



# Amata Corporation PCL

(AMATA.BK/AMATA TB)\*

## Outperform • Maintained

|                                   |           |
|-----------------------------------|-----------|
| Price as of 24 Jul 2020           | 15.60     |
| 12M target price (Bt/shr)         | 18.50     |
| Unchanged / Revised up (down) (%) | Unchanged |
| Upside/downside (%)               | 18.6      |

### Key messages

AMATA's board approved a capital increase of 83mn share (~7% of total paid up capital) for business expansion of The Yangon Amata Smart & Eco City Development Phase 1 in Myanmar. Land pre-sales are estimated to take place in 4Q20 with deposit booking in 1Q21. Price and earnings dilution would be a short-term impact during the partial operation of its overseas expansion. Potential earnings growth and smooth earnings from diversification could be a long-term impact. We currently rate AMATA Outperform with an end-2021 target price of Bt18.50.

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## Capital increase

### Event

AMATA reported to SET on July 24 that its board approved the increase of the company's registered capital from Bt1,067mn to Bt1,150mn by issuing 83mn new ordinary shares at par Bt1.00.

**Allotment:** Offering to existing shareholders (right offering) at an offering ratio 12.8554217 existing to 1 new ordinary share (fraction of share will be disregarded).

**Offering price:** The price will be calculated from the weighted average of the company's share price 7-15 days before the date of offering price less a discount of not more than 20%. The offering price will be announced by the company before the record date on September 21, 2020.

**XR date:** September 18, 2020

**Subscription on and payment period:** October 9 - 16, 2020

**Objective of capital increase:** For business expansion of the Yangon Amata Smart & Eco City Development Phase 1 in Myanmar. The project is on 2,000 acres (~5,060 rai), with a total investment of US\$162mn (~Bt5bn) during phase 1 (5-10 years period). Initial development area of the project will be 200 acres (~506 rai) and will require minimum capital of US\$41.5mn (~Bt1.3bn) for the completion of land development by 2021.

### Impact

**Short term:** Capital increase of 83mn shares (equivalent to ~7% of total paid up capital) would dilute earnings and share price by approximately 7%. The company estimates Yangon Amata Smart & Eco City Development Project Phase 1 could start pre-land sales in 4Q20 and deposits could be booked in 1Q21.

**Long term:** Overseas business expansion would boost the company's earnings and allow the company to smooth its earnings by diversifying its locations. However, there is uncertainty about regulations that may delay the handing over of area.

### Valuation & action

We currently rate the counter Outperform with an end-2021 target price of Bt18.50 based on SOTP valuation method.

### Risks

Geopolitical risk, economic slowdown, natural disaster, land acquisition, sector concentration, insufficient capital.

# Corporate Governance Report of Thai Listed Companies



## Companies with Excellent CG Scoring

| Stock  | Company name                 | Stock | Company name                   | Stock  | Company name                              |
|--------|------------------------------|-------|--------------------------------|--------|---|
| ADVANC | ADVANCED INFO SERVICE        | IRPC  | IRPC                           | RATCH  | RATCHABURI ELECTRICITY GENERATING HOLDING |
| AMATA  | AMATA CORPORATION            | IVL   | INDORAMA VENTURES              | ROBINS | ROBINSON DEPARTMENT STORE                 |
| ANAN   | ANANDA DEVELOPMENT           | KBANK | KASIKORNBANK                   | SAMART | SAMART CORPORATION                        |
| AOT    | AIRPORTS OF THAILAND         | KCE   | KCE ELECTRONICS                | SAMTEL | SAMART TELCOMS                            |
| AP     | ASIAN PROPERTY DEVELOPMENT   | KKP   | KIATNAKIN BANK                 | SCB    | THE SIAM COMMERCIAL BANK                  |
| BANPU  | BANPU                        | KTB   | KRUNG THAI BANK                | SCC    | THE SIAM CEMENT                           |
| BCP    | THE BANGCHAK PETROLEUM       | KTC   | KRUNGTHAI CARD                 | SCCC   | SIAM CITY CEMENT                          |
| BCPG   | BCPG                         | LPN   | L.P.N. DEVELOPMENT             | SPALI  | SUPALAI                                   |
| BTS    | BTS GROUP HOLDINGS           | MAKRO | SIAM MAKRO                     | SPRC   | STAR PETROLEUM REFINING                   |
| CK     | CH. KARNCHANG                | MBK   | MBK                            | STEC   | SINO-THAI ENGINEERING AND CONSTRUCTION    |
| CKP    | CK POWER                     | MINT  | MINOR INTERNATIONAL            | SVI    | SVI                                       |
| CPN    | CENTRAL PATTANA              | MONO  | MONO TECHNOLOGY                | TCAP   | THANACHART CAPITAL                        |
| DELTA  | DELTA ELECTRONICS (THAILAND) | MTC   | MUANGTHAI CAPITAL              | THAI   | THAI AIRWAYS INTERNATIONAL                |
| DTAC   | TOTAL ACCESS COMMUNICATION   | NYT   | NAMYONG TERMINAL               | THCOM  | THAI COM                                  |
| EGCO   | ELECTRICITY GENERATING       | PLANB | PLAN B MEDIA                   | TISCO  | TISCO FINANCIAL GROUP                     |
| GFPT   | GFPT                         | PSH   | PRUKSA HOLDING                 | TMB    | TMB BANK                                  |
| GPSC   | GLOBAL POWER SYNERGY         | PTT   | PTT                            | TOP    | THAI OIL                                  |
| GUNKUL | GUNKUL ENGINEERING           | PTTEP | PTT EXPLORATION AND PRODUCTION | TRUE   | TRUE CORPORATION                          |
| HANA   | HANA MICROELECTRONICS        | PTTGC | PTT GLOBAL CHEMICAL            | WHA    | WHA CORPORATION                           |
| HMPRO  | HOME PRODUCT CENTER          | PYLON | PYLON                          |        |   |
| INTUCH | SHIN CORPORATION             | QH    | QUALITY HOUSES                 |        |   |



## Companies with Very Good CG Scoring

| Stock  | Company name                   | Stock  | Company name            | Stock   | Company name                |
|--------|--------------------------------|--------|-------------------------|---------|-----------------------------|
| AAV    | ASIA AVIATION                  | CPALL  | CP ALL                  | SAWAD   | SRISAWAD POWER 1979         |
| AMA    | AMA MARINE                     | DCC    | DYNASTY CERAMIC         | SCI     | SCI ELECTRIC                |
| BA     | BANGKOK AIRWAYS                | EPG    | EASTERN POLYMER GROUP   | SCN     | SCAN INTER                  |
| BBL    | BANGKOK BANK                   | ERW    | THE ERWAN GROUP         | SEAFICO | SEAFICO                     |
| BDMS   | BANGKOK DUSIT MEDICAL SERVICES | GLOBAL | SIAM GLOBAL HOUSE       | SIRI    | SANSIRI                     |
| BEC    | BEC WORLD                      | GLOW   | GLOW ENERGY             | TFG     | THAIFOODS GROUP             |
| BEM    | BANGKOK EXPRESSWAY AND METRO   | GULF   | GULF ENERGY DEVELOPMENT | TICON   | TICON INDUSTRIAL CONNECTION |
| BGRIM  | B. GRIMM POWER                 | LH     | LAND AND HOUSES         | TKN     | TAOKAENOI FOOD & MARKETING  |
| BPP    | BANPU POWER                    | M      | MK RESTAURANT GROUP     | TOA     | TOA PAINT (THAILAND)        |
| CBG    | CARABAO GROUP                  | MAJOR  | MAJOR CINEPLEX GROUP    | TWPC    | THAI WAH                    |
| CENTEL | CENTRAL PLAZA HOTEL            | MALEE  | MALEE SAMPRAN           | WHAUP   | WHA UTILITIES AND POWER     |
| CHG    | CHULARAT HOSPITAL              | NOK    | NOK AIRLINES            |         |                             |
| COM7   | COM7                           | RS     | RS                      |         |                             |



## Companies with Good CG Scoring

| Stock | Company name             | Stock | Company name            | Stock | Company name                        |
|-------|--------------------------|-------|-------------------------|-------|-------------------------------------|
| BCH   | BANGKOK CHAIN HOSPITAL   | SAPPE | SAPPE                   | UNIQ  | UNIQUE ENGINEERING AND CONSTRUCTION |
| BH    | BUMRUNGRAD HOSPITAL      | SF    | SIAM FUTURE DEVELOPMENT | WORK  | WORKPOINT ENTERTAINMENT             |
| EKH   | EKACHAI MEDICAL CARE     | SQ    | SAHAKOL EQUIPMENT       |       |                                     |
| LPH   | LADPRAO GENERAL HOSPITAL | TPCH  | TPC POWER HOLDING       |       |                                     |

## Companies classified Not in the three highest score groups

| Stock | Company name | Stock | Company name | Stock | Company name |
|-------|--------------|-------|--------------|-------|--------------|
| CMAN  | CHEMEMAN     |       |              |       |              |

Source: www.thai-iod.com

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

## Anti-corruption Progress Indicator

### Level 5: Extended

| Stock | Company name    | Stock | Company name    | Stock | Company name |
|-------|-----------------|-------|-----------------|-------|--------------|
| CPN   | CENTRAL PATTANA | SCC   | THE SIAM CEMENT |       |              |

### Level 4: Certified

| Stock  | Company name           | Stock | Company name               | Stock | Company name          |
|--------|------------------------|-------|----------------------------|-------|-----------------------|
| ADVANC | ADVANCED INFO SERVICE  | IFEC  | INTER FAR EAST ENGINEERING | SVI   | SVI                   |
| BBL    | BANGKOK BANK           | KBANK | KASIKORN BANK              | TCAP  | THANACHART CAPITAL    |
| DCC    | DYNASTY CERAMIC        | KKP   | KIATNAKIN BANK             | TISCO | TISCO FINANCIAL GROUP |
| DRT    | DIAMOND ROOFING TILES  | KTB   | KRUNG THAI BANK            | TMB   | TMB BANK              |
| EGCO   | ELECTRICITY GENERATING | MINT  | MINOR INTERNATIONAL        |       |                       |
| ERW    | THE ERAWAN GROUP       | SCB   | THE SIAM COMMERCIAL BANK   |       |                       |

### Level 3: Established

| Stock  | Company name                   | Stock  | Company name               | Stock  | Company name                              |
|--------|--------------------------------|--------|----------------------------|--------|---|
| AAV    | ASIA AVIATION                  | DTAC   | TOTAL ACCESS COMMUNICATION | PACE   | PACE DEVELOPMENT CORPORATION              |
| ANAN   | ANANDA DEVELOPMENT             | GFPT   | GFPT                       | PS     | PRUKSA REAL ESTATE                        |
| AP     | ASIAN PROPERTY DEVELOPMENT     | GL     | GROUP LEASE                | RATCH  | RATCHABURI ELECTRICITY GENERATING HOLDING |
| BA     | BANGKOK AIRWAYS                | GLOW   | GLOW ENERGY                | ROBINS | ROBINSON DEPARTMENT STORE                 |
| BDMS   | BANGKOK DUSIT MEDICAL SERVICES | GPSC   | GLOBAL POWER SYNERGY       | SAMART | SAMART CORPORATION                        |
| BIGC   | BIG C SUPERCENTER              | HMPRO  | HOME PRODUCT CENTER        | SPALI  | SUPALAI                                   |
| BJCHI  | BJC HEAVY INDUSTRIES           | KTC    | KRUNGTHAI CARD             | STEC   | SINO-THAI ENGINEERING AND CONSTRUCTION    |
| CENDEL | CENTRAL PLAZA HOTEL            | LPN    | L.P.N. DEVELOPMENT         | TASCO  | TIPCO ASPHALT                             |
| CHG    | CHULARAT HOSPITAL              | MAKRO  | SIAM MAKRO                 | TMT    | THAI METAL TRADE                          |
| CK     | CH. KARNCHANG                  | MODERN | MODERNFORM GROUP           | TPCH   | TPC POWER HOLDING                         |
| CKP    | CK POWER                       | NOK    | NOK AIRLINES               | WHA    | NOK AIRLINES                              |

### Level 2: Declared

| Stock  | Company name         | Stock  | Company name            | Stock | Company name       |
|--------|----------------------|--------|-------------------------|-------|--------------------|
| AOT    | AIRPORTS OF THAILAND | GUNKUL | GUNKUL ENGINEERING      | QH    | QUALITY HOUSES     |
| BH     | BUMRUNGRAD HOSPITAL  | ILINK  | INTERLINK COMMUNICATION | TRT   | TIRATHAI           |
| GLOBAL | SIAM GLOBAL HOUSE    | MTLS   | MUANGTHAI LEASING       | TVO   | THAI VEGETABLE OIL |

### Level 1: Committed

| Stock | Company name         | Stock | Company name | Stock | Company name         |
|-------|----------------------|-------|--------------|-------|----------------------|
| CBG   | CARABAO GROUP        | RS    | RS           | SAWAD | SIRISAWAD POWER 1979 |
| MAJOR | MAJOR CINEPLEX GROUP |       |              |       |                      |

### No progress

| Stock | Company name                 | Stock | Company name             | Stock | Company name            |
|-------|------------------------------|-------|--------------------------|-------|-------------------------|
| BCH   | BANGKOK CHAIN HOSPITAL       | CPALL | CP ALL                   | WORK  | WORKPOINT ENTERTAINMENT |
| BEM   | BANGKOK EXPRESSWAY AND METRO | LPH   | LADPRAO GENERAL HOSPITAL |       |                         |

Source: www.cgthailand.org

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

## KGI Locations

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## KGI's Ratings

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

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