

CK POWER CKP TB

THAILAND / UTILITIES - CONVENTIONAL

BUY

UNCHANGED

| | |
|-----------------|-----------|
| TARGET PRICE | THB6.60 |
| CLOSE | THB5.45 |
| UP/DOWNSIDE | +21.1% |
| PRIOR TP | THB6.60 |
| CHANGE IN TP | UNCHANGED |
| TP vs CONSENSUS | +6.5% |

Twin drivers from XPCL and LPB

- We expect the company to post a strong 1Q22 NP of THB429m, driven by rising production from its two key hydropower plants.
- CKP signed an MOU with EGAT to secure a THB2.4/kWh electricity tariff for LPB; electricity sales to begin in 2030.
- Maintain BUY and our SoTP-based TP of THB6.6.

XPCL as a near-term and Luangprabang as a long-term driver

We remain confident on CKP's net profit growth outlook and now expect its share price to rerate ahead of two key drivers. First, we expect the company to post a strong 1Q22 net profit of THB429m, driven by rising production levels at its two key hydropower plants, XPCL and NN2, thanks to higher water levels which should timely offset the weaker net profit from its small power producer (SPP) Bangpa-in (BIC) due to the higher gas cost. Second, CKP has successfully secured its long-awaited, large-scale 1.4GW hydropower plant Luangprabang (LPB) in Laos; owned 42% by CKP and likely to be developed by its parent CK.

Luangprabang hydropower plant sets the stage for growth

On 27 Apr-22, CKP announced that it had signed an MOU with EGAT to secure a THB2.4/kWh electricity tariff for LPB and will begin selling electricity to EGAT in 2030. LPB is one of four potential large-scale, Mekong River-based hydropower plants in Laos and is the flagship project long anticipated by both CK and CKP for the past 7 years. Based on the current PDP 2018 Revision 2, we think LPB is likely to be included in the "power import" scheme for 2030 in the new PDP 2022 currently being finalised, two years earlier than under the current PDP, along with Pak Beng, Pak Lai, and Sanakham, owned by GULF.

Up to THB4.3/share value boost from LPB to CKP

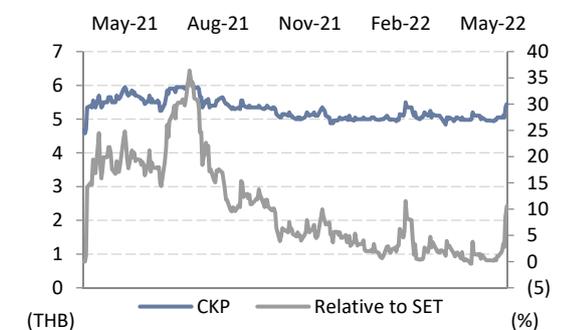
We estimate that LPB could add up to a THB4.3/share value to CKP, based on the following assumptions: 1) its 26-year operating life cycle from 2030-56; 2) the tariff of THB2.4/kWh; 3) the investment cost of THB130b; 4) the 75% debt and 25% equity funding structure; and 5) an average annual CF of 50%. Given that LPB has a larger capacity of 1.4GW vs XPCL's 1.28GW, and CKP owns a higher stake in LPB at 42% vs 37.5% in XPCL, we estimate that LPB will contribute a similar value of THB4.3/share to CKP, considering its potentially lower average CF of 50% vs our current 60% assumption for XPCL's average CF.

Time to load up on this hydropower growth play

We maintain BUY and our SoTP-based TP of THB6.6, which still excludes LPB's value. We believe CKP's share price is now poised for rerating ahead of its near-term growth driver – its strong 1Q22E net profit – and the long-term catalyst from the new hydropower plant LPB.

KEY STOCK DATA

| YE Dec (THB m) | 2021 | 2022E | 2023E | 2024E |
|----------------------|-------|--------|--------|--------|
| Revenue | 8,798 | 12,268 | 13,651 | 13,930 |
| Net profit | 2,179 | 3,103 | 3,121 | 3,777 |
| EPS (THB) | 0.27 | 0.38 | 0.38 | 0.46 |
| vs Consensus (%) | - | 25.4 | 12.4 | - |
| EBITDA | 3,388 | 4,403 | 3,568 | 3,873 |
| Core net profit | 2,213 | 3,103 | 3,121 | 3,777 |
| Core EPS (THB) | 0.27 | 0.38 | 0.38 | 0.46 |
| Chg. In EPS est. (%) | - | - | - | - |
| EPS growth (%) | 431.4 | 40.2 | 0.6 | 21.0 |
| Core P/E (x) | 20.0 | 14.3 | 14.2 | 11.7 |
| Dividend yield (%) | 0.7 | 1.8 | 1.8 | 2.8 |
| EV/EBITDA (x) | 16.3 | 11.6 | 13.3 | 11.3 |
| Price/book (x) | 1.8 | 1.6 | 1.5 | 1.3 |
| Net debt/Equity (%) | (1.2) | (14.8) | (24.9) | (33.5) |
| ROE (%) | 9.1 | 11.8 | 10.8 | 12.0 |



| Share price performance | 1 Month | 3 Month | 12 Month |
|--------------------------------|-------------------------|---------|----------|
| Absolute (%) | 9.4 | 5.8 | 16.5 |
| Relative to country (%) | 10.9 | 4.1 | 11.1 |
| Mkt cap (USD m) | 1,295 | | |
| 3m avg. daily turnover (USD m) | 2.8 | | |
| Free float (%) | 28 | | |
| Major shareholder | CH. Karnchang PCL (27%) | | |
| 12m high/low (THB) | 6.30/4.54 | | |
| Issued shares (m) | 7,370.00 | | |

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

CK Power was established by CH. Karnchang PCL (CK TB, BUY, TP THB26), one of three main contractors in Thailand, in 2011 as a holding company that focuses on investing in the production and distribution of electricity generated from various types of energy sources.

The company's core revenue source is dividends from its investments in subsidiaries and associated companies. CKP sells its electricity to the Electricity Generating Authority of Thailand (EGAT) and industrial users (IU) through the independent power producer (IPP) and small power producer (SPP) mechanisms. Currently, CKP holds three main business types: 1) hydropower; 2) solar farms; and 3) cogeneration power plants.

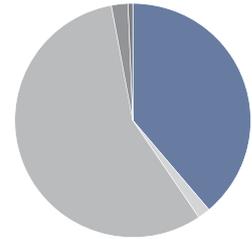
Company profile

CKP is a power subsidiary of CH. Karnchang PCL, operating power plant assets in Thailand and Laos that include hydropower plants, solar farms, and SPPs.

www.ckpower.co.th

Principal activities (revenue, 2021)

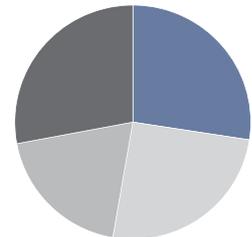
- Generation of electricity from hydroelectric power segment - 38.8 %
- Generation of electricity from solar power segment - 1.7 %
- Generation of electricity from thermal power segment - 56.5 %



Source: CK Power

Major shareholders

- CH. Karnchang PCL - 27.4 %
- TTW Plc - 25.3 %
- BEM Plc - 19.3 %
- Others - 27.9 %



Source: CK Power

Catalysts

Higher utilisation rates of power plants and rising demand for electricity in Thailand and Laos should be key growth drivers.

Risks to our call

The downside risks to our SoTP-based TP include lower-than-expected demand for electricity in Thailand and lower-than-expected water supply for hydro projects.

Event calendar

| Date | Event |
|----------|---------------------------|
| May 2022 | 1Q22 results announcement |

Key assumptions

| | 2022E | 2023E | 2024E |
|--------------------------|-------|-------|-------|
| Tariff (THB/kWh) | 2.90 | 2.96 | 3.02 |
| Capex (THB m) | 1,605 | 1,605 | 1,605 |
| XPCL capacity factor (%) | 60 | 65 | 65 |
| NN2 capacity factor (%) | 50 | 50 | 50 |

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in gas price, we estimate 2022 earnings would rise by 1.1%, and vice versa, all else being equal.
- For every 1% increase in interest rate, we estimate 2022 earnings would decline by 1.3%, and vice versa, all else being equal.

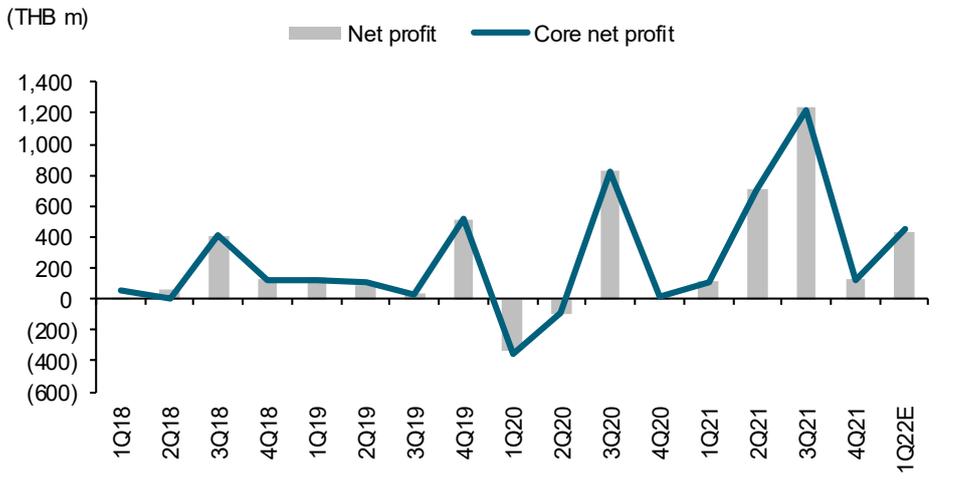
Source: FSSIA estimates

Twin drivers from XPCL and LPB

We remain confident on CKP's net profit growth outlook and now expect CKP's share price to rerate ahead of two key drivers.

First, we expect the company to post a strong 1Q22 net profit of THB429m, driven by rising production levels at its two key hydropower plants, XPCL and NN2, thanks to higher water levels. We think this will timely offset a weaker net profit from its SPP BIC due to the higher gas cost.

Exhibit 1: Quarterly net and core profits

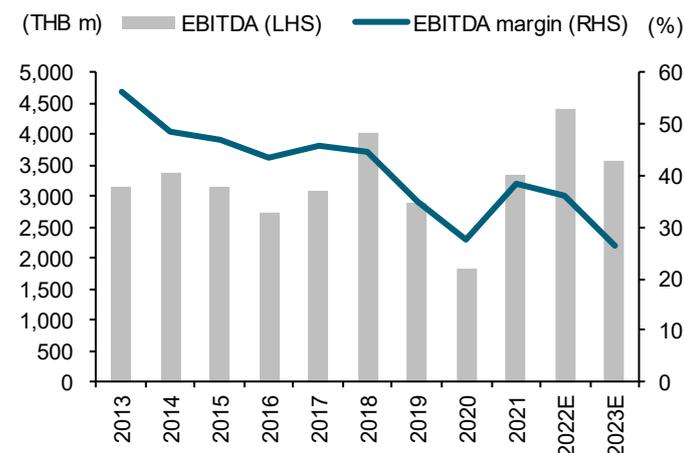


Sources: CKP; FSSIA estimates

Second, CKP has now successfully secured its long-awaited, large-scale 1.4GW hydropower plant LPB in Laos; owned 42% by CKP and likely to be developed by its parent company CK.

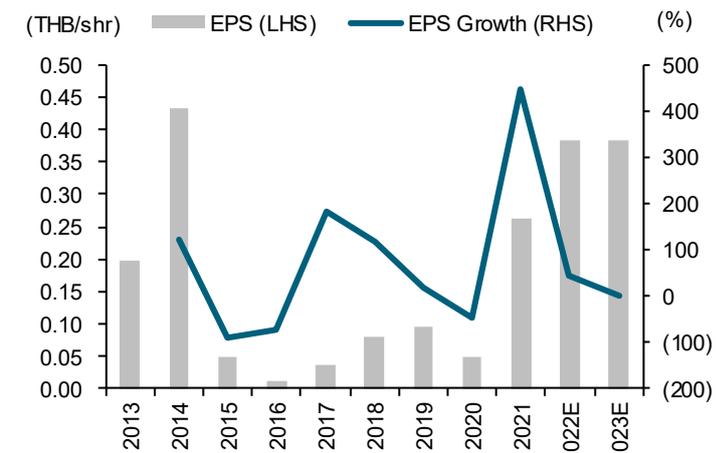
On 27 Apr-22, CKP announced that the company had signed a memorandum of understanding (MOU) to secure an electricity tariff of THB2.4/kWh for LPB and added that the new hydropower plant is likely to be included in Thailand's new Power Development Plan (PDP) 2022.

Exhibit 2: EBITDA and EBITDA margin



Sources: CKP; FSSIA estimates

Exhibit 3: EPS and EPS growth



Sources: CKP; FSSIA estimates

Expect a strong 1Q22 net profit of THB429m

We project CKP to post a strong 1Q22 net profit of THB429m, up 250% q-q and 274% y-y. Key points are the strong operations of its key hydropower plant XPCL which we think will offset the weaker net profit from its other hydropower plant, NN2. Also, BIC SPP is expected to see a weaker net profit in 1Q22 due to the higher gas cost.

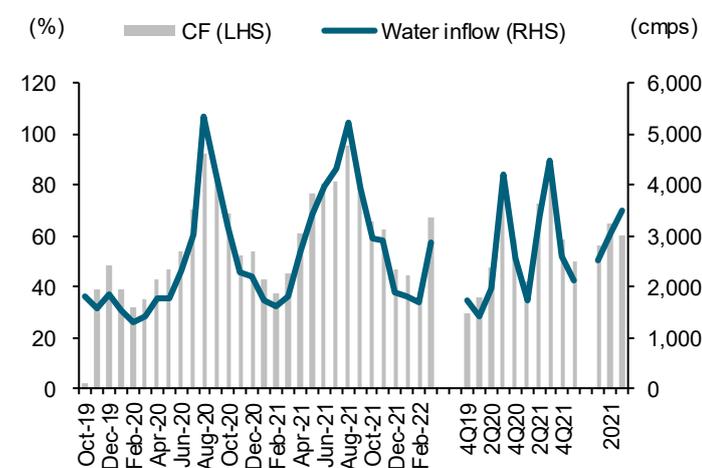
Exhibit 4: 1Q22E operational performance

| | 1Q21 | 4Q21 | 1Q22E | | 2021 | 2022E | chg. | |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|-------------|
| | (THB m) | (THB m) | (THB m) | (q-q%) | (y-y%) | (THB m) | (THB m) | (y-y%) |
| Revenue | 1,985 | 2,237 | 2,247 | 0.4 | 13.2 | 8,798 | 12,268 | 39.4 |
| Operating costs | (1,188) | (1,574) | (1,506) | (4.3) | 26.7 | (5,410) | (7,865) | 45.4 |
| EBITDA | 797 | 663 | 741 | 11.7 | (7.0) | 3,388 | 4,403 | 30.0 |
| EBITDA margin (%) | 40.1 | 29.6 | 33.0 | nm | nm | 38.5 | 35.9 | nm |
| Depn & amort. | (386) | (397) | (396) | (0.1) | 2.5 | (1,571) | (1,605) | 2.2 |
| EBIT | 411 | 267 | 345 | 29.4 | (16.0) | 1,817 | 2,798 | 54.0 |
| Interest expense | (262) | (275) | (277) | 0.8 | 5.7 | (1,070) | (789) | (26.3) |
| Interest & invt inc | 114 | 191 | 199 | 4.0 | 74.6 | 532 | 424 | (20.4) |
| Other income | 2 | 1 | 1 | (0.2) | (34.6) | 5 | 10 | 117.5 |
| Associates' contrib | (32) | 11 | 320 | 2,769.1 | (1,092.6) | 1,528 | 2,240 | 46.6 |
| Exceptionals | 11 | (1) | 3 | (335.0) | (72.2) | 1 | - | (100.0) |
| Pretax profit | 243 | 194 | 591 | 204.4 | 143.3 | 2,812 | 4,682 | 66.5 |
| Tax | (8) | (11) | (32) | 186.4 | 303.0 | (61) | (116) | 90.1 |
| Tax rate (%) | 3.3 | 5.8 | 5.4 | nm | nm | 2.2 | 2.5 | 14.2 |
| Minority interests | (120) | (60) | (130) | 115.2 | 8.0 | (572) | (1,462) | 155.5 |
| Net profit | 115 | 123 | 429 | 250.1 | 274.3 | 2,179 | 3,103 | 42.4 |
| Core net profit | 104 | 124 | 450 | 263.6 | 332.1 | 2,213 | 3,103 | 40.2 |
| EPS (THB) | 0.02 | 0.02 | 0.05 | 217.4 | 239.4 | 0.27 | 0.38 | 42.4 |
| Core EPS (THB) | 0.01 | 0.02 | 0.06 | 229.6 | 291.7 | 0.27 | 0.38 | 40.2 |

Sources: CKP; FSSIA estimates

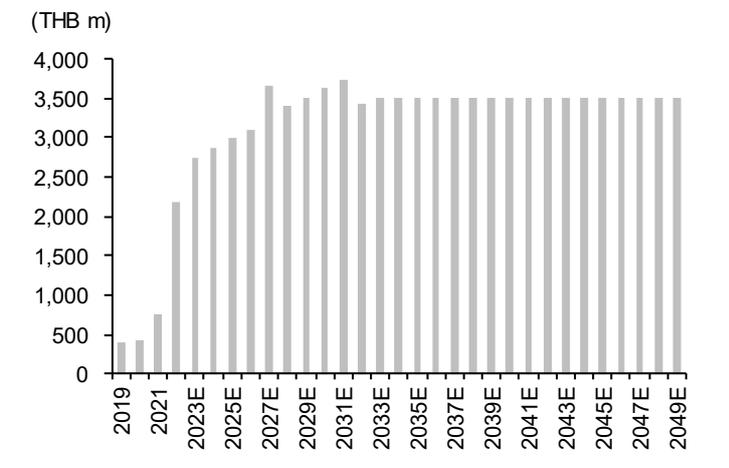
Strong performance from XPCL. In 1Q22, XPCL produced 1,404.5GWh of electricity, up 19% y-y from 1,179.0GWh in 1Q21, driven by higher water flows which increased its capacity factor (CF) to 49.9%, up from 41.9% in 1Q21. With its average THB2.2/kWh electricity tariff, we estimate that the higher sales volume of 225.5GWh y-y will generate over THB208m in additional pre-tax net profit for CKP in 1Q22 based on its 37.5% stake in XPCL.

Exhibit 5: XPCL's capacity factor (CF) and water inflow rate



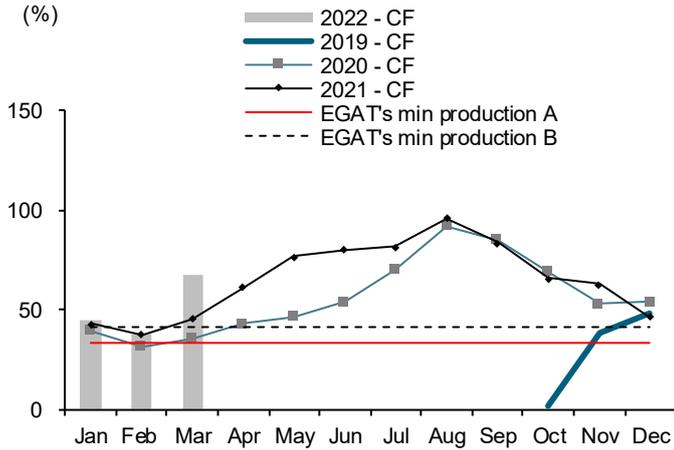
Sources: CKP; FSSIA estimates

Exhibit 6: XPCL – net profit projections



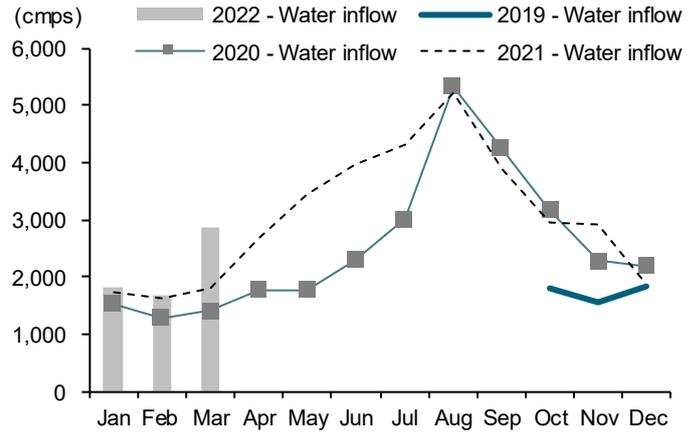
Sources: CKP; FSSIA estimates

Exhibit 7: XPCL's capacity factor (CF)



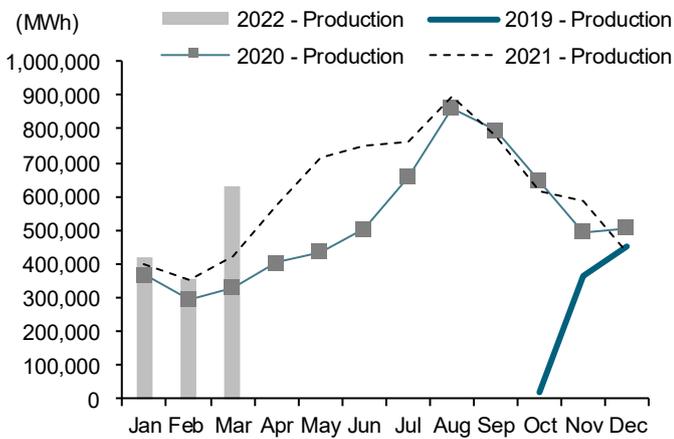
Sources: CKP; FSSIA estimates

Exhibit 8: XPCL's water inflow



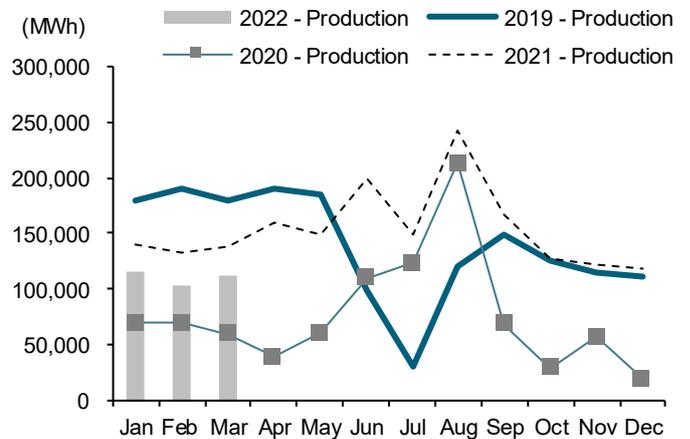
Sources: CKP; FSSIA estimates

Exhibit 9: XPCL's electricity production



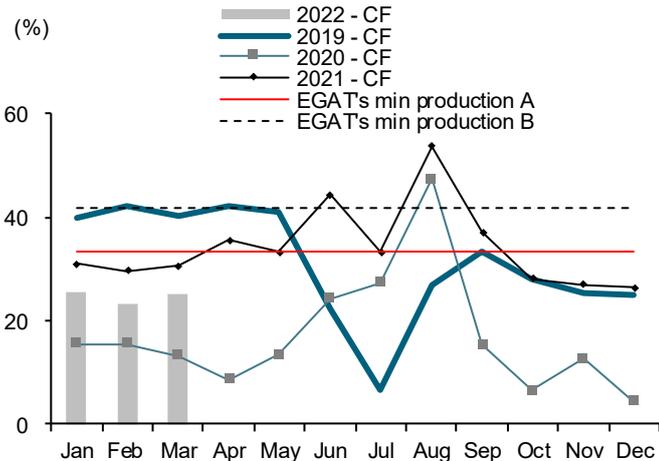
Sources: CKP; FSSIA estimates

Exhibit 10: NN2's electricity production



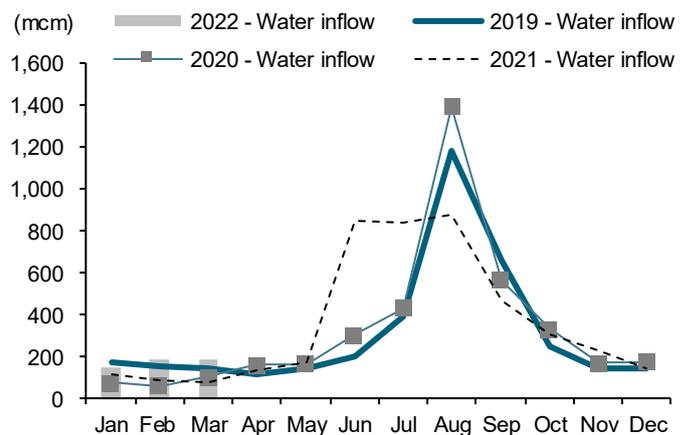
Sources: CKP; FSSIA estimates

Exhibit 11: NN2's capacity factor (CF)



Sources: CKP; FSSIA estimates

Exhibit 12: NN2's water inflow rate



Sources: CKP; FSSIA estimates

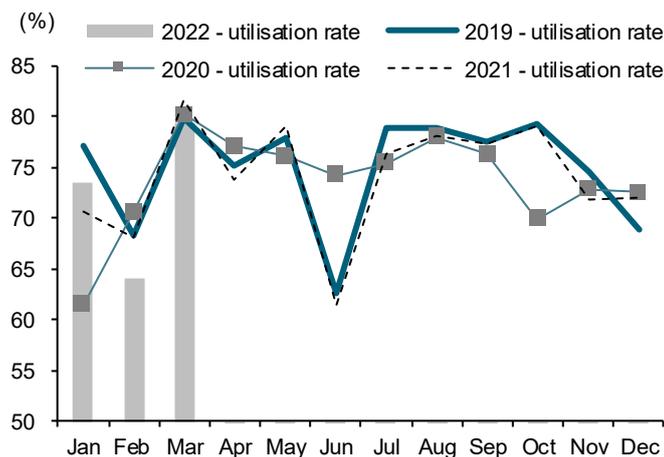
Weaker performance from NN2. In 1Q22, NN2 produced 331.5GWh of electricity, down 19% y-y from 410.4GWh in 1Q21, due to CKP’s more conservative operating forecasts. Unlike XPCL, which is a run-of-river hydropower plant whose electricity production is difficult to predict due to the naturally fluctuating water flow level, NN2’s reservoir-based hydropower plant is required to inform the Electricity Generating Authority of Thailand (EGAT) – the buyer – one month in advance.

Hence, CKP has been conservative in its estimates provided to EGAT for electricity production in 1Q22 vs 1Q21 due to its less positive view on water flows into the reservoir in 2022. However, management indicated that in 2Q22 onward CKP is likely to increase the electricity production of NN2 as the water flow into NN2’s reservoir has been higher than expected YTD. As a result, we project NN2 to generate a y-y net profit in 2Q-4Q22 based on higher water levels.

The higher gas cost eroded BIC’s margin in 1Q22. Due to the sharp rise in the gas cost, we project that the net profit from the BIC SPP will be weak in 1Q22 despite its strong sales volumes for both electricity and steam to industrial users (IU). Of BIC’s total 238MW electricity capacity, we estimate that 58MW of electricity and around 20t per hour of steam will be sold to IUs.

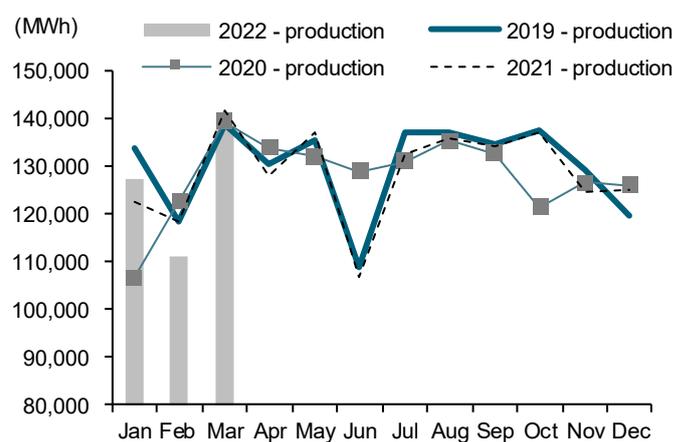
This 58MW IU-driven margin will be subject to a mismatch between the selling price and the gas cost as the Thai government has called for the national electricity grid tariff to rise at a slower and lower rate than the rise in the gas cost.

Exhibit 13: BIC’s utilisation rate



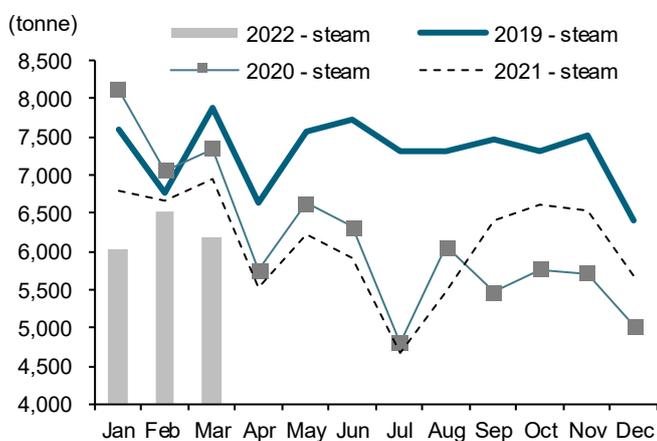
Sources: CKP; FSSIA estimates

Exhibit 14: BIC’s electricity production



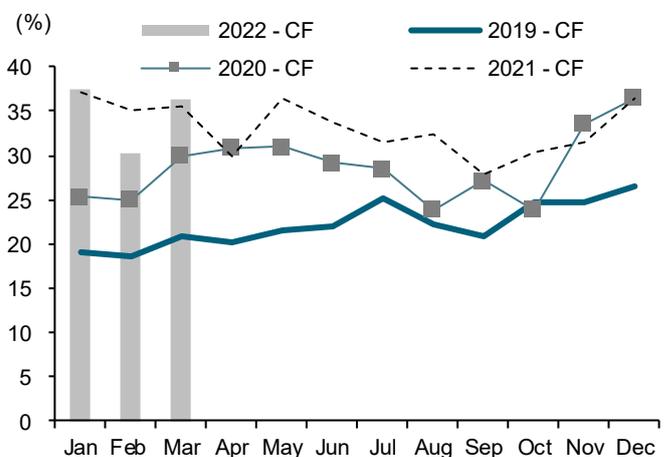
Sources: CKP; FSSIA estimates

Exhibit 15: BIC’s steam production



Sources: CKP; FSSIA estimates

Exhibit 16: BIC’s capacity factor (CF)



Sources: CKP; FSSIA estimates

New growth driver from Luangprabang hydropower plant

On 27 Apr-22, CKP announced that it had signed an MOU with EGAT to secure a THB2.4/kWh electricity tariff for LPB ahead of the electricity sales to EGAT beginning in 2030. LPB, one of four potential large-scale, Mekong River-based hydropower plants in Laos, is the flagship project long anticipated by both CK and CKP for the past 7 years.

The agreement follows MOUs signed by Gulf Energy Development (GULF TB, BUY, TP THB60) with EGAT for its Nam Ngum 3, Pak Beng, and Pak Lai hydropower plants in Laos in 2H21-1Q22.

Based on our initial estimate, we expect the total investment cost for LPB to be USD4.2b (THB130b), implying a USD3m/MW capacity, in line with industry investment norms. Management indicated that CKP plans to fund up to 75% of LPB’s construction cost via loans, hence CKP will be required to invest THB13.6b in equity (42% stake) during 2024-29, ahead of LPB’s scheduled commercial operation date (COD) in 2030.

Exhibit 17: Potential and operating hydropower plant projects along the Mekong River

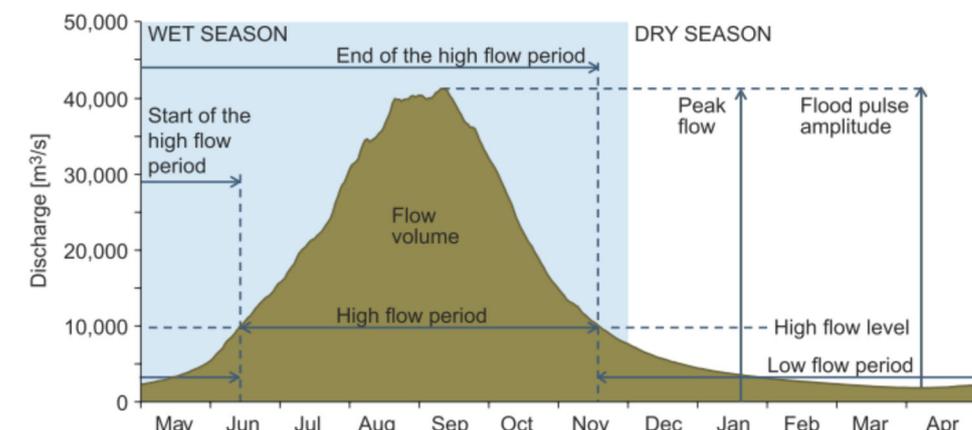
| COD | Project | Capacity (MW) | Stake (%) | Equity Capacity (MW) | Investment (USD m) | Status | Key developer | Electricity offtaker | |
|---|---------------|---------------|-----------|----------------------|--------------------|-------------------|--|-------------------------------|--|
| 2026E | Nam Ngum 3 | 480 | 20 | 96 | 1,440 | PPA signed Jul-19 | EDL, EGATi | Reservoir 90% EGAT/10% EDL | |
| 2029E | Pak Beng | 897 | 30 | 269 | 2,372 | Proposed 2017 | Datang (Lao) Pak Beng Hydropower | Run-of-river 90% EGAT/10% EDL | |
| 2030E | Pak Lay | 763 | 30 | 229 | 2,134 | Proposed 2019 | PowerChina Resources | Run-of-river n/a | |
| 2032E | Sanakham | 684 | 30 | 205 | 2,073 | Proposed May-20 | Datang Sanakham Hydropower | Run-of-river n/a | |
| 2033E | Luang Phabang | 1,400 | 30 | 420 | 4,200 | Proposed Jul-19 | PetroVietnam Power | Run-of-river n/a | |
| Total | | 3,744 | | 1,123 | | | | | |
| Hydropower plants in operations on Mekong River | | | | | | | | | |
| 2019 | Xaiyaburi | 1,285 | | | 4,838 | Operating | CK power owned 37.5%/GPSC 25%/EGCO 15% | Run-of-river 90% EGAT/10% EDL | |
| 2019 | Don Sahong | 260 | | | 780 | Operating | Mega First Corp (Malaysia) | Run-of-river n/a | |

Source: Mekong River Commission (MRC)

We think LPB is likely to be included in the “power import” scheme in 2030 in the new PDP 2022 that is in the process of being finalised, two years earlier than under the current PDP 2018 Revision 2.

LPB will be one of four new large-scale hydropower plants, along with Pak Beng, Pak Lai, and Sanakham, to be included in Thailand’s new PDP 2022, according to GULF’s management. Note that GULF owns stakes in the three other hydropower plants: Pak Beng, Pak Lai, and Sanakham, while CKP owns a stake in LPB.

Exhibit 18: Changes in seasonal water flow for hydropower plant projects in Laos



Source: Mekong River Commission (MRC)

Exhibit 19: New MW additions by zone under PDP 2018 Revision 2

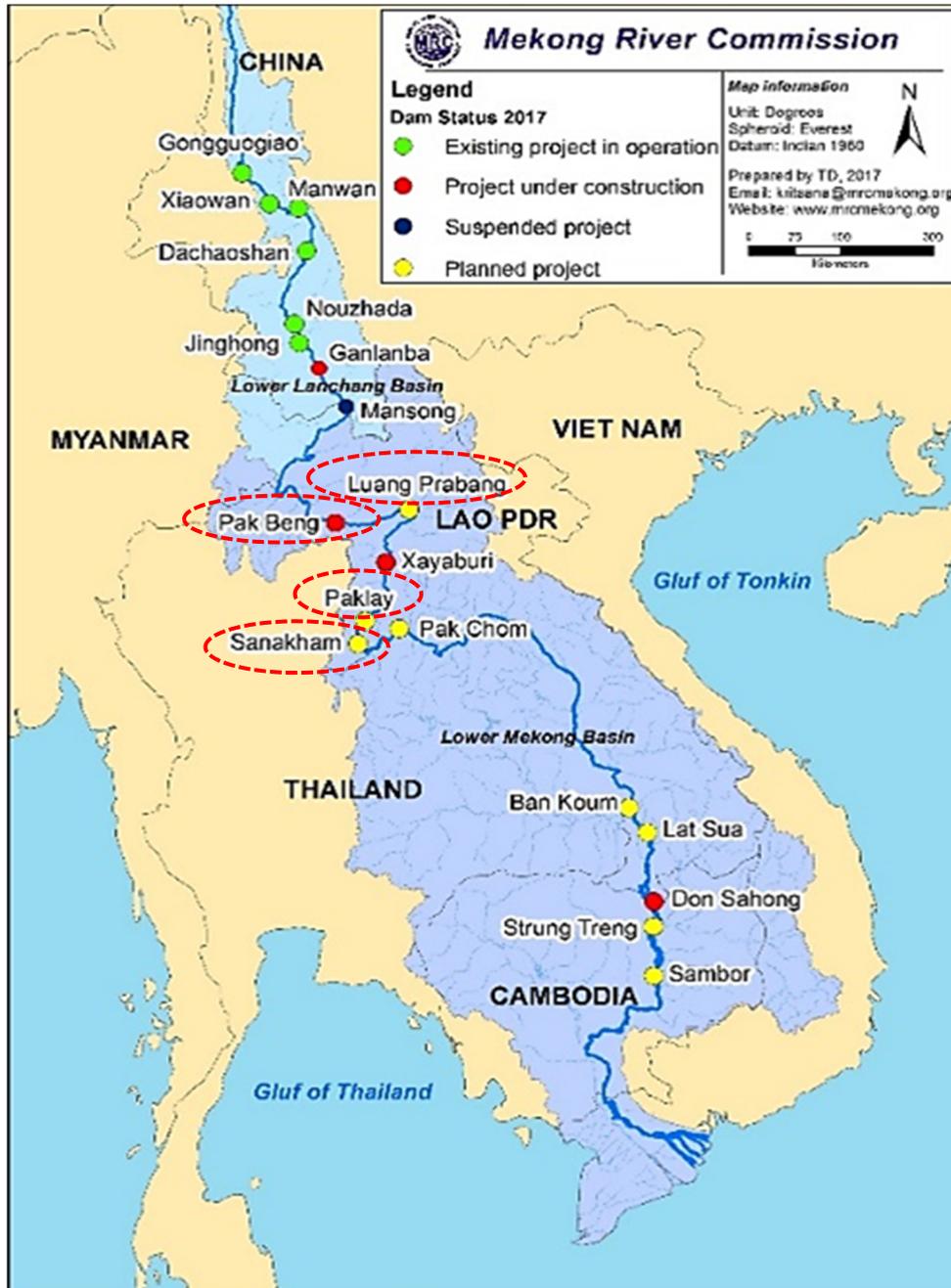
| Region/Target COD | Power plant | Capacity (MW) | Remark |
|----------------------|--------------|---------------|---------------------------------|
| West | | | |
| 2023E | Hin Kong | 700 | IPPs/EGAT (replacing TECO) |
| 2024E | Hin Kong | 700 | IPPs/EGAT (replacing RG TH#1-2) |
| North | | | |
| 2026E | Mae Moh | 600 | Replacement by EGAT |
| Northeast | | | |
| 2025E | Nam Phong | 650 | Replacement by EGAT |
| 2026E | Power import | 700 | |
| 2028E | Power import | 700 | |
| 2030E | New bidding | 700 | IPPs/EGAT |
| 2032E | Power import | 700 | |
| 2032E | New bidding | 700 | IPPs/EGAT |
| 2033E | Power import | 700 | |
| 2035E | Power import | 700 | |
| Metropolitan | | | |
| 2026E | South BKK | 700 | Replacement by EGAT |
| 2027E | South BKK | 1,400 | Replacement by EGAT |
| 2028E | North BKK | 700 | Replacement by EGAT |
| 2035E | North BKK | 700 | Replacement by EGAT |
| 2036E | New bidding | 700 | IPPs/EGAT |
| South | | | |
| 2027E | Surat Thani | 700 | Replacement by EGAT |
| 2029E | Surat Thani | 700 | Replacement by EGAT |
| 2034E | New bidding | 1,000 | IPPs/EGAT |
| 2035E | New bidding | 700 | IPPs/EGAT |
| Upper central | | | |
| 2032E | New bidding | 1,400 | IPPs/EGAT |
| East | | | |
| 2033E | New bidding | 1,000 | IPPs/EGAT |
| 2037E | New bidding | 700 | IPPs/EGAT |

Source: PDP 2018 Revision 2

Up to a THB4.3/share value from LPB to CKP. We estimate that LPB could add up to a THB4.3/share value to CKP, based on the following assumptions: 1) 26 years of operations in 2030-56; 2) the tariff of THB2.4/kWh; 3) the investment cost of THB130b; 4) the 75% debt and 25% equity funding structure; 5) an average annual CF of 50%.

LPB vs XPCL. While LPB has a larger capacity of 1.4GW vs XPCL's 1.28GW, and CKP owns a higher stake in LPB at 42% vs 37.5% in XPCL, we estimate that LPB will contribute a similar value of THB4.3/share to CKP given its potentially lower average CF of 50% vs our current assumption that sets XPCL's average CF at 60%.

Exhibit 20: Existing and planned hydropower plant projects in Laos



Source: MRC

Exhibit 21: SoTP-based target price

| Cost of equity assumptions | | (%) | Cost of debt assumptions | | (%) |
|----------------------------|--|------|--------------------------|--|------|
| Risk free rate | | 2.3 | Pretax cost of debt | | 3.8 |
| Market risk premium | | 8.5 | Marginal tax rate | | 20.0 |
| Stock beta | | 0.50 | | | |
| Cost of equity, Ke | | 6.6 | Net cost of debt, Kd | | 2.7 |
| Weight applied | | 25.0 | Weight applied | | 75.0 |
| WACC (%) | | 3.6 | | | |

| DCF valuation estimate | (THB m) | (THB/share) | Comments |
|---------------------------------|---------------|-------------|--|
| NN2 (Hydro, Mar-11) | 10,263 | 1.3 | WACC 3.6%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth rate |
| Solar farm (BKC, NRS, CRS) | 823 | 0.1 | WACC 3.6%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth rate |
| BIC-1 (Gas, Jun-13) | 9,469 | 1.2 | WACC 3.6%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth rate |
| BIC-2 (Gas, Jun-17) | 10,695 | 1.3 | WACC 3.6%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth rate |
| XPCL (Hydro, Oct-19) | 32,560 | 4.0 | WACC 3.6%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth rate |
| Cash | 7,082 | 0.9 | At end-2022E |
| Debt | (6,641) | (0.8) | At end-2022E |
| Minorities | (11,296) | (1.3) | At end-2022E |
| Residual ordinary equity | 52,956 | 6.6 | |

Sources: CKP; FSSIA estimates

Financial Statements

CK Power

| Profit and Loss (THB m) Year Ending Dec | 2020 | 2021 | 2022E | 2023E | 2024E |
|--|--------------|--------------|--------------|--------------|--------------|
| Revenue | 6,695 | 8,798 | 12,268 | 13,651 | 13,930 |
| Cost of goods sold | (4,417) | (4,915) | (7,252) | (9,400) | (9,361) |
| Gross profit | 2,278 | 3,883 | 5,016 | 4,251 | 4,570 |
| Other operating income | - | - | - | - | - |
| Operating costs | (428) | (494) | (613) | (683) | (697) |
| Operating EBITDA | 1,850 | 3,388 | 4,403 | 3,568 | 3,873 |
| Depreciation | (1,561) | (1,571) | (1,605) | (1,605) | (1,605) |
| Goodwill amortisation | 0 | 0 | 0 | 0 | 0 |
| Operating EBIT | 289 | 1,817 | 2,798 | 1,963 | 2,268 |
| Net financing costs | (511) | (503) | (366) | (34) | 266 |
| Associates | 407 | 1,528 | 2,240 | 2,780 | 2,905 |
| Recurring non-operating income | 416 | 1,532 | 2,250 | 2,790 | 2,915 |
| Non-recurring items | (12) | (34) | 0 | 0 | 0 |
| Profit before tax | 182 | 2,812 | 4,682 | 4,720 | 5,449 |
| Tax | 16 | (61) | (116) | (92) | (121) |
| Profit after tax | 198 | 2,751 | 4,566 | 4,627 | 5,328 |
| Minority interests | 207 | (572) | (1,462) | (1,506) | (1,551) |
| Preferred dividends | 0 | 0 | 0 | 0 | 0 |
| Other items | - | - | - | - | - |
| Reported net profit | 405 | 2,179 | 3,103 | 3,121 | 3,777 |
| Non-recurring items & goodwill (net) | 12 | 34 | 0 | 0 | 0 |
| Recurring net profit | 416 | 2,213 | 3,103 | 3,121 | 3,777 |
| Per share (THB) | | | | | |
| Recurring EPS * | 0.05 | 0.27 | 0.38 | 0.38 | 0.46 |
| Reported EPS | 0.05 | 0.27 | 0.38 | 0.38 | 0.46 |
| DPS | 0.02 | 0.04 | 0.10 | 0.10 | 0.15 |
| Diluted shares (used to calculate per share data) | 8,129 | 8,129 | 8,129 | 8,129 | 8,129 |
| Growth | | | | | |
| Revenue (%) | (20.1) | 31.4 | 39.4 | 11.3 | 2.0 |
| Operating EBITDA (%) | (35.7) | 83.1 | 30.0 | (19.0) | 8.5 |
| Operating EBIT (%) | (78.7) | 528.3 | 54.0 | (29.8) | 15.5 |
| Recurring EPS (%) | (46.0) | 431.4 | 40.2 | 0.6 | 21.0 |
| Reported EPS (%) | (47.4) | 438.4 | 42.4 | 0.6 | 21.0 |
| Operating performance | | | | | |
| Gross margin inc. depreciation (%) | 10.7 | 26.3 | 27.8 | 19.4 | 21.3 |
| Gross margin of key business (%) | 10.5 | 25.9 | 27.8 | 19.4 | 21.3 |
| Operating EBITDA margin (%) | 27.6 | 38.5 | 35.9 | 26.1 | 27.8 |
| Operating EBIT margin (%) | 4.3 | 20.7 | 22.8 | 14.4 | 16.3 |
| Net margin (%) | 6.2 | 25.2 | 25.3 | 22.9 | 27.1 |
| Effective tax rate (%) | 7.1 | 4.8 | 4.8 | 4.8 | 4.8 |
| Dividend payout on recurring profit (%) | 39.0 | 14.0 | 26.2 | 26.0 | 32.3 |
| Interest cover (X) | 1.4 | 6.7 | 13.8 | 140.9 | (19.5) |
| Inventory days | 5.1 | 4.8 | 4.2 | 4.4 | 5.0 |
| Debtor days | 64.0 | 54.2 | 56.8 | 70.8 | 90.1 |
| Creditor days | 54.1 | 57.4 | 57.5 | 60.5 | 68.5 |
| Operating ROIC (%) | 0.8 | 5.4 | 8.7 | 6.4 | 7.8 |
| ROIC (%) | 1.0 | 4.6 | 6.8 | 6.5 | 7.3 |
| ROE (%) | 1.8 | 9.1 | 11.8 | 10.8 | 12.0 |
| ROA (%) | 0.9 | 4.7 | 6.8 | 6.1 | 6.4 |
| * Pre-exceptional, pre-goodwill and fully diluted | | | | | |
| Revenue by Division (THB m) | | | | | |
| Generation of electricity from hydroelectric power segment | 2,348 | 3,416 | 6,606 | 5,450 | 5,451 |
| Generation of electricity from solar power segment | 150 | 151 | 152 | 152 | 153 |
| Generation of electricity from thermal power segment | 3,945 | 4,974 | 5,253 | 7,792 | 8,068 |
| Other operating segment | 200 | 201 | 201 | 201 | 202 |

Sources: CK Power; FSSIA estimates

Financial Statements

CK Power

| Cash Flow (THB m) Year Ending Dec | 2020 | 2021 | 2022E | 2023E | 2024E |
|-----------------------------------|--------------|----------------|--------------|----------------|----------------|
| Recurring net profit | 416 | 2,213 | 3,103 | 3,121 | 3,777 |
| Depreciation | 1,561 | 1,571 | 1,605 | 1,605 | 1,605 |
| Associates & minorities | 407 | 1,528 | 2,240 | 2,780 | 2,905 |
| Other non-cash items | - | - | - | - | - |
| Change in working capital | 685 | 201 | (316) | (413) | (804) |
| Cash flow from operations | 3,069 | 5,513 | 6,632 | 7,093 | 7,483 |
| Capex - maintenance | (1,561) | (1,571) | (1,605) | (1,605) | (1,605) |
| Capex - new investment | (1,353) | (1,455) | (1,605) | (1,605) | (1,605) |
| Net acquisitions & disposals | (396) | (4,864) | 0 | 0 | 0 |
| Other investments (net) | 4,607 | 9,335 | 2,240 | 2,780 | 2,905 |
| Cash flow from investing | 1,298 | 1,445 | (971) | (430) | (305) |
| Dividends paid | (3,253) | (3,252) | (309) | (813) | (813) |
| Equity finance | 0 | 0 | 0 | 0 | 0 |
| Debt finance | 2,381 | (4,540) | (142) | 0 | 0 |
| Other financing cash flows | 1,190 | (982) | 193 | (844) | (1,049) |
| Cash flow from financing | 318 | (8,774) | (258) | (1,657) | (1,862) |
| Non-recurring cash flows | - | - | - | - | - |
| Other adjustments | 0 | 0 | 0 | 0 | 0 |
| Net other adjustments | 0 | 0 | 0 | 0 | 0 |
| Movement in cash | 4,685 | (1,816) | 5,404 | 5,006 | 5,316 |
| Free cash flow to firm (FCFF) | 5,363.23 | 8,028.18 | 6,450.67 | 7,444.08 | 7,958.53 |
| Free cash flow to equity (FCFE) | 7,937.55 | 1,435.16 | 5,712.80 | 5,819.17 | 6,128.53 |

| Per share (THB) | 2020 | 2021 | 2022E | 2023E | 2024E |
|-------------------------------|------|------|-------|-------|-------|
| FCFF per share | 0.73 | 1.09 | 0.88 | 1.01 | 1.08 |
| FCFE per share | 1.08 | 0.19 | 0.78 | 0.79 | 0.83 |
| Recurring cash flow per share | 0.29 | 0.65 | 0.85 | 0.92 | 1.02 |

| Balance Sheet (THB m) Year Ending Dec | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|---------------|---------------|---------------|---------------|---------------|
| Tangible fixed assets (gross) | 39,677 | 39,070 | 39,070 | 39,070 | 39,070 |
| Less: Accumulated depreciation | (12,675) | (13,523) | (15,128) | (16,733) | (18,338) |
| Tangible fixed assets (net) | 27,002 | 25,547 | 23,942 | 22,337 | 20,732 |
| Intangible fixed assets (net) | 3,681 | 3,752 | 3,752 | 3,752 | 3,752 |
| Long-term financial assets | - | - | - | - | - |
| Invest. in associates & subsidiaries | 12,711 | 17,575 | 17,575 | 17,575 | 17,575 |
| Cash & equivalents | 8,899 | 7,082 | 12,487 | 17,493 | 22,808 |
| A/C receivable | 1,054 | 1,557 | 2,258 | 3,039 | 3,835 |
| Inventories | 61 | 68 | 99 | 129 | 128 |
| Other current assets | 552 | 1,005 | 1,401 | 1,559 | 1,591 |
| Current assets | 10,566 | 9,712 | 16,245 | 22,219 | 28,362 |
| Other assets | 13,079 | 12,391 | 12,391 | 12,391 | 12,391 |
| Total assets | 67,038 | 68,977 | 73,905 | 78,274 | 82,812 |
| Common equity | 23,774 | 24,834 | 27,628 | 29,937 | 32,900 |
| Minorities etc. | 11,264 | 11,296 | 12,759 | 14,265 | 15,815 |
| Total shareholders' equity | 35,038 | 36,130 | 40,387 | 44,201 | 48,716 |
| Long term debt | 5,638 | 5,142 | 5,000 | 5,000 | 5,000 |
| Other long-term liabilities | 20,088 | 24,311 | 24,311 | 24,311 | 24,311 |
| Long-term liabilities | 25,725 | 29,453 | 29,311 | 29,311 | 29,311 |
| A/C payable | 620 | 927 | 1,358 | 1,760 | 1,753 |
| Short term debt | 5,544 | 1,500 | 1,500 | 1,500 | 1,500 |
| Other current liabilities | 111 | 968 | 1,349 | 1,502 | 1,532 |
| Current liabilities | 6,275 | 3,394 | 4,207 | 4,761 | 4,785 |
| Total liabilities and shareholders' equity | 67,038 | 68,977 | 73,905 | 78,274 | 82,812 |
| Net working capital | 936 | 735 | 1,051 | 1,464 | 2,269 |
| Invested capital | 57,408 | 60,000 | 58,711 | 57,519 | 56,718 |

* Includes convertibles and preferred stock which is being treated as debt

| Per share (THB) | 2020 | 2021 | 2022E | 2023E | 2024E |
|-------------------------------|------|------|-------|-------|-------|
| Book value per share | 2.92 | 3.05 | 3.40 | 3.68 | 4.05 |
| Tangible book value per share | 2.47 | 2.59 | 2.94 | 3.22 | 3.59 |

| Financial strength | 2020 | 2021 | 2022E | 2023E | 2024E |
|---------------------------|------|-------|--------|--------|--------|
| Net debt/equity (%) | 6.5 | (1.2) | (14.8) | (24.9) | (33.5) |
| Net debt/total assets (%) | 3.4 | (0.6) | (8.1) | (14.0) | (19.7) |
| Current ratio (x) | 1.7 | 2.9 | 3.9 | 4.7 | 5.9 |
| CF interest cover (x) | 19.2 | 6.7 | 21.0 | 221.0 | (28.1) |

| Valuation | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|--------------|-------------|-------------|-------------|-------------|
| Recurring P/E (x) * | 106.4 | 20.0 | 14.3 | 14.2 | 11.7 |
| Recurring P/E @ target price (x) * | 128.8 | 24.2 | 17.3 | 17.2 | 14.2 |
| Reported P/E (x) | 109.5 | 20.3 | 14.3 | 14.2 | 11.7 |
| Dividend yield (%) | 0.4 | 0.7 | 1.8 | 1.8 | 2.8 |
| Price/book (x) | 1.9 | 1.8 | 1.6 | 1.5 | 1.3 |
| Price/tangible book (x) | 2.2 | 2.1 | 1.9 | 1.7 | 1.5 |
| EV/EBITDA (x) ** | 31.3 | 16.3 | 11.6 | 13.3 | 11.3 |
| EV/EBITDA @ target price (x) ** | 36.3 | 19.0 | 13.7 | 16.0 | 13.7 |
| EV/invested capital (x) | 1.0 | 0.9 | 0.9 | 0.8 | 0.8 |

* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income

Sources: CK Power; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

| EXCELLENT LEVEL | | | | | | | | | | |
|-----------------|--------|--------|-------|-------|-------|--------|--------|--------|--------|-------|
| AAV | ADVANC | AF | AIRA | AKP | AKR | ALT | AMA | AMATA | AMATAV | ANAN |
| AOT | AP | ARIP | ARROW | ASP | BAFS | BANPU | BAY | BCP | BCPG | BDMS |
| BEC | BEM | BGRIM | BIZ | BKI | BLA | BOL | BPP | BRR | BTS | BWG |
| CENTEL | CFRESH | CHEWA | CHO | CIMBT | CK | CKP | CM | CNT | COL | COMAN |
| COTTO | CPALL | CPF | CPI | CPN | CSS | DELTA | DEMCO | DRT | DTAC | DTC |
| DV8 | EA | EASTW | ECF | ECL | EGCO | EPG | ETE | FNS | FPI | FPT |
| FSMART | GBX | GC | GCAP | GEL | GFPT | GGC | GPSC | GRAMMY | GUNKUL | HANA |
| HARN | HMPRO | ICC | ICI | III | ILINK | INTUCH | IRPC | IVL | JKN | JSP |
| JWD | K | KBANK | KCE | KKP | KSL | KTB | KTC | LANNA | LH | LHFG |
| LIT | LPN | MAKRO | MALEE | MBK | MBKET | MC | MCOT | METCO | MFEC | MINT |
| MONO | MOONG | MSC | MTC | NCH | NCL | NEP | NKI | NOBLE | NSI | NVD |
| NYT | OISHI | ORI | OTO | PAP | PAP | PCSGH | PDJ | PG | PHOL | PLANB |
| PLAT | PORT | PPS | PR9 | PREB | PRG | PRM | PSH | PSL | PTG | PTT |
| PTTEP | PTTGC | PYLON | Q-CON | QH | QTC | RATCH | RS | S | S & J | SAAM |
| SABINA | SAMART | SAMTEL | SAT | SC | SCB | SCC | SCCC | SCG | SCN | SDC |
| SEAFCO | SEOIL | SE-ED | SELIC | SENA | SIRI | SIS | SITHAI | SMK | SMPC | SNC |
| SONIC | SORKON | SPALI | SPI | SPRC | SPVI | SSSC | SST | STA | SUSCO | SUTHA |
| SVI | SYMC | SYNTEC | TACC | TASCO | TCAP | TFMAMA | THANA | THANI | THCOM | THG |
| THIP | THRE | THREL | TIP | TIPCO | TISCO | TK | TKT | TTB | TMILL | TNDT |
| TNL | TOA | TOP | TPBI | TQM | TRC | TRC | TSC | TSR | TSTE | TSTH |
| TTCL | TTW | TU | TVD | TVI | TVO | TWPC | U | UAC | UBIS | UV |
| VGI | VIH | WACOAL | WAVE | WHA | WHAUP | WICE | WINNER | TRUE | | |

| VERY GOOD LEVEL | | | | | | | | | | |
|-----------------|---------|--------|-------|--------|-------|--------|--------|--------|--------|-------|
| 2S | ABM | ACE | ACG | ADB | AEC | AEONTS | AGE | AH | AHC | AIT |
| ALLA | AMANAHA | AMARIN | APCO | APCS | APURE | AQUA | ASAP | ASEFA | ASIA | ASIAN |
| ASIMAR | ASK | ASN | ATP30 | AUCT | AWC | AYUD | B | BA | BAM | BBL |
| BFIT | BGC | BJC | BJCHI | BROOK | BTW | CBG | CEN | CGH | CHARAN | CHAYO |
| CHG | CHOTI | CHOW | CI | CIG | CMC | COLOR | COM7 | CPL | CRC | CRD |
| CSC | CSP | CWT | DCC | DCON | DDD | DOD | DOHOME | EASON | EE | ERW |
| ESTAR | FE | FLOYD | FN | FORTH | FSS | FTE | FVC | GENCO | GJS | GL |
| GLAND | GLOBAL | GLOCON | GPI | GULF | GYT | HPT | HTC | ICN | IFS | ILM |
| IMH | INET | INSURE | IRC | IRCP | IT | ITD | ITEL | J | JAS | JCK |
| JCKH | JMART | JMT | KBS | KCAR | KGI | KIAT | KOOL | KTIS | KWC | KWM |
| L&E | LALIN | LDC | LHK | LOXLEY | LPH | LRH | LST | M | MACO | MAJOR |
| MBAX | MEGA | META | MFC | MGT | MILL | MITSIB | MK | MODERN | MTI | MVP |
| NETBAY | NEX | NINE | NTV | NWR | OCC | OGC | OSP | PATO | PB | PDG |
| PDI | PICO | PIMO | PJW | PL | PM | PPP | PRIN | PRINC | PSTC | PT |
| QLT | RCL | RICHY | RML | RPC | RWI | S11 | SALEE | SAMCO | SANKO | SAPPE |
| SAWAD | SCI | SCP | SE | SEG | SFP | SGF | SHR | SIAM | SINGER | SKE |
| SKR | SKY | SMIT | SMT | SNP | SPA | SPC | SPCG | SR | SRICHA | SSC |
| SSF | STANLY | STI | STPI | SUC | SUN | SYNEX | T | TAE | TAKUNI | TBSP |
| TCC | TCMC | TEAM | TEAMG | TFG | TIGER | TITLE | TKN | TKS | TM | TMC |
| TMD | TMI | TMT | TNITY | TNP | TNR | TOG | TPA | TPAC | TPCORP | TPOLY |
| TPS | TRITN | TRT | TRU | TSE | TVT | TWP | UEC | UMI | UOBKH | UP |
| UPF | UPOIC | UT | UTP | UWC | VL | VNT | VPO | WIJK | WP | XO |
| YUASA | ZEN | ZIGA | ZMICO | | | | | | | |

| GOOD LEVEL | | | | | | | | | | |
|------------|------|--------|--------|-------|--------|-------|-------|--------|--------|-------|
| 7UP | A | ABICO | AJ | ALL | ALUCON | AMC | APP | ARIN | AS | AU |
| B52 | BC | BCH | BEAUTY | BGT | BH | BIG | BKD | BLAND | BM | BR |
| BROCK | BSBM | BSM | BTNC | CAZ | CCP | CGD | CITY | CMAN | CMO | CMR |
| CPT | CPW | CRANE | CSR | D | EKH | EP | ESSO | FMT | GIFT | GREEN |
| GSC | GTB | HTECH | HUMAN | IHL | INOX | INSET | IP | JTS | JUBILE | KASET |
| KCM | KKC | KUMWEL | KUN | KWG | KYE | LEE | MATCH | MATI | M-CHAI | MCS |
| MDX | MJD | MM | MORE | NC | NDR | NER | NFC | NNCL | NPK | NUSA |
| OCEAN | PAF | PF | PK | PLE | PMTA | POST | PPM | PRAKIT | PRECHA | PRIME |
| PROUD | PTL | RBF | RCI | RJH | ROJNA | RP | RPH | RSP | SF | SFLEX |
| SGP | SISB | SKN | SLP | SMART | SOLAR | SPG | SQ | SSP | STARK | STC |
| SUPER | SVOA | TC | TCCC | THMUI | TIW | TNH | TOPP | TPCH | TIPIP | TPLAS |
| TTI | TYCN | UKEM | UMS | VCOM | VRANDA | WIN | WORK | WPH | | |

| Description | Score Range |
|-------------|-------------|
| Excellent | 90-100 |
| Very Good | 80-89 |
| Good | 70-79 |

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The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; ** delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

Anti-corruption Progress Indicator 2020

| CERTIFIED | | | | | | | | | | |
|-----------|--------|--------|--------|-------|--------|--------|---------|--------|--------|--------|
| 2S | ADVANC | AI | AIE | AIRA | AKP | AMA | AMANAHA | AP | AQUA | ARROW |
| ASK | ASP | AYUD | B | BAFS | BANPU | BAY | BBL | BCH | BCP | BCPG |
| BGC | BGRIM | BJCHI | BKI | BLA | BPP | BROOK | BRR | BSBM | BTS | BWG |
| CEN | CENTEL | CFRESH | CGH | CHEWA | CHOTI | CHOW | CIG | CIMBT | CM | CMC |
| COL | COM7 | CPALL | CPF | CPI | CPN | CSC | DCC | DELTA | DEMCO | DIMET |
| DRT | DTAC | DTC | EASTW | ECL | EGCO | FE | FNS | FPI | FPT | FSS |
| FTE | GBX | GC | GCAP | GEL | GFPT | GGC | GJS | GPSC | GSTEEL | GUNKUL |
| HANA | HARN | HMPRO | HTC | ICC | ICHI | IFS | INET | INSURE | INTUCH | IRPC |
| ITEL | IVL | K | KASET | KBANK | KBS | KCAR | KCE | KGI | KKP | KSL |
| KTB | KTC | KWC | L&E | LANNA | LHFG | LHK | LPN | LRH | M | MAKRO |
| MALEE | MBAX | MBK | MBKET | MC | MCOT | MFC | MFEC | MINT | MONO | MOONG |
| MPG | MSC | MTC | MTI | NBC | NEP | NINE | NKI | NMG | NNCL | NSI |
| NWR | OCC | OCEAN | OGC | ORI | PAP | PATO | PB | PCSGH | PDG | PDI |
| PDJ | PE | PG | PHOL | PL | PLANB | PLANET | PLAT | PM | PPP | PPPM |
| PPS | PREB | PRG | PRINC | PRM | PSH | PSL | PSTC | PT | PTG | PTT |
| PTTEP | PTTGC | PYLON | Q-CON | QH | QLT | QTC | RATCH | RML | RWI | S & J |
| SABINA | SAT | SC | SCB | SCC | SCCC | SCG | SCN | SEAOIL | SE-ED | SELIC |
| SENA | SGP | SIRI | SITHAI | SMIT | SMK | SMPC | SNC | SNP | SORKON | SPACK |
| SPC | SPI | SPRC | SRICHA | SSF | SSSC | SST | STA | SUSCO | SVI | SYNTEC |
| TAE | TAKUNI | TASCO | TBSP | TCAP | TCMC | TFG | TFI | TFMAMA | THANI | THCOM |
| THIP | THRE | THREL | TIP | TIPCO | TISCO | TKT | TTB | TMD | TMILL | TMT |
| TNITY | TNL | TNP | TNR | TOG | TOP | TPA | TPCORP | TPP | TRU | TSC |
| TSTH | TTCL | TU | TVD | TVI | TVO | TWPC | U | UBIS | UEC | UKEM |
| UOBKH | UWC | VGI | VIH | VNT | WACOAL | WHA | WHAUP | WICE | WIJK | XO |
| ZEN | TRUE | | | | | | | | | |

| DECLARED | | | | | | | | | | |
|----------|-------|-------|--------|--------|-------|--------|-------|-------|-------|--------|
| 7UP | ABICO | AF | ALT | AMARIN | AMATA | AMATAV | ANAN | APURE | B52 | BKD |
| BM | BROCK | BUI | CHO | CI | COTTO | DDD | EA | EFORL | EP | ERW |
| ESTAR | ETE | EVER | FSMART | GPI | ILINK | IRC | J | JKN | JMART | JMT |
| JSP | JTS | KWG | LDC | MAJOR | META | NCL | NOBLE | NOK | PK | PLE |
| ROJNA | SAAM | SAPPE | SCI | SE | SHANG | SINGER | SKR | SPALI | SSP | STANLY |
| SUPER | SYNEX | THAI | TKS | TOPP | TRITN | TTA | UPF | UV | WIN | ZIGA |

| Level | |
|-----------|---|
| Certified | This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties. |
| Declared | This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) |

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Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

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History of change in investment rating and/or target price

CK Power (CKP TB)



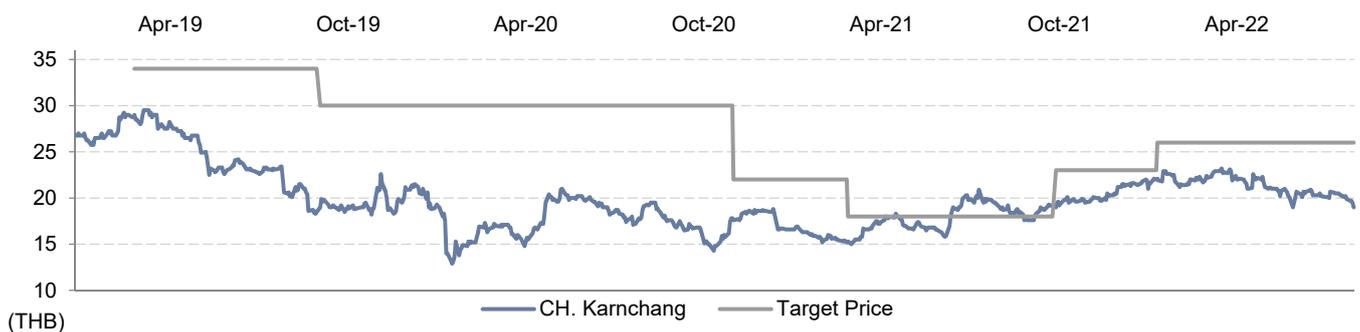
| Date | Rating | Target price | Date | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 13-Apr-2020 | HOLD | 3.60 | 23-Jun-2020 | HOLD | 4.20 | 04-Aug-2020 | BUY | 6.60 |

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 23-Jun-2020

Price and TP are in local currency

Source: FSSIA estimates

CH. Karnchang (CK TB)



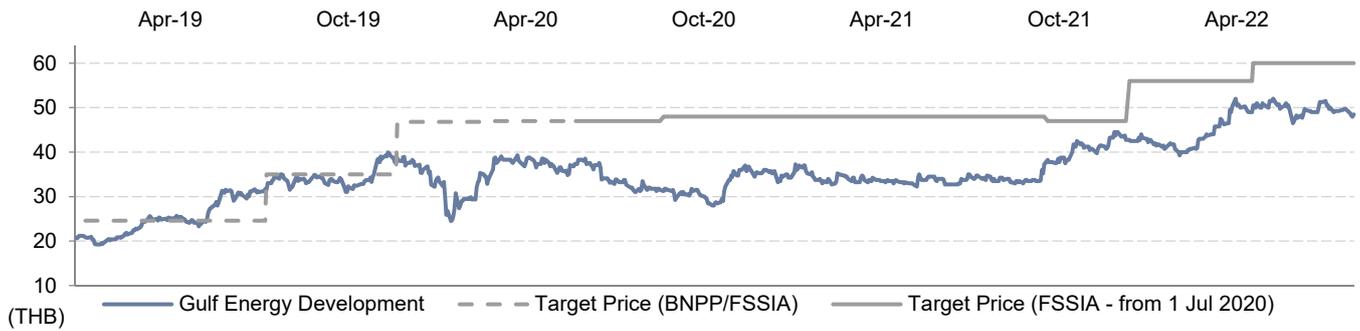
| Date | Rating | Target price | Date | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 19-Jun-2019 | BUY | 34.00 | 12-Nov-2020 | BUY | 22.00 | 13-Aug-2021 | BUY | 23.00 |
| 25-Nov-2019 | BUY | 30.00 | 18-Feb-2021 | BUY | 18.00 | 10-Nov-2021 | BUY | 26.00 |

Songkloed Wongchai started covering this stock from 12-Nov-2020

Price and TP are in local currency

Source: FSSIA estimates

Gulf Energy Development (GULF TB)



| Date | Rating | Target price | Date | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 08-May-2019 | BUY | 24.60 | 22-Apr-2020 | BUY | 47.00 | 15-Oct-2021 | BUY | 56.00 |
| 10-Oct-2019 | BUY | 35.00 | 11-Sep-2020 | BUY | 48.00 | 31-Jan-2022 | BUY | 60.00 |
| 30-Jan-2020 | BUY | 46.80 | 06-Aug-2021 | BUY | 47.00 | | | |

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 30-Jun-2020

Price and TP are in local currency

Source: FSSIA estimates

| Company | Ticker | Price | Rating | Valuation & Risks |
|-------------------------|---------|-----------|--------|---|
| CK Power | CKP TB | THB 5.45 | BUY | The downside risks to our SoTP-based TP include lower-than-expected demand for electricity in Thailand and lower-than-expected water supply for hydro projects. |
| CH. Karnchang | CK TB | THB 19.50 | BUY | Key downside risks to our SoTP-based TP are delays in new bids, political instability, fluctuations in construction material prices, cost overruns, and the prolonged Covid-19 pandemic. |
| Gulf Energy Development | GULF TB | THB 48.75 | BUY | The downside risks to our SoTP-based TP on GULF include 1) lower-than-expected demand for electricity in Thailand; 2) a lower crude price; and 3) delays in project commercial operation dates. |

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 29-Apr-2022 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.