end of month *t*.

P_{ib} = Ending price for stock *i* on the base month.

Q_{ib} = Number of outstanding shares for stock *i* on the base month.

5. The market value-weighted index is automatically adjusted for stock splits and new share offerings. However, it is necessary to adjust for an inclusion or exclusion of companies in the index portfolio. At the end of December 2008 – 2013, the base market value was revised to include additional companies earning the “Excellent” rating and exclude existing companies dropping from the “Excellent” rating. The revised base value (*BMV_n*) was then used to calculate the subsequent index values for the corresponding 2009 – 2014 holding periods starting from the month (e.g., January 2009) that the change occurs.

$$BMV_n = BMV_o \times \frac{CMV_n}{CMV_o}$$

Where:⁴

BMV_n = New/revised base market value.

CMV_n = New current market value after the inclusion/exclusion.

BMV_o = Old base market value prior to the inclusion/exclusion.

CMV_o = Old current market value prior to the inclusion/exclusion.

⁴ The Stock Exchange of Thailand Website.

Investment Returns: January 2007 – September 2014

The IOD/CG Index monthly returns are measured as a percentage change in an index level each month. These index returns are those from capital gains only (excluding dividend yields). Figure 5 graphs the IOD/CG Index with the SET Index from January 2007 to September 2014 for a total of 93 months. Table 26 summarizes the returns performance of the IOD/CG Index and that of the SET Index.

The IOD/CG Index exhibited a holding period return (HPR) of 191.07% corresponding to the annualized HPR of 14.78%. The SET Index showed the HPR of 133.24% (or 11.55% per annum).

Figure 5: The IOD/CG Index vs. the SET Index from January 2007 to September 2014

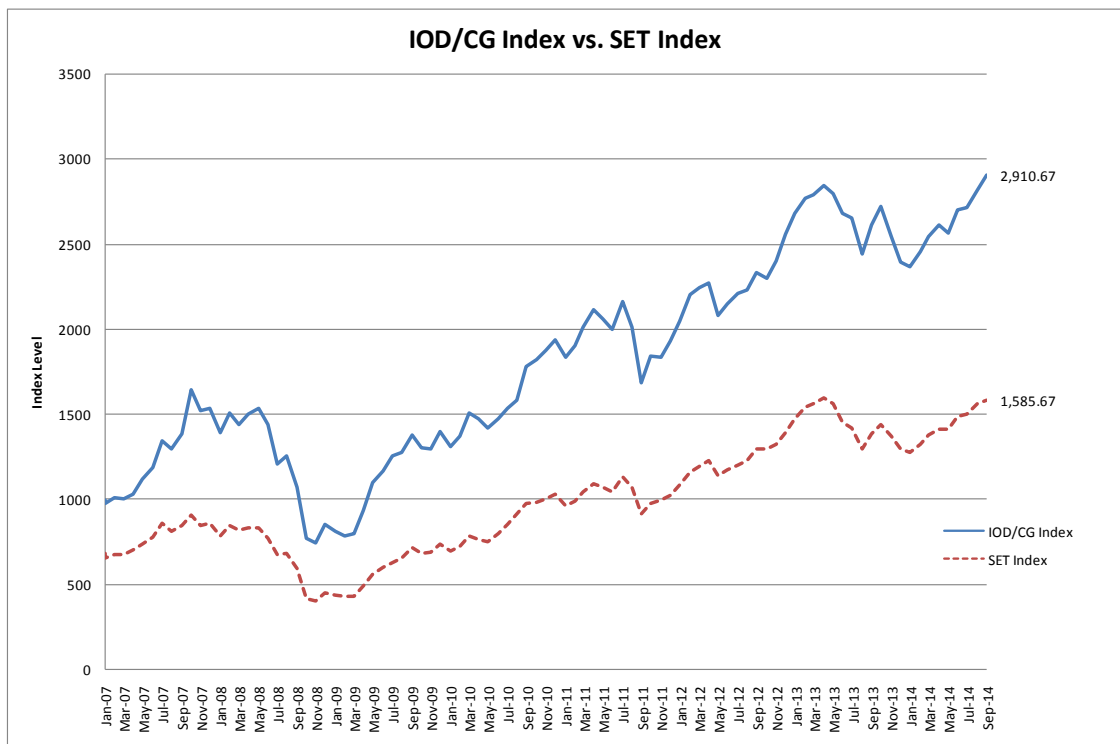


Table 26: Summary of the IOD/CG Index Returns and the SET Index Returns

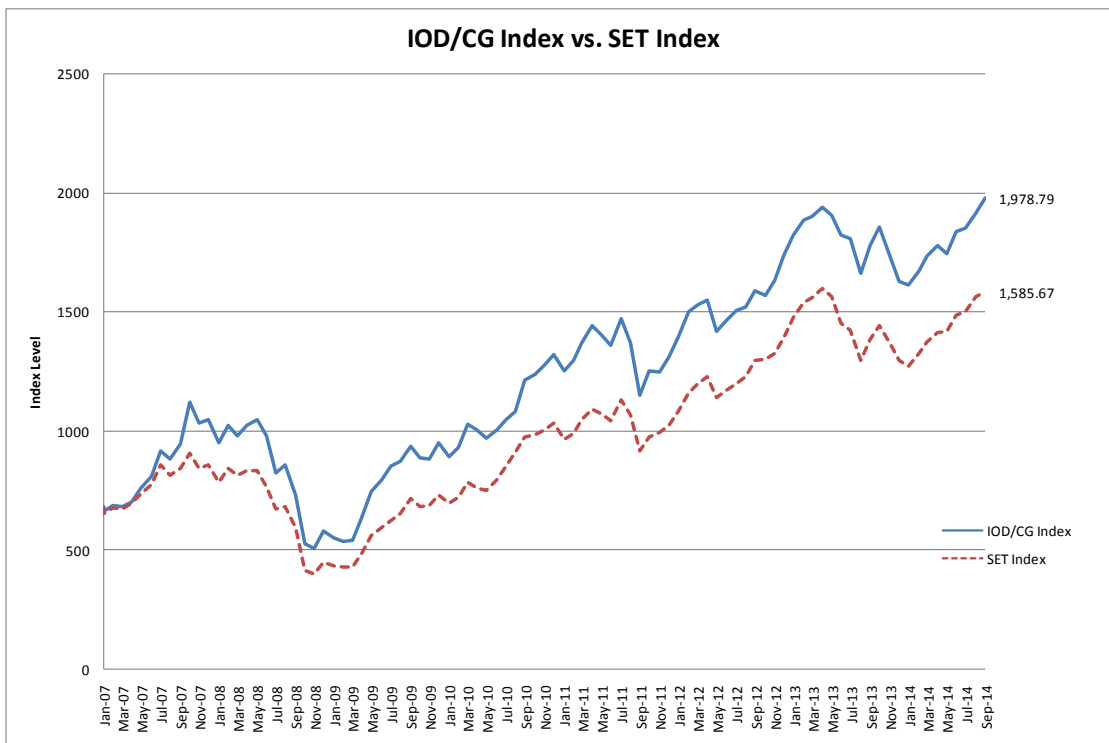
(January 2007 – September 2014)

Returns Summary	IOD/CG Index	SET Index
Average monthly return	1.42%	1.14%
Annualized monthly return	17.08%	13.68%
Holding period return (HPR)	191.07%	133.24%
Annualized HPR	14.78%	11.55%
Annualized standard deviation	25.07%	22.65%

If the IOD/CG Index were assumed to start at 679.84 which was a matched level of the SET Index at the initial portfolio formation, Figure 6 shows that the IOD/CG Index outperformed the SET Index during January 2007 – September 2014 by 393.12 points (1,978.79 vs. 1,585.67).

Figure 6: The IOD/CG Index vs. the SET Index from January 2007 to September 2014

(The IOD/CG Index Starting at 679.84)



Risk-Adjusted Performance

To analyze whether a higher return is a compensation for higher risk, the Market model is used to calculate a portfolio systematic risk (beta) as follows.

$$R_t^{CGR} = \alpha_{CGR} + \beta_{CGR} R_t^{MKT} + \varepsilon_t$$

Where

R_t^{CGR} = Monthly returns from the IOD/CG Index portfolio on month t.

R_t^{MKT} = Monthly returns from the SET Index.

α_{CGR} & β_{CGR} are estimated coefficients and ε_t represents the residual terms.

The original IOD/CG Index is market-value weighted. But, to accommodate a comparison of risk-adjusted returns, the IOD/CG Index is re-calculated using the equally-weighted scheme for which each firm in the portfolio receives the same weight regardless of the firm's market capitalization.

Table 27 presents the returns performance of the market-value weighted index (IOD/CG Index MW), the equally-weighted index (IOD/CG Index EW), and the market portfolio (SET Index). The IOD/CG Index MW has a beta equal to 1.06 and the IOD/CG Index EW has a systematic risk of 1.01 – both are only slightly greater than the market portfolio beta. The coefficient of variation is used to calculate the risk per one unit of return. The result shows that the IOD/CG Index MW (EW) portfolio has 1.70 (1.33) unit of risk per one unit of return, which is lower than that of the SET Index (1.96). The risk in the IOD/CG MW and EW portfolios is not relatively excessive.

The Sharp ratio is calculated as the returns of the portfolio in excess of the risk-free rate divided by the portfolio standard deviation. The Treynor ratio is the ratio of the portfolio's excess return to the beta coefficient (systematic risk) from the Market model. An interpretation is: the higher the ratios, the better the risk-adjusted performance. The risk-free rate of 2.0%

per annum is assumed. The Sharp ratio and Treynor ratio confirm that the IOD/CG Indexes outperformed the SET Index during January 2007 – September 2014 period on the risk-adjusted basis. Specifically, the equally-weighted IOD/CG portfolio outperformed the market-value-weighted portfolio and the SET Index due to a lower systematic risk (beta) but higher holding period returns.

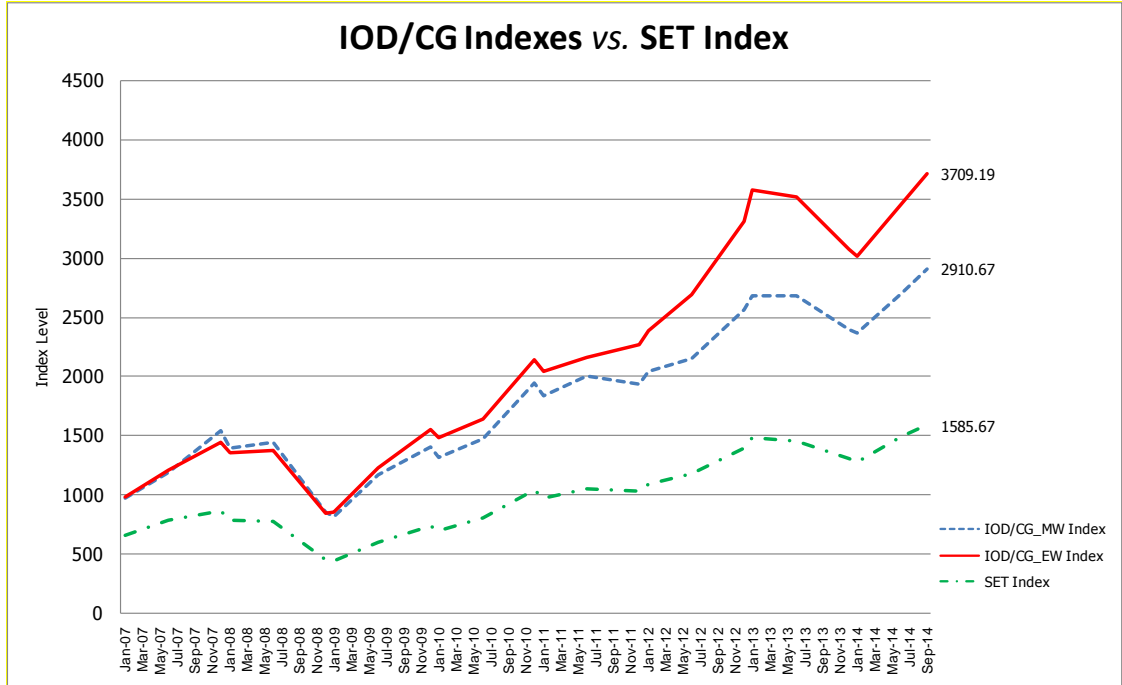
Figure 7 graphs the Index performance. Starting at the initial wealth level of 1,000 in the beginning of January 2007, the equally-weighted index (IOD/CG Index EW) provided an ending wealth level of 3,709.19 as compared to 2,910.67 of the market-value weighted index (IOD/CG Index MW). The outperformance was triggered after the indexes reached the bottom in the beginning of 2009. The outperformance resulted from the proportion of investment tilted toward medium and small market-capitalization firms constituting the IOD/CG Index EW portfolio, thus allowing for greater opportunities of price appreciation during the rising market.

Table 27: A Risk-Return Analysis of the IOD/CG Indices vs. the SET Index

(January 2007 – September 2014)

Investment Portfolio	Annual HPR	Std. Dev.	Beta	Coefficient of Variation	Sharpe Ratio	Treynor Ratio
IOD/CG Index MW	14.78%	25.07%	1.06	1.70	0.51	0.12
IOD/CG Index EW	18.43%	24.46%	1.01	1.33	0.67	0.16
SET Index	11.55%	22.65%	1.00	1.96	0.42	0.10

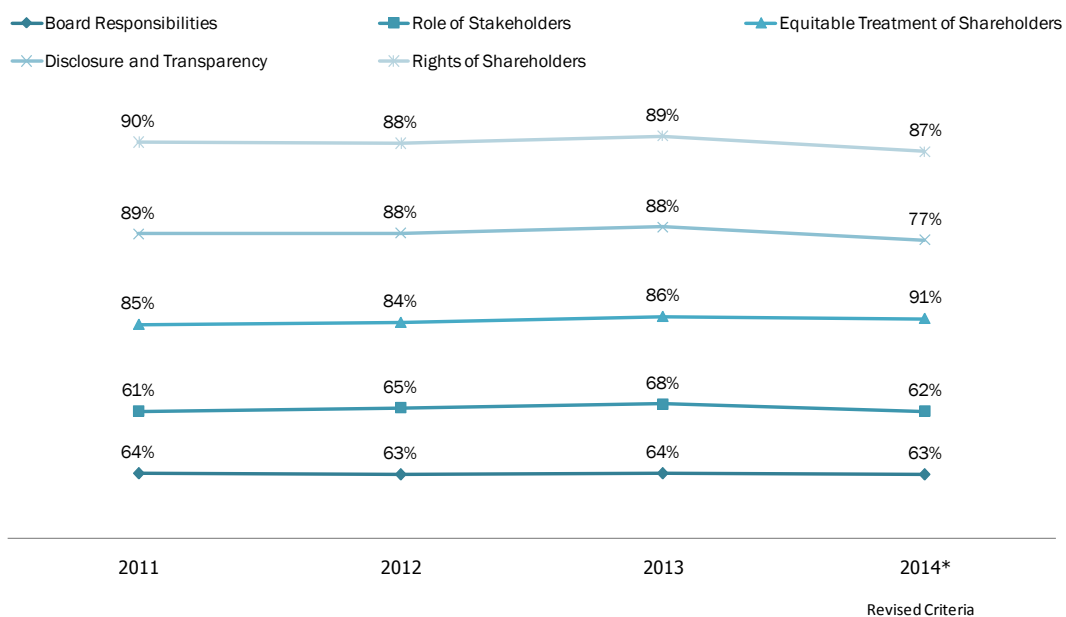
Figure 7: The Equally-Weighted IOD/CG Index vs. the Market-Value-Weighted IOD/CG Index and the SET Index from January 2007 to September 2014



VII. Board Governance Evolution

Board governance is usually the primary contemplation of attempts to achieve good corporate governance practices. The scores for each governance category from 2011 to 2014 are presented in Figure 8. The evidence of no improvement and relatively low scores in the Board Responsibilities category has caught attention to Thai IOD who has long advocated good governance practices by Thai listed companies. What happens to the Board's practices? It is thus interesting to examine how the Board Governance of Thai listed companies has evolved since 2011.

Figure 8
Corporate Governance Scores by CGR Category: 2011-2014



Board Governance Practices: 2011-2014

The board of directors must exercise the duties of care and loyalty in overseeing the business organization. The board members must act on a fully informed basis, in good faith, with due diligence and care, and in the best interests of the company and the shareholders. Basic CGR board governance practices are discussed as follows.

1. Board Structure

Corporate board structure is one of the most discussed governance issues. Linck, Netter, and Yang (2008) find that board structure decisions are a function of the costs and benefits of monitoring and advising roles by the board⁵. The monitoring function mandates directors to scrutinize management from making destructive decisions. The advising function allows the board to assist management in making good decisions. Coles, Daniel, and Naveen (2007) suggest that board structure is dependent on the scope and complexity of the firm's business operations⁶. Boone, Field, Karpoff, and Raheja (2007) also conclude that board structure reflects the firm's competitive environment (e.g., growth) and managerial characteristics (e.g., managerial ownership)⁷. There is thus no single model for the optimal board structure.

How should firms structure their board? Is independent board a preferred form? Figure 9 presents the evidence of the proportion of independent directors on board. A good governance practice recommends an appointment of at least 50% of independent directors on board. Approximately 9% of companies appointed more than 50% of independent directors. A majority of companies complied with the regulation of having one-third or more of independent directors. Only a handful of 2-3% of companies had less than one-third of independent directors on board. This practice of Thai listed companies is consistent through time.

⁵ Linck, J., Netter, J., Yang, T., 2008. The determinants of board structure. *Journal of Financial Economics* 87, 308-328.

⁶ Coles, J., Daniel, N., Naveen, L., 2007. Boards: does one size fit all?. *Journal of Financial Economics* 87, 329-356.

⁷ Boone, A., Field, L., Karpoff, J., Reheja, C., 2007. The determinants of corporate board size and composition: an empirical analysis. *Journal of Financial Economics* 85, 66-101.

Figure 9
Percent of Independent Directors on Board

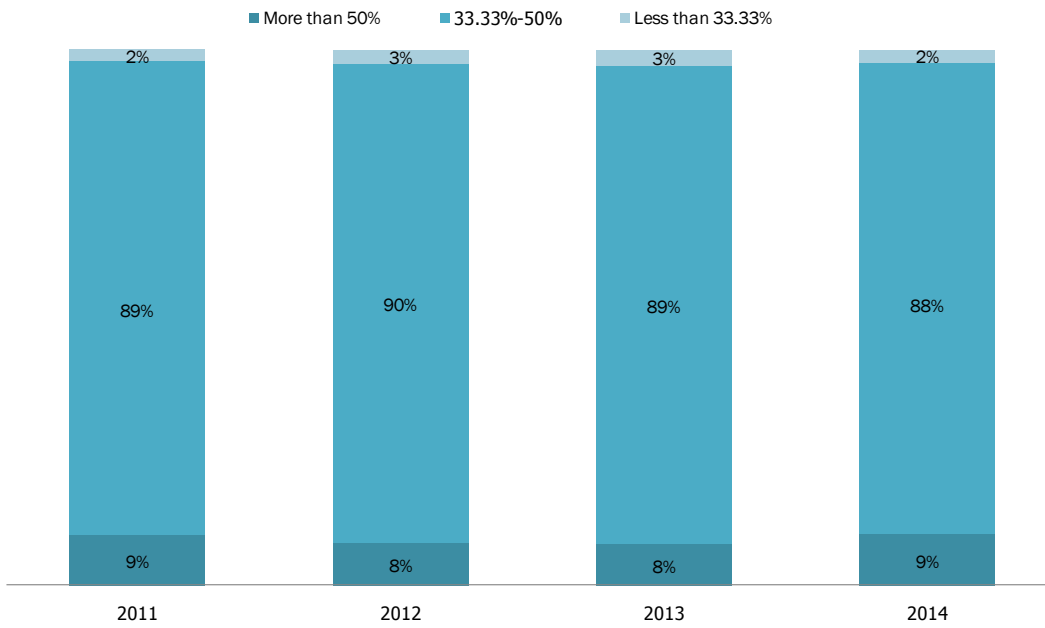


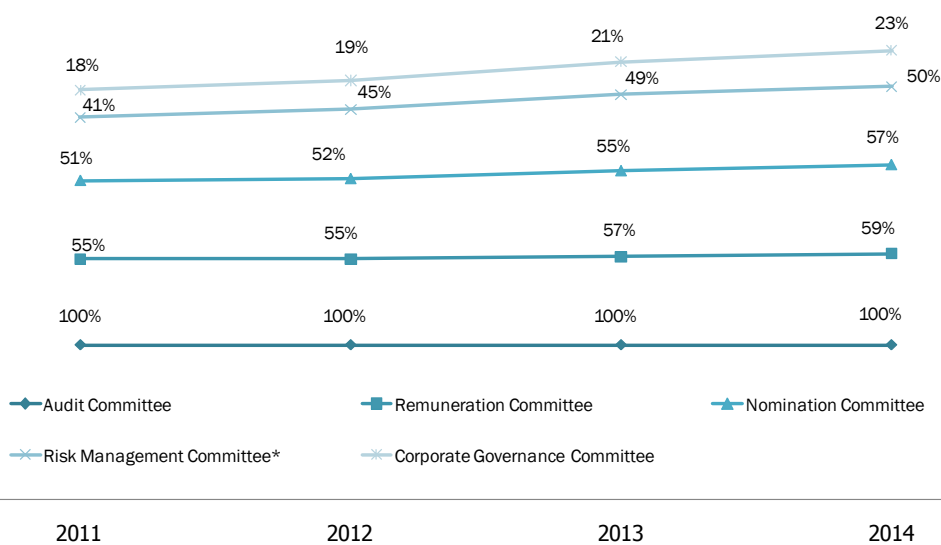
Figure 10 shows the proportion of non-executive (outside) directors appointed. A majority of companies (72%) appointed at least two-third of non-executive directors on board. The remaining 28% of companies had between one-third and two-third of non-executive directors. Again, this practice is steady through time.

Figure 10
Percent of Non-Executive Directors on Board



It is also interesting to examine the appointment of Board Committees whose roles and responsibilities are to assist the board of directors in specific tasks. The Stock Exchange of Thailand (SET) requires an appointment of the Audit Committee composing of at least 3 independent directors and recommends an appointment of a Remuneration Committee and a Nomination Committee. Figure 11 presents the percent of companies appointing Board Committees to specific functions. The findings are encouraging. The appointment of the Remuneration, Nomination, and Corporate Governance Committees exhibits an upward trend. The Risk Management Committee which can be at the board or management level also shows an increasing trend.

Figure 11
Percent of Board Committees

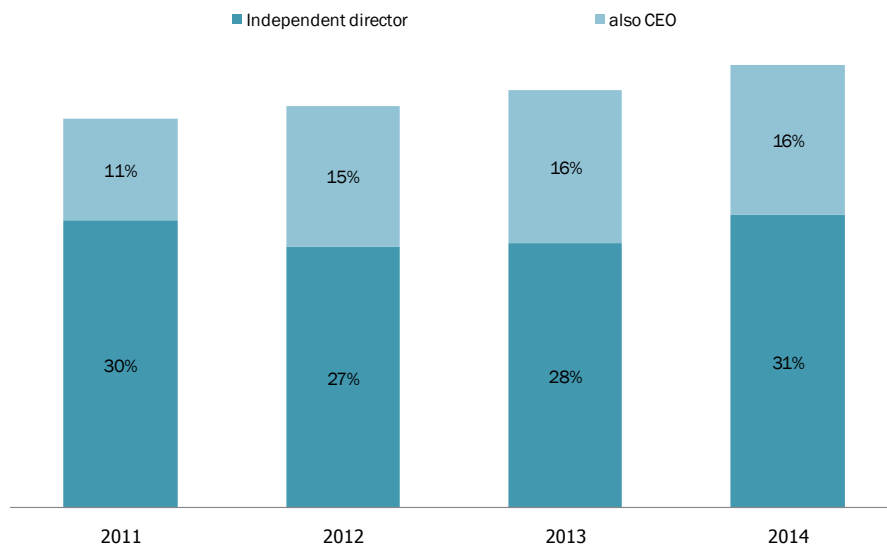


2. Board Leadership

The board's major functions are to monitor and help management to make good decisions. The main management task is left to the CEO. There thus should be a separation of monitoring and management. However, CEOs often have unparalleled firm-specific knowledge. It might be beneficial for firms to equip their CEOs with the Chairman of the board title as argued in Linck, Netter, and Yang (2008). Figure 12 provides evidence that around 30% of

Thai listed companies appointed an independent director as the COB. Around 15% of companies exhibited the CEO duality functions.

Figure 12
Percent of Board where Chairman of the board is:



3. Policy on “Busy” and “Independence” Board

Companies having directors holding multiple board appointments may be detrimental to the quality of corporate governance. They may be too “busy” to monitor the management. Fich and Shivdasani (2006) find evidence that busy boards are associated with weak corporate governance⁸. They also suggest that busy outside directors are more likely to depart after a company experiences poor performance. Ferris, Jagannathan, and Pritchard (2003), on the other hand, find no evidence that directors with multiple board appointments harm firm performance⁹. Their findings suggest positive stock market returns when a company appoints a busy director for the first time.

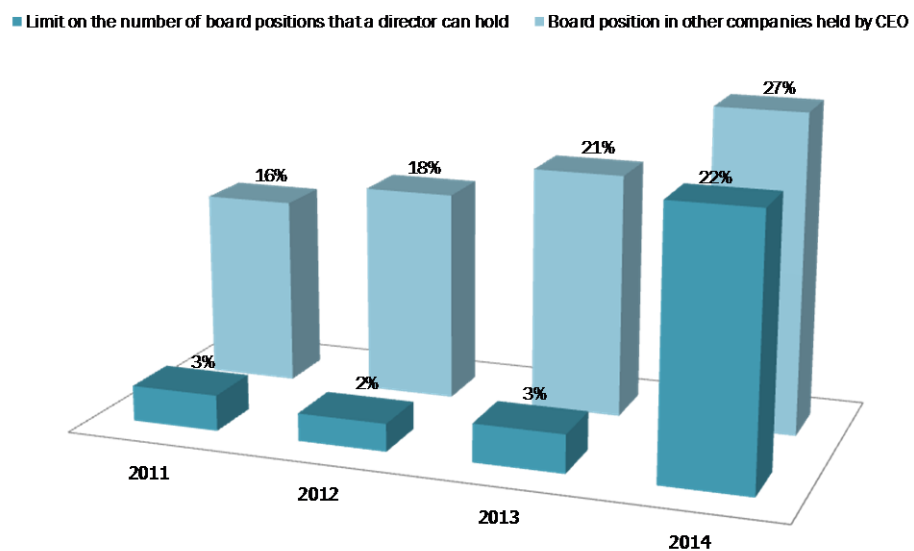
Does serving on multiple boards provide valuable experience and reputational benefits to the company (reputational effect)? Or, do companies with multiple directorships suffer from inadequate oversight (monitoring effect)? The CGR studies examined the practices of Thai

⁸ Fich, E., Shivdasani, A., 2006. Are busy boards effective monitors?, *Journal of Finance* 61, 689-724.

⁹ Ferris, S., Jagannathan, M., Pritchard, A., 2003. Too busy to mind business? Monitoring by directors with multiple board appointments. *Journal of Finance* 58, 1087-1112.

listed companies whether the board of directors states a policy limiting a number of board positions that a director can hold. Figure 13 exhibit an eye-catching trend that 22% of listed companies have a policy on multiple board appointments. In previous years, only 3% of companies had this policy in place.

Figure 13
Percent of Policy on "Busy" Board

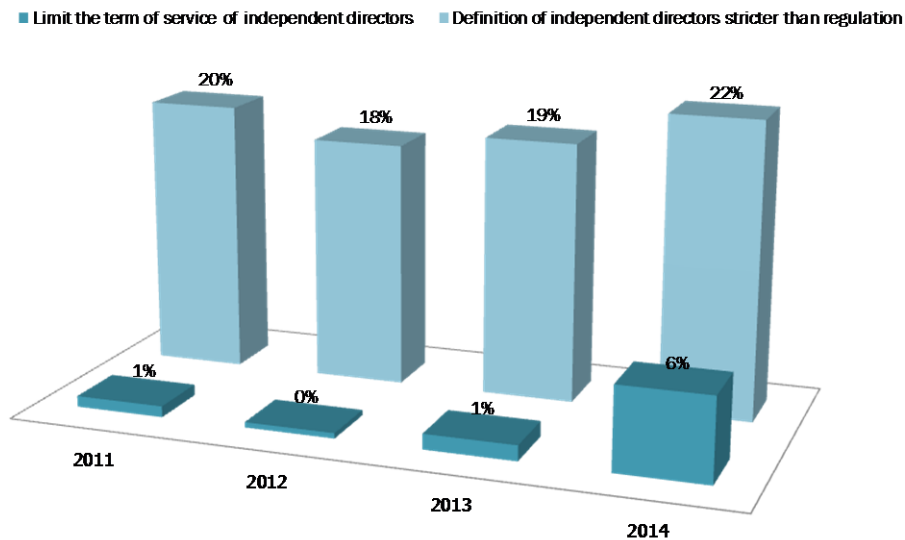


If busy board can be linked to ineffectiveness of monitoring, perhaps there should be an even stricter policy on multiple directorships for the executive directors. In 2014, there are 27% of listed companies having a policy addressing board appointment in other companies by the firm's CEO. Figure 13 shows an upward trend for this governance practice.

Does independent board matter? There is a rich set of research evidence that independent directors can enhance the firm value and shareholders wealth through the (independent) monitoring services. Figure 14 presents evidence whether listed companies have a governance mechanism in place to ensure the "independence" status of their independent directors. First, there are only 6% of companies in 2014 that limited the independent directors term of service to no more than 9 years without any exceptions. The figures seem upsetting in previous years (around 0-1% of companies). For more delighted

evidence, there have been around 20% of companies that defined the independence in a stricter manner than the regulatory definition. For instance, the shareholding of independent directors must be less than 0.75% as compared to 1% required by the regulation.

Figure 14
Percent of Policy on "Independent" Board



4. Board Development

There is a contention that board development practices lead to more capable board members which in turn leads to strong corporate governance. Hillman and Dalziel (2003) state that board members are an influential connection to capture resources for an organization (resource dependence theory)¹⁰. As such, acquiring competent and capable board members will bring in knowledge, skills, business networking, and financial capital – necessary resources that can strengthen the company.

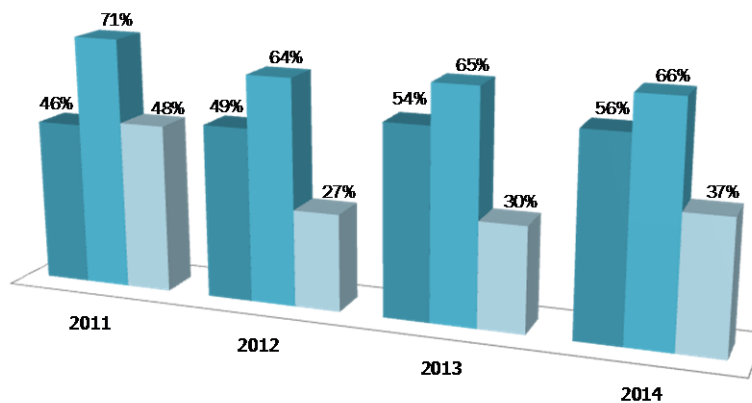
If the presence of competent board members leads to better board governance performance, it is thus interesting to investigate the board development practices of Thai listed companies in recent years. As shown in Figure 15, more than two-third of listed companies had more than 75% of their directors participated in the professional/accredited directors

¹⁰ Hillman, A., Dalziel, T., 2003. Boards of directors and firm performance: integrating agency and resource dependence perspectives. *Academy of Management Review* 23, 383–396.

training programs. A little more than 50% of companies had an orientation program in place for a newly appointed director. However, less than 40% of companies encouraged at least one director to regularly attend the continuing development program or seminar for the directors.

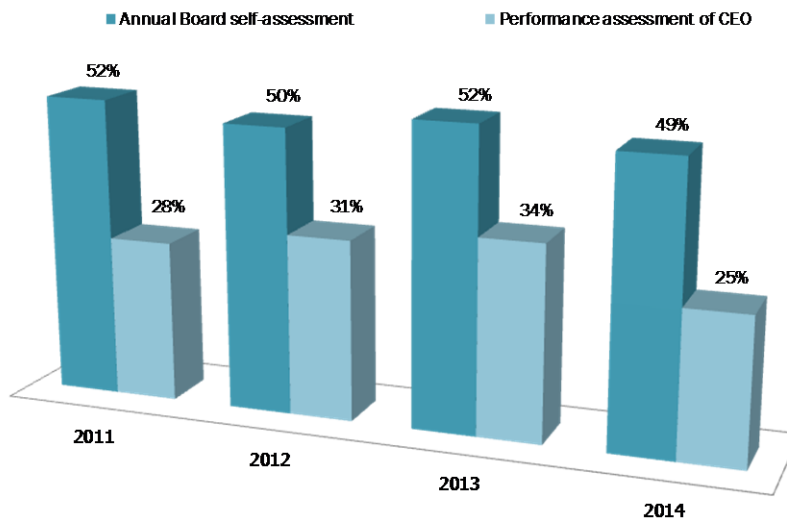
Figure 15
Percent of Board Development with:

■ Orientation to new directors ■ Professional/accredited directors' training ■ Continuing development programs or seminar for directors



Following from the board training programs, an assessment of board member competency is in order. It is thus logical to posit that performance evaluation should in effect lead to highly capable board members. Figure 16 shows that around 50% of listed companies followed a good governance practice of having board evaluation in place. Yet, the performance assessment of the CEO is still not widely utilized by Thai listed companies (25% of companies in 2014).

Figure 16
Percent of Board with Performance Assessment

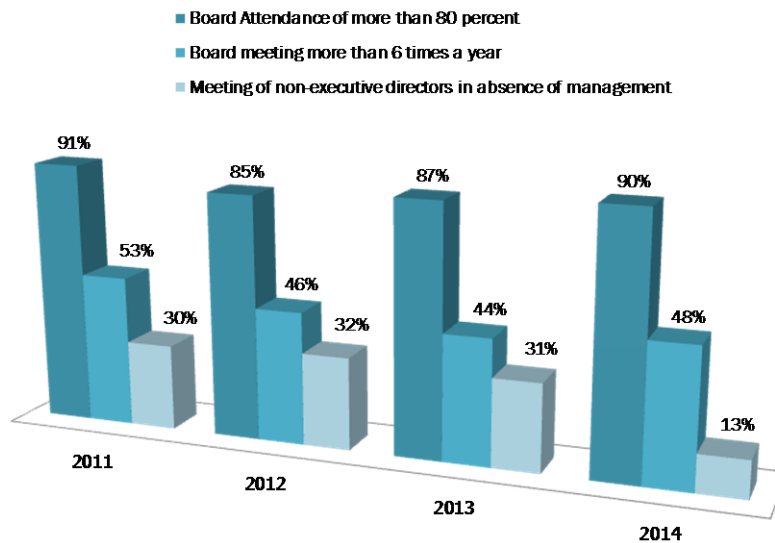


5. Board Meeting

Board meeting practices (e.g., frequency and attendance) are critical elements of board operations and board performance. For example, Vafeas (1999) finds that board meeting frequency increases following a share price decline¹¹. Then, corporate performance improves following years of enthusiastic board activities. Thus, the board meeting frequency and meeting attendance by board members should be positively related to corporate performance. The benefits of more meetings and high participation rate should outweigh the costs. Figure 17 suggests that the participation rate of directors in the board meetings is exceptional high. Approximately 50% of listed companies set up the board meeting of more than 6 times a year. Another good governance practice is that a meeting of non-executive directors in absence of the management to facilitate liberated discussion of corporate governance should be encouraged. However, evidence in Figure 17 implies that this practice is not widely utilized by listed companies.

¹¹ Vafeas, N., 1999. Board meeting frequency and firm performance. *Journal of Financial Economics* 53, 113-142.

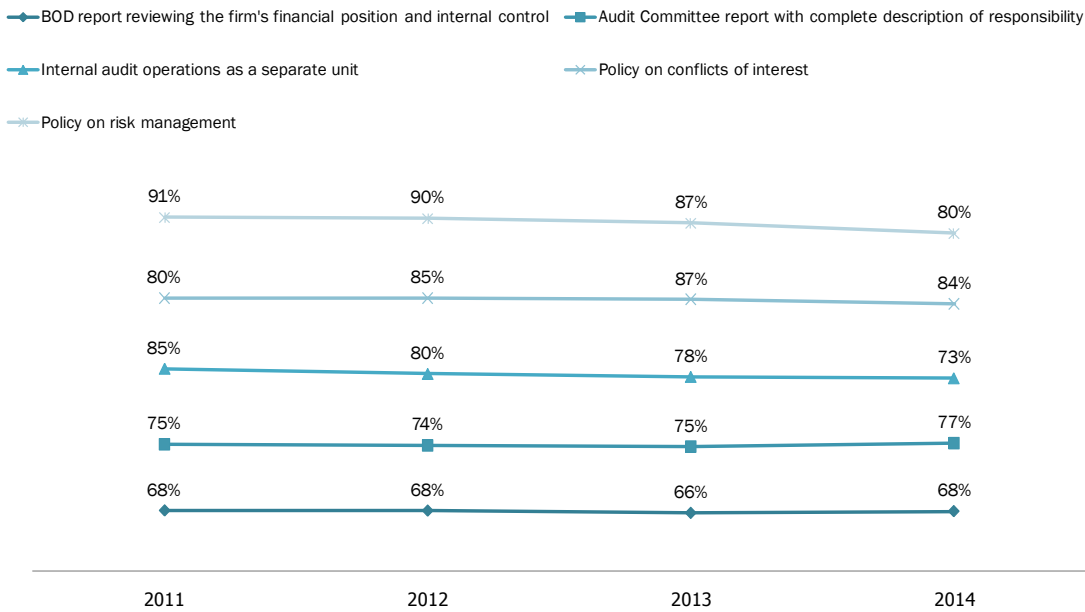
Figure 17
Percent of Board Meeting with:



6. Internal Control and Compliance

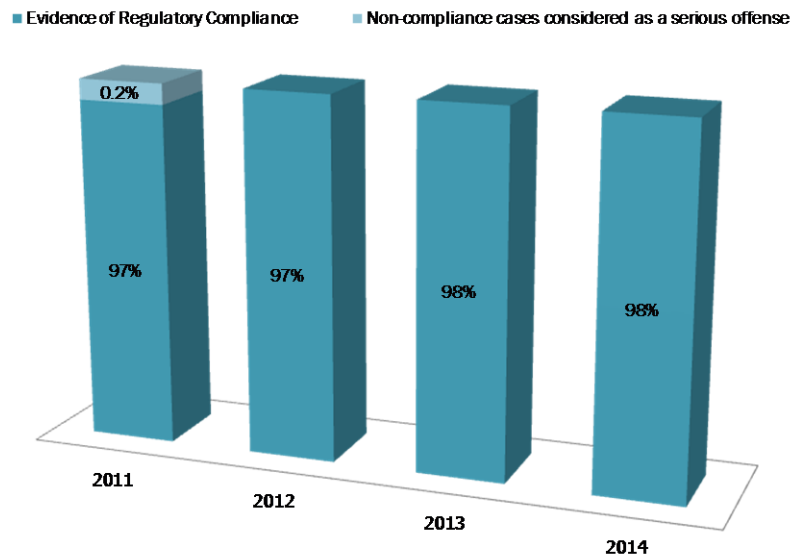
One of the directors fiduciary duties is to ensure the adequacy of governance system to comply with all applicable law and regulations. For effective internal control system, Figure 18 presents percents of companies with (1) board of directors (BOD) report reviewing the firm's financial position and internal control, (2) Audit Committee report with complete description of responsibilities, (3) establishment of the internal audit operations as a separate unit in the company, (4) policy on conflicts of interest, and (5) policy on risk management. The proportions of companies having these governance mechanisms are rather stable since 2011. An exception is a discouraging case that listed companies published less BOD reports in their annual reports.

Figure 18
Percent of Board with Effective Internal Control System:



For regulatory compliance, almost all companies comply with the laws and regulations (Figure 19). A fraction of 2-3% non-compliance cases were mainly the late submission of financial statements to the regulators. In 2011, there was a case of serious violations noted by the regulators.

Figure 19
Percent of Regulatory Compliance



In sum, there is evidence of improvement, to a certain extent, in board governance practices since 2011. Some board practices remain unchanged through time. Some board dimensions require more effort from the listed companies and greater attention from the regulators. In the end, an effective governance system requires not only a well written policy (form) but also an operative implementation of such policy (substance).

VIII. Conclusion

The overall findings in 2014 show lower corporate governance performance as evident by the decreased proportion of companies receiving the “Excellent” level of recognition. There is still a significant room for improvement in the Role of Stakeholders and Board Responsibilities categories. The board of directors should place additional attention to these governance areas to meet up with the international standards.

The corporate governance performance analysis by market capitalization suggests larger firms tend to have better governance performance than do smaller firms. The medium-sized firms can also achieve a high level of corporate governance recognition. But, small-sized firms certainly need an improvement in their governance mechanisms.

An effort should be geared toward the consistency of the informational disclosure. The company may prepare a check-list or a manual for any corporate officers to consistently follow in disclosing the relevant corporate governance information to the public. The informational disclosure on the website is also strongly recommended.






Effective corporate governance mechanisms require not only well-thought written policies but also an effective implementation of such policies. After having a corporate governance policy (form) in place, the company should effectively reveal how it makes the policy into practices (substance).

Thai IOD is determined to assist Thai listed companies to accomplish exceptional corporate governance practices. The information of the evaluation criteria is available at www.thai-iod.com. The same set of assessment criteria equivalent to the ASEAN CG Scorecard will be employed in 2015.

Appendix

CGR Levels of Recognition

Companies are classified into six groups according to their corporate governance scores in the CGR publication. Each group represents a level of corporate governance recognition which is denoted by the number of the National Corporate Governance Committee logos ranging from one to six as shown below.

Score Range	Number of Logo	Description
90 – 100		Excellent
80 – 89		Very Good
70 – 79		Good
60 – 69		Satisfactory
50 – 59		Pass
Less than 50	No logo given	-

In order to recognize well performed companies, a list of companies attaining “Good”, “Very Good” and “Excellent” levels of recognition are publicized. Companies having the regulatory notations are not disclosed, so are the companies receiving the score of less than 70.

List of Companies with “Excellent” Recognition Level



Companies by Alphabetical Order

No.	Symbol	Listed Companies
1	BAFS	BANGKOK AVIATION FUEL SERVICES PUBLIC COMPANY LIMITED
2	BCP	THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED
3	BTS	BTS GROUP HOLDINGS PUBLIC COMPANY LIMITED
4	CPN	CENTRAL PATTANA PUBLIC COMPANY LIMITED
5	EGCO	ELECTRICITY GENERATING PUBLIC COMPANY LIMITED
6	GRAMMY	GMM GRAMMY PUBLIC COMPANY LIMITED
7	HANA	HANA MICROELECTRONICS PUBLIC COMPANY LIMITED
8	INTUCH	INTOUCH HOLDINGS PUBLIC COMPANY LIMITED
9	IRPC	IRPC PUBLIC COMPANY LIMITED
10	IVL	INDORAMA VENTURES PUBLIC COMPANY LIMITED
11	KBANK	KASIKORNBANK PUBLIC COMPANY LIMITED
12	KKP	KIATNAKIN BANK PUBLIC COMPANY LIMITED
13	KTB	KRUNG THAI BANK PUBLIC COMPANY LIMITED
14	MINT	MINOR INTERNATIONAL PUBLIC COMPANY LIMITED
15	PSL	PRECIOUS SHIPPING PUBLIC COMPANY LIMITED
16	PTT	PTT PUBLIC COMPANY LIMITED
17	PTTEP	PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED
18	PTTGC	PTT GLOBAL CHEMICAL PUBLIC COMPANY LIMITED
19	SAMART	SAMART CORPORATION PUBLIC COMPANY LIMITED
20	SAMTEL	SAMART TELCOMS PUBLIC COMPANY LIMITED
21	SAT	SOMBOON ADVANCE TECHNOLOGY PUBLIC COMPANY LIMITED
22	SC	SC ASSET CORPORATION PUBLIC COMPANY LIMITED
23	SCB	THE SIAM COMMERCIAL BANK PUBLIC COMPANY LIMITED
24	SE-ED	SE-EDUCATION PUBLIC COMPANY LIMITED
25	SIM	SAMART I-MOBILE PUBLIC COMPANY LIMITED
26	SPALI	SUPALAI PUBLIC COMPANY LIMITED
27	THCOM	THAICOM PUBLIC COMPANY LIMITED
28	TISCO	TISCO FINANCIAL GROUP PUBLIC COMPANY LIMITED
29	TMB	TMB BANK PUBLIC COMPANY LIMITED
30	TOP	THAI OIL PUBLIC COMPANY LIMITED

To recognize well performers, the list of companies attaining “Good”, “Very Good”, “Excellent” levels of recognition without regulatory notation (from 1 January 2013 to 22 October 2014) is publicized.

List of Companies with “Very Good” Recognition Level



Companies by Alphabetical Order

No.	SYMBOL	Listed Companies
1	AAV	ASIA AVIATION PUBLIC COMPANY LIMITED
2	ACAP	ACAP ADVISORY PUBLIC COMPANY LIMITED
3	ADVANC	ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED
4	ANAN	ANANDA DEVELOPMENT PUBLIC COMPANY LIMITED
5	AOT	AIRPORTS OF THAILAND PUBLIC COMPANY LIMITED
6	ASIMAR	ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED
7	ASK	ASIA SERMKIJ LEASING PUBLIC COMPANY LIMITED
8	ASP	ASIA PLUS SECURITIES PUBLIC COMPANY LIMITED
9	BANPU	BANPU PUBLIC COMPANY LIMITED
10	BAY	BANK OF AYUDHYA PUBLIC COMPANY LIMITED
11	BBL	BANGKOK BANK PUBLIC COMPANY LIMITED
12	BECL	BANGKOK EXPRESSWAY PUBLIC COMPANY LIMITED
13	BIGC	BIG C SUPERCENTER PUBLIC COMPANY LIMITED
14	BKI	BANGKOK INSURANCE PUBLIC COMPANY LIMITED
15	BLA	BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED
16	BMCL	BANGKOK METRO PUBLIC COMPANY LIMITED
17	BROOK	THE BROOKER GROUP PUBLIC COMPANY LIMITED
18	CENDEL	CENTRAL PLAZA HOTEL PUBLIC COMPANY LIMITED
19	CFRESH	SEAFRESH INDUSTRY PUBLIC COMPANY LIMITED
20	CIMBT	CIMB THAI BANK PUBLIC COMPANY LIMITED
21	CK	CH. KARNCHANG PUBLIC COMPANY LIMITED
22	CNT	CHRISTIANI & NIELSEN (THAI) PUBLIC COMPANY LIMITED
23	CPF	CHAROEN POKPHAND FOODS PUBLIC COMPANY LIMITED
24	CSL	CS LOXINFO PUBLIC COMPANY LIMITED
25	DELTA	DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED
26	DRT	DIAMOND BUILDING PRODUCTS PUBLIC COMPANY LIMITED
27	DTAC	TOTAL ACCESS COMMUNICATION PUBLIC COMPANY LIMITED
28	DTC	DUSIT THANI PUBLIC COMPANY LIMITED
29	EASTW	EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PCL.
30	EE	ETERNAL ENERGY PUBLIC COMPANY LIMITED
31	ERW	THE ERAWAN GROUP PUBLIC COMPANY LIMITED
32	GBX	GLOBLEX HOLDING MANAGEMENT PUBLIC COMPANY LIMITED
33	GC	GLOBAL CONNECTIONS PUBLIC COMPANY LIMITED
34	GFPT	GFPT PUBLIC COMPANY LIMITED
35	GUNKUL	GUNKUL ENGINEERING PUBLIC COMPANY LIMITED
36	HEMRAJ	HEMARAJ LAND AND DEVELOPMENT PUBLIC COMPANY LIMITED
37	HMPRO	HOME PRODUCT CENTER PUBLIC COMPANY LIMITED



No.	SYMBOL	Listed Companies
38	ICC	I.C.C. INTERNATIONAL PUBLIC COMPANY LIMITED
39	KCE	KCE ELECTRONICS PUBLIC COMPANY LIMITED
40	KSL	KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED
41	LANNA	THE LANNA RESOURCES PUBLIC COMPANY LIMITED
42	LH	LAND AND HOUSES PUBLIC COMPANY LIMITED
43	LHBANK	LH FINANCIAL GROUP PUBLIC COMPANY LIMITED
44	LOXLEY	LOXLEY PUBLIC COMPANY LIMITED
45	LPN	L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED
46	MACO	MASTER AD PUBLIC COMPANY LIMITED
47	MC	MC GROUP PUBLIC COMPANY LIMITED
48	MCOT	MCOT PUBLIC COMPANY LIMITED
49	NBC	NATION BROADCASTING CORPORATION PUBLIC COMPANY LIMITED
50	NCH	N. C. HOUSING PUBLIC COMPANY LIMITED
51	NINE	NATION INTERNATIONAL EDUTAINMENT PUBLIC COMPANY LIMITED
52	NKI	THE NAVAKIJ INSURANCE PUBLIC COMPANY LIMITED
53	NMG	NATION MULTIMEDIA GROUP PUBLIC COMPANY LIMITED
54	NSI	NAM SENG INSURANCE PUBLIC COMPANY LIMITED
55	OCC	O.C.C. PUBLIC COMPANY LIMITED
56	OFM	OFFICEMATE PUBLIC COMPANY LIMITED
57	PAP	PACIFIC PIPE PUBLIC COMPANY LIMITED
58	PE	PREMIER ENTERPRISE PUBLIC COMPANY LIMITED
59	PG	PEOPLE'S GARMENT PUBLIC COMPANY LIMITED
60	PHOL	PHOL DHANYA PUBLIC COMPANY LIMITED
61	PJW	PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED
62	PM	PREMIER MARKETING PUBLIC COMPANY LIMITED
63	PPS	PROJECT PLANNING SERVICE PUBLIC COMPANY LIMITED
64	PR	PRESIDENT RICE PRODUCTS PUBLIC COMPANY LIMITED
65	PRANDA	PRANDA JEWELRY PUBLIC COMPANY LIMITED
66	PS	PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED
67	PT	PREMIER TECHNOLOGY PUBLIC COMPANY LIMITED
68	QH	QUALITY HOUSES PUBLIC COMPANY LIMITED
69	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING PCL.
70	ROBINS	ROBINSON DEPARTMENT STORE PUBLIC COMPANY LIMITED
71	RS	RS PUBLIC COMPANY LIMITED
72	S & J	S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED
73	SAMCO	SAMMAKORN PUBLIC COMPANY LIMITED
74	SCC	THE SIAM CEMENT PUBLIC COMPANY LIMITED
75	SINGER	SINGER THAILAND PUBLIC COMPANY LIMITED
76	SIS	SIS DISTRIBUTION (THAILAND) PUBLIC COMPANY LIMITED
77	SITHAI	SRITHAI SUPERWARE PUBLIC COMPANY LIMITED
78	SNC	SNC FORMER PUBLIC COMPANY LIMITED
79	SNP	S & P SYNDICATE PUBLIC COMPANY LIMITED
80	SPI	SAHA PATHANA INTER-HOLDING PUBLIC COMPANY LIMITED

No.	SYMBOL	Listed Companies
81	SSF	SURAPON FOODS PUBLIC COMPANY LIMITED
82	SSI	SAHAVIRIYA STEEL INDUSTRIES PUBLIC COMPANY LIMITED
83	SSSC	SIAM STEEL SERVICE CENTER PUBLIC COMPANY LIMITED
84	STA	SRI TRANG AGRO-INDUSTRY PUBLIC COMPANY LIMITED
85	SVI	SVI PUBLIC COMPANY LIMITED
86	TCAP	THANACHART CAPITAL PUBLIC COMPANY LIMITED
87	TF	THAI PRESIDENT FOODS PUBLIC COMPANY LIMITED
88	THAI	THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED
89	THANI	RATCHTHANI LEASING PUBLIC COMPANY LIMITED
90	TIP	DHIPAYA INSURANCE PUBLIC COMPANY LIMITED
91	TIPCO	TIPCO FOODS PUBLIC COMPANY LIMITED
92	TK	THITIKORN PUBLIC COMPANY LIMITED
93	TKT	T.KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED
94	TNITY	TRINITY WATTHANA PUBLIC COMPANY LIMITED
95	TNL	THANULUX PUBLIC COMPANY LIMITED
96	TOG	THAI OPTICAL GROUP PUBLIC COMPANY LIMITED
97	TRC	TRC CONSTRUCTION PUBLIC COMPANY LIMITED
98	TRUE	TRUE CORPORATION PUBLIC COMPANY LIMITED
99	TSTE	THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED
100	TSTH	TATA STEEL (THAILAND) PUBLIC COMPANY LIMITED
101	TTA	THORESEN THAI AGENCIES PUBLIC COMPANY LIMITED
102	TTW	TTW PUBLIC COMPANY LIMITED
103	TVO	THAI VEGETABLE OIL PUBLIC COMPANY LIMITED
104	UAC	UAC GLOBAL PUBLIC COMPANY LIMITED
105	VGI	VGI GLOBAL MEDIA PUBLIC COMPANY LIMITED
106	VNT	VINYTHAI PUBLIC COMPANY LIMITED
107	WACOAL	THAI WACOAL PUBLIC COMPANY LIMITED

List of Companies with “Good” Recognition Level



Companies by Alphabetical Order

No.	SYMBOL	Listed Companies
1	2S	2S METAL PUBLIC COMPANY LIMITED
2	AF	AIRA FACTORING PUBLIC COMPANY LIMITED
3	AH	AAPICO HITECH PUBLIC COMPANY LIMITED
4	AHC	AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
5	AIT	ADVANCED INFORMATION TECHNOLOGY PUBLIC COMPANY LIMITED
6	AJ	A.J. PLAST PUBLIC COMPANY LIMITED
7	AKP	AKKHIE PRAKARN PUBLIC COMPANY LIMITED
8	AKR	EKARAT ENGINEERING PUBLIC COMPANY LIMITED
9	AMANAHA	AMANAHA LEASING PUBLIC COMPANY LIMITED
10	AMARIN	AMARIN PRINTING AND PUBLISHING PUBLIC COMPANY LIMITED
11	AMATA	AMATA CORPORATION PUBLIC COMPANY LIMITED
12	AP	AP (THAILAND) PUBLIC COMPANY LIMITED
13	APCO	ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED
14	APCS	ASIA PRECISION PUBLIC COMPANY LIMITED
15	AQUA	AQUA CORPORATION PUBLIC COMPANY LIMITED
16	ARIP	ARIP PUBLIC COMPANY LIMITED
17	AS	ASIASOFT CORPORATION PUBLIC COMPANY LIMITED
18	ASIA	ASIA HOTEL PUBLIC COMPANY LIMITED
19	AYUD	SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED
20	BEAUTY	BEAUTY COMMUNITY PUBLIC COMPANY LIMITED
21	BEC	BEC WORLD PUBLIC COMPANY LIMITED
22	BFIT	BANGKOK FIRST INVESTMENT & TRUST PUBLIC COMPANY LIMITED
23	BH	BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED
24	BJC	BERLI JUCKER PUBLIC COMPANY LIMITED
25	BJCHI	BJC HEAVY INDUSTRIES PUBLIC COMPANY LIMITED
26	BOL	BUSINESS ONLINE PUBLIC COMPANY LIMITED
27	BTNC	BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED
28	BWG	BETTER WORLD GREEN PUBLIC COMPANY LIMITED
29	CCET	CAL-COMP ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED
30	CGD	COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED
31	CGS	COUNTRY GROUP SECURITIES PUBLIC COMPANY LIMITED
32	CHOW	CHOW STEEL INDUSTRIES PUBLIC COMPANY LIMITED
33	CI	CHARN ISSARA DEVELOPMENT PUBLIC COMPANY LIMITED
34	CKP	CK POWER PUBLIC COMPANY LIMITED
35	CM	CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED
36	CMR	CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED
37	CSC	CROWN SEAL PUBLIC COMPANY LIMITED

No.	SYMBOL	Listed Companies
38	CSP	CSP STEEL CENTER PUBLIC COMPANY LIMITED
39	CSS	COMMUNICATION AND SYSTEM SOLUTION PUBLIC COMPANY LIMITED
40	DCC	DYNASTY CERAMIC PUBLIC COMPANY LIMITED
41	DEMCO	DEMCO PUBLIC COMPANY LIMITED
42	DNA	DNA 2002 PUBLIC COMPANY LIMITED
43	EA	ENERGY ABSOLUTE PUBLIC COMPANY LIMITED
44	ESSO	ESSO (THAILAND) PUBLIC COMPANY LIMITED
45	FE	FAR EAST DDB PUBLIC COMPANY LIMITED
46	FORTH	FORTH CORPORATION PUBLIC COMPANY LIMITED
47	FPI	FORTUNE PARTS INDUSTRY PUBLIC COMPANY LIMITED
48	GENCO	GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED
49	GL	GROUP LEASE PUBLIC COMPANY LIMITED
50	GLOBAL	SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED
51	GLOW	GLOW ENERGY PUBLIC COMPANY LIMITED
52	GOLD	GOLDEN LAND PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED
53	HOTPOT	HOT POT PUBLIC COMPANY LIMITED
54	HTC	HAAD THIP PUBLIC COMPANY LIMITED
55	HTECH	HALCYON TECHNOLOGY PUBLIC COMPANY LIMITED
56	HYDRO	HYDROTEK PUBLIC COMPANY LIMITED
57	IFS	IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
58	IHL	INTERHIDES PUBLIC COMPANY LIMITED
59	INET	INTERNET THAILAND PUBLIC COMPANY LIMITED
60	IRC	INOUE RUBBER (THAILAND) PUBLIC COMPANY LIMITED
61	IRCP	INTERNATIONAL RESEARCH CORPORATION PUBLIC COMPANY LIMITED
62	ITD	ITALIAN-THAI DEVELOPMENT PUBLIC COMPANY LIMITED
63	KBS	KHONBURI SUGAR PUBLIC COMPANY LIMITED
64	KGI	KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED
65	KKC	KULTHORN KIRBY PUBLIC COMPANY LIMITED
66	KTC	KRUNGTHAI CARD PUBLIC COMPANY LIMITED
67	L&E	LIGHTING & EQUIPMENT PUBLIC COMPANY LIMITED
68	LRH	LAGUNA RESORTS & HOTELS PUBLIC COMPANY LIMITED
69	LST	LAM SOON (THAILAND) PUBLIC COMPANY LIMITED
70	MAJOR	MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED
71	MAKRO	SIAM MAKRO PUBLIC COMPANY LIMITED
72	MATCH	MATCHING MAXIMIZE SOLUTION PUBLIC COMPANY LIMITED
73	MBK	MBK PUBLIC COMPANY LIMITED
74	MBKET	MAYBANK KIM ENG SECURITIES (THAILAND) PUBLIC COMPANY LIMITED
75	MEGA	MEGA LIFESCIENCES PUBLIC COMPANY LIMITED
76	MFC	MFC ASSET MANAGEMENT PUBLIC COMPANY LIMITED
77	MFEC	MFEC PUBLIC COMPANY LIMITED
78	MJD	MAJOR DEVELOPMENT PUBLIC COMPANY LIMITED
79	MODERN	MODERNFORM GROUP PUBLIC COMPANY LIMITED
80	MONO	MONO TECHNOLOGY PUBLIC COMPANY LIMITED

No.	SYMBOL	Listed Companies
81	MOONG	MOONG PATTANA INTERNATIONAL PUBLIC COMPANY LIMITED
82	MPG	MANGPONG 1989 PUBLIC COMPANY LIMITED
83	MTI	MUANG THAI INSURANCE PUBLIC COMPANY LIMITED
84	NC	NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
85	NTV	NONHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
86	NUSA	NUSASIRI PUBLIC COMPANY LIMITED
87	NWR	NAWARAT PATANAKARN PUBLIC COMPANY LIMITED
88	NYT	NAMYONG TERMINAL PUBLIC COMPANY LIMITED
89	OGC	OCEAN GLASS PUBLIC COMPANY LIMITED
90	OISHI	OISHI GROUP PUBLIC COMPANY LIMITED
91	PACE	PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED
92	PATO	PATO CHEMICAL INDUSTRY PUBLIC COMPANY LIMITED
93	PB	PRESIDENT BAKERY PUBLIC COMPANY LIMITED
94	PDI	PADAENG INDUSTRY PUBLIC COMPANY LIMITED
95	PICO	PICO THAILAND PUBLIC COMPANY LIMITED
96	PPM	PORN PROM METAL PUBLIC COMPANY LIMITED
97	PPP	PREMIER PRODUCTS PUBLIC COMPANY LIMITED
98	PREB	PRE-BUILT PUBLIC COMPANY LIMITED
99	PRG	PATUM RICE MILL AND GRANARY PUBLIC COMPANY LIMITED
100	PRIN	PRINSIRI PUBLIC COMPANY LIMITED
101	PTG	PTG ENERGY PUBLIC COMPANY LIMITED
102	QLT	QUALITECH PUBLIC COMPANY LIMITED
103	QTC	QTC ENERGY PUBLIC COMPANY LIMITED
104	RCL	REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED
105	SABINA	SABINA PUBLIC COMPANY LIMITED
106	SALEE	SALEE INDUSTRY PUBLIC COMPANY LIMITED
107	SCBLIF	SCB LIFE ASSURANCE PUBLIC COMPANY LIMITED
108	SCCC	SIAM CITY CEMENT PUBLIC COMPANY LIMITED
109	SCG	SAHACOGEN (CHONBURI) PUBLIC COMPANY LIMITED
110	SEAFCO	SEAFCO PUBLIC COMPANY LIMITED
111	SEA OIL	SEA OIL PUBLIC COMPANY LIMITED
112	SFP	SIAM FOOD PRODUCTS PUBLIC COMPANY LIMITED
113	SIAM	SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED
114	SIRI	SANSIRI PUBLIC COMPANY LIMITED
115	SKR	SIKARIN PUBLIC COMPANY LIMITED
116	SMG	SAMAGGI INSURANCE PUBLIC COMPANY LIMITED
117	SMK	SYN MUN KONG INSURANCE PUBLIC COMPANY LIMITED
118	SMPC	SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED
119	SMT	STARS MICROELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED
120	SOLAR	SOLARTRON PUBLIC COMPANY LIMITED
121	SPC	SAHA PATHANAPIBUL PUBLIC COMPANY LIMITED
122	SPCG	SPCG PUBLIC COMPANY LIMITED
123	SPPT	SINGLE POINT PARTS (THAILAND) PUBLIC COMPANY LIMITED

No.	SYMBOL	Listed Companies
124	SST	SUB SRI THAI PUBLIC COMPANY LIMITED
125	STANLY	THAI STANLEY ELECTRIC PUBLIC COMPANY LIMITED
126	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION PCL.
127	STPI	STP&I PUBLIC COMPANY LIMITED
128	SUC	SAHA-UNION PUBLIC COMPANY LIMITED
129	SWC	SHERWOOD CHEMICALS PUBLIC COMPANY LIMITED
130	SYMC	SYMPHONY COMMUNICATION PUBLIC COMPANY LIMITED
131	SYNEX	SYNNEX (THAILAND) PUBLIC COMPANY LIMITED
132	SYNTEC	SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED
133	TASCO	TIPCO ASPHALT PUBLIC COMPANY LIMITED
134	TBSP	THAI BRITISH SECURITY PRINTING PUBLIC COMPANY LIMITED
135	TEAM	TEAM PRECISION PUBLIC COMPANY LIMITED
136	TFD	THAI FACTORY DEVELOPMENT PUBLIC COMPANY LIMITED
137	TFI	THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
138	THANA	THANASIRI GROUP PUBLIC COMPANY LIMITED
139	THIP	THANTAWAN INDUSTRY PUBLIC COMPANY LIMITED
140	THREL	THAIRE LIFE ASSURANCE PUBLIC COMPANY LIMITED
141	TIC	THE THAI INSURANCE PUBLIC COMPANY LIMITED
142	TICON	TICON INDUSTRIAL CONNECTION PUBLIC COMPANY LIMITED
143	TIW	THAILAND IRON WORKS PUBLIC COMPANY LIMITED
144	TKS	T.K.S. TECHNOLOGIES PUBLIC COMPANY LIMITED
145	TLUXE	THAILUXE ENTERPRISES PUBLIC COMPANY LIMITED
146	TMI	TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED
147	TMT	THAI METAL TRADE PUBLIC COMPANY LIMITED
148	TNDT	THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED
149	TPC	THAI PLASTIC AND CHEMICALS PUBLIC COMPANY LIMITED
150	TPCORP	TEXTILE PRESTIGE PUBLIC COMPANY LIMITED
151	TRT	TIRATHAI PUBLIC COMPANY LIMITED
152	TRU	THAI RUNG UNION CAR PUBLIC COMPANY LIMITED
153	TSC	THAI STEEL CABLE PUBLIC COMPANY LIMITED
154	TTCL	TOYO-THAI CORPORATION PUBLIC COMPANY LIMITED
155	TUF	THAI UNION FROZEN PRODUCTS PUBLIC COMPANY LIMITED
156	TVD	TV DIRECT PUBLIC COMPANY LIMITED
157	TWFP	THAI WAH FOOD PRODUCTS PUBLIC COMPANY LIMITED
158	UMI	THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED
159	UP	UNION PLASTIC PUBLIC COMPANY LIMITED
160	UPF	UNION PIONEER PUBLIC COMPANY LIMITED
161	UPOIC	UNITED PALM OIL INDUSTRY PUBLIC COMPANY LIMITED
162	UT	UNION TEXTILE INDUSTRIES PUBLIC COMPANY LIMITED
163	UV	UNIVENTURES PUBLIC COMPANY LIMITED
164	UWC	UA WITHYA PUBLIC COMPANY LIMITED
165	VIH	SRIVICHAIVEJVIVAT PUBLIC COMPANY LIMITED
166	WAVE	WAVE ENTERTAINMENT PUBLIC COMPANY LIMITED

No.	SYMBOL	Listed Companies
167	WHA	WHA CORPORATION PUBLIC COMPANY LIMITED
168	WIN	WYNCOAST INDUSTRIAL PARK PUBLIC COMPANY LIMITED
169	WINNER	WINNER GROUP ENTERPRISE PUBLIC COMPANY LIMITED
170	YUASA	YUASA BATTERY (THAILAND) PUBLIC COMPANY LIMITED
171	ZMICO	SEAMICO SECURITIES PUBLIC COMPANY LIMITED

Top Quartile Companies by Market Capitalization by Alphabetical Order

Top Quartile : 10,000+ MB. Market Cap.

No.	SYMBOL	Listed Companies
1	ADVANC	ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED
2	AOT	AIRPORTS OF THAILAND PUBLIC COMPANY LIMITED
3	BAFS	BANGKOK AVIATION FUEL SERVICES PUBLIC COMPANY LIMITED
4	BAY	BANK OF AYUDHYA PUBLIC COMPANY LIMITED
5	BCP	THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED
6	BECL	BANGKOK EXPRESSWAY PUBLIC COMPANY LIMITED
7	BIGC	BIG C SUPERCENTER PUBLIC COMPANY LIMITED
8	BTS	BTS GROUP HOLDINGS PUBLIC COMPANY LIMITED
9	CPN	CENTRAL PATTANA PUBLIC COMPANY LIMITED
10	EASTW	EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PCL.
11	EGCO	ELECTRICITY GENERATING PUBLIC COMPANY LIMITED
12	GRAMMY	GMM GRAMMY PUBLIC COMPANY LIMITED
13	HANA	HANA MICROELECTRONICS PUBLIC COMPANY LIMITED
14	INTUCH	INTOUCH HOLDINGS PUBLIC COMPANY LIMITED
15	IRPC	IRPC PUBLIC COMPANY LIMITED
16	IVL	INDORAMA VENTURES PUBLIC COMPANY LIMITED
17	KBANK	KASIKORNBANK PUBLIC COMPANY LIMITED
18	KKP	KIATNAKIN BANK PUBLIC COMPANY LIMITED
19	KTB	KRUNG THAI BANK PUBLIC COMPANY LIMITED
20	MCOT	MCOT PUBLIC COMPANY LIMITED
21	MINT	MINOR INTERNATIONAL PUBLIC COMPANY LIMITED
22	PSL	PRECIOUS SHIPPING PUBLIC COMPANY LIMITED
23	PTT	PTT PUBLIC COMPANY LIMITED
24	PTTEP	PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED
25	PTTGC	PTT GLOBAL CHEMICAL PUBLIC COMPANY LIMITED
26	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING PCL.
27	SAMART	SAMART CORPORATION PUBLIC COMPANY LIMITED
28	SAMTEL	SAMART TELCOMS PUBLIC COMPANY LIMITED
29	SC	SC ASSET CORPORATION PUBLIC COMPANY LIMITED
30	SCB	THE SIAM COMMERCIAL BANK PUBLIC COMPANY LIMITED
31	SCC	THE SIAM CEMENT PUBLIC COMPANY LIMITED
32	SIM	SAMART I-MOBILE PUBLIC COMPANY LIMITED
33	SPALI	SUPALAI PUBLIC COMPANY LIMITED
34	THCOM	THAICOM PUBLIC COMPANY LIMITED
35	TISCO	TISCO FINANCIAL GROUP PUBLIC COMPANY LIMITED
36	TMB	TMB BANK PUBLIC COMPANY LIMITED
37	TOP	THAI OIL PUBLIC COMPANY LIMITED
38	VGI	VGI GLOBAL MEDIA PUBLIC COMPANY LIMITED

* To recognize Top Quartile Companies in each market capitalization group without regulatory notation (from 1 January 2013 to 22 October 2014) is publicized.

Top Quartile Companies by Market Capitalization

by Alphabetical Order

Top Quartile : 3,000 – 9,999 MB. Market Cap.

No.	SYMBOL	Listed Companies
1	ASK	ASIA SERMKIJ LEASING PUBLIC COMPANY LIMITED
2	ASP	ASIA PLUS SECURITIES PUBLIC COMPANY LIMITED
3	CFRESH	SEAFRESH INDUSTRY PUBLIC COMPANY LIMITED
4	CNT	CHRISTIANI & NIELSEN (THAI) PUBLIC COMPANY LIMITED
5	CSL	CS LOXINFO PUBLIC COMPANY LIMITED
6	DRT	DIAMOND BUILDING PRODUCTS PUBLIC COMPANY LIMITED
7	DTC	DUSIT THANI PUBLIC COMPANY LIMITED
8	KCE	KCE ELECTRONICS PUBLIC COMPANY LIMITED
9	LANNA	THE LANNA RESOURCES PUBLIC COMPANY LIMITED
10	NMG	NATION MULTIMEDIA GROUP PUBLIC COMPANY LIMITED
11	PAP	PACIFIC PIPE PUBLIC COMPANY LIMITED
12	PM	PREMIER MARKETING PUBLIC COMPANY LIMITED
13	PR	PRESIDENT RICE PRODUCTS PUBLIC COMPANY LIMITED
14	PRANDA	PRANDA JEWELRY PUBLIC COMPANY LIMITED
15	RS	RS PUBLIC COMPANY LIMITED
16	SAT	SOMBOON ADVANCE TECHNOLOGY PUBLIC COMPANY LIMITED
17	SINGER	SINGER THAILAND PUBLIC COMPANY LIMITED
18	SITHAI	SRITHAI SUPERWARE PUBLIC COMPANY LIMITED
19	SNC	SNC FORMER PUBLIC COMPANY LIMITED
20	SSSC	SIAM STEEL SERVICE CENTER PUBLIC COMPANY LIMITED
21	SVI	SVI PUBLIC COMPANY LIMITED
22	THANI	RATCHTHANI LEASING PUBLIC COMPANY LIMITED
23	TIPCO	TIPCO FOODS PUBLIC COMPANY LIMITED
24	TK	THITIKORN PUBLIC COMPANY LIMITED
25	TNL	THANULUX PUBLIC COMPANY LIMITED
26	TRC	TRC CONSTRUCTION PUBLIC COMPANY LIMITED
27	TSTH	TATA STEEL (THAILAND) PUBLIC COMPANY LIMITED
28	UAC	UAC GLOBAL PUBLIC COMPANY LIMITED
29	WACOAL	THAI WACOAL PUBLIC COMPANY LIMITED

Top Quartile Companies by Market Capitalization

by Alphabetical Order

Top Quartile : 1,000 – 2,999 MB. Market Cap.

No.	SYMBOL	Listed Companies
1	APCO	ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED
2	APCS	ASIA PRECISION PUBLIC COMPANY LIMITED
3	BROOK	THE BROOKER GROUP PUBLIC COMPANY LIMITED
4	BWG	BETTER WORLD GREEN PUBLIC COMPANY LIMITED
5	CI	CHARN ISSARA DEVELOPMENT PUBLIC COMPANY LIMITED
6	CM	CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED
7	DNA	DNA 2002 PUBLIC COMPANY LIMITED
8	EE	ETERNAL ENERGY PUBLIC COMPANY LIMITED
9	GBX	GLOBLEX HOLDING MANAGEMENT PUBLIC COMPANY LIMITED
10	HOTPOT	HOT POT PUBLIC COMPANY LIMITED
11	MACO	MASTER AD PUBLIC COMPANY LIMITED
12	MJD	MAJOR DEVELOPMENT PUBLIC COMPANY LIMITED
13	NBC	NATION BROADCASTING CORPORATION PUBLIC COMPANY LIMITED
14	NCH	N. C. HOUSING PUBLIC COMPANY LIMITED
15	NKI	THE NAVAKIJ INSURANCE PUBLIC COMPANY LIMITED
16	OCC	O.C.C. PUBLIC COMPANY LIMITED
17	PG	PEOPLE'S GARMENT PUBLIC COMPANY LIMITED
18	PJW	PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED
19	PPP	PREMIER PRODUCTS PUBLIC COMPANY LIMITED
20	PT	PREMIER TECHNOLOGY PUBLIC COMPANY LIMITED
21	QTC	QTC ENERGY PUBLIC COMPANY LIMITED
22	S & J	S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED
23	SAMCO	SAMMAKORN PUBLIC COMPANY LIMITED
24	SE-ED	SE-EDUCATION PUBLIC COMPANY LIMITED
25	SIAM	SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED
26	SIS	SIS DISTRIBUTION (THAILAND) PUBLIC COMPANY LIMITED
27	SOLAR	SOLARTRON PUBLIC COMPANY LIMITED
28	SSF	SURAPON FOODS PUBLIC COMPANY LIMITED
29	SYNTEC	SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED
30	TBSP	THAI BRITISH SECURITY PRINTING PUBLIC COMPANY LIMITED
31	TFI	THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
32	TLUXE	THAILUXE ENTERPRISES PUBLIC COMPANY LIMITED
33	TNITY	TRINITY WATTHANA PUBLIC COMPANY LIMITED
34	TOG	THAI OPTICAL GROUP PUBLIC COMPANY LIMITED
35	TPCORP	TEXTILE PRESTIGE PUBLIC COMPANY LIMITED
36	TRT	TIRATHAI PUBLIC COMPANY LIMITED
37	TSTE	THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED

No.	SYMBOL	Listed Companies
38	TWFP	THAI WAH FOOD PRODUCTS PUBLIC COMPANY LIMITED
39	UP	UNION PLASTIC PUBLIC COMPANY LIMITED
40	VIH	SRIVICHAIVEJVIVAT PUBLIC COMPANY LIMITED
41	WINNER	WINNER GROUP ENTERPRISE PUBLIC COMPANY LIMITED
42	ZMICO	SEAMICO SECURITIES PUBLIC COMPANY LIMITED

Top Quartile Companies by Market Capitalization

by Alphabetical Order

Top Quartile : Lower than 1,000 MB. Market Cap.

No.	SYMBOL	Listed Companies
1	2S	2S METAL PUBLIC COMPANY LIMITED
2	ACAP	ACAP ADVISORY PUBLIC COMPANY LIMITED
3	ASIMAR	ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED
4	BTNC	BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED
5	GC	GLOBAL CONNECTIONS PUBLIC COMPANY LIMITED
6	GENCO	GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED
7	INET	INTERNET THAILAND PUBLIC COMPANY LIMITED
8	MOONG	MOONG PATTANA INTERNATIONAL PUBLIC COMPANY LIMITED
9	MPG	MANGPONG 1989 PUBLIC COMPANY LIMITED
10	NINE	NATION INTERNATIONAL EDUTAINMENT PUBLIC COMPANY LIMITED
11	NSI	NAM SENG INSURANCE PUBLIC COMPANY LIMITED
12	PE	PREMIER ENTERPRISE PUBLIC COMPANY LIMITED
13	PHOL	PHOL DHANYA PUBLIC COMPANY LIMITED
14	PPM	PORN PROM METAL PUBLIC COMPANY LIMITED
15	PPS	PROJECT PLANNING SERVICE PUBLIC COMPANY LIMITED
16	SPPT	SINGLE POINT PARTS (THAILAND) PUBLIC COMPANY LIMITED
17	TEAM	TEAM PRECISION PUBLIC COMPANY LIMITED
18	THANA	THANASIRI GROUP PUBLIC COMPANY LIMITED
19	THIP	THANTAWAN INDUSTRY PUBLIC COMPANY LIMITED
20	TIW	THAILAND IRON WORKS PUBLIC COMPANY LIMITED
21	TKT	T.KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED
22	TMI	TEERA-MONGKOL INDUSTRY PUBLIC COMPANY LIMITED
23	UPF	UNION PIONEER PUBLIC COMPANY LIMITED
24	UT	UNION TEXTILE INDUSTRIES PUBLIC COMPANY LIMITED
25	WIN	WYNCOAST INDUSTRIAL PARK PUBLIC COMPANY LIMITED
26	YUASA	YUASA BATTERY (THAILAND) PUBLIC COMPANY LIMITED