Outline

1. Thai Capital Market Landscape

2. Current Investment Themes

3. SET: Growth through Partnerships & Innovative Platforms
Thai Capital Market Landscape

The Thai capital market has played an important role in the development of our economy.

Thailand's outstanding value of Bank lending, Equity market and Bond market (LHS), Market Cap to GDP (RHS)

Unit: Billion USD

Note: End of May 2019 (Bank lending as end of April 2019)
Source: The Stock Exchange of Thailand, Bank of Thailand, ThaiBMA, NESDB GDP
Thai Capital Market Landscape

SET and mai have been the main sources of funding during the periods of opportunities and challenges.

Capital raised from listed companies (Million USD)

- Thailand’s Eastern Seaboard Development
- Recapitalization after the 1997 financial crisis
- Thai companies’ regional and global expansion
- Domestic growth

Source: The Stock Exchange of Thailand, Bank of Thailand
Thai Capital Market Landscape
ASEAN Peers Comparison

Market Capitalization to GDP (%) as of May 2019

<table>
<thead>
<tr>
<th>Country</th>
<th>Market Capitalization to GDP (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>191%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>112%</td>
</tr>
<tr>
<td>Thailand</td>
<td>102%</td>
</tr>
<tr>
<td>Philippines</td>
<td>85%</td>
</tr>
<tr>
<td>Vietnam</td>
<td>61%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>51%</td>
</tr>
<tr>
<td>Lao PDR</td>
<td>6%</td>
</tr>
<tr>
<td>Cambodia</td>
<td>2%</td>
</tr>
<tr>
<td>Myanmar</td>
<td>1%</td>
</tr>
</tbody>
</table>

Noted: Thailand’s market cap from GDP calculated by YTD average daily market cap. 2019 / pro-rate 5 month nominal GDP
Source: World Federation of Exchanges, Exchanges’ website, IMF
## ASEAN Peers Comparison

### Market Capitalization as of May 2019

<table>
<thead>
<tr>
<th>Country</th>
<th>Market Capitalization (Billion USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>691</td>
</tr>
<tr>
<td>Thailand</td>
<td>532</td>
</tr>
<tr>
<td>Indonesia</td>
<td>520</td>
</tr>
<tr>
<td>Malaysia</td>
<td>398</td>
</tr>
<tr>
<td>Philippines</td>
<td>281</td>
</tr>
</tbody>
</table>

### Average daily turnover YTD 2019

<table>
<thead>
<tr>
<th>Country</th>
<th>Average daily turnover (Million USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thailand</td>
<td>1,493</td>
</tr>
<tr>
<td>Singapore</td>
<td>768</td>
</tr>
<tr>
<td>Indonesia</td>
<td>725</td>
</tr>
<tr>
<td>Malaysia</td>
<td>548</td>
</tr>
<tr>
<td>Philippines</td>
<td>148</td>
</tr>
</tbody>
</table>

### Accumulated IPO Value 2014 – YTD 2019

<table>
<thead>
<tr>
<th>Country</th>
<th>Accumulated IPO Value (Million USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thailand</td>
<td>16,180</td>
</tr>
<tr>
<td>Singapore</td>
<td>10,562</td>
</tr>
<tr>
<td>Malaysia</td>
<td>4,795</td>
</tr>
<tr>
<td>Indonesia</td>
<td>4,738</td>
</tr>
<tr>
<td>Philippines</td>
<td>2,077</td>
</tr>
</tbody>
</table>

*Noted: Indonesia data as of February 2019
Source: World Federation of Exchanges, Bloomberg*
Thai Capital Market Landscape

SET has a relatively larger number of liquid large-cap listed companies and increasing number of constituents in MSCI, the benchmark index.

Number of Thai listed companies in MSCI Standard index

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>25</td>
</tr>
<tr>
<td>2014</td>
<td>29</td>
</tr>
<tr>
<td>2015</td>
<td>29</td>
</tr>
<tr>
<td>2016</td>
<td>34</td>
</tr>
<tr>
<td>2017</td>
<td>33</td>
</tr>
<tr>
<td>2018</td>
<td>35</td>
</tr>
<tr>
<td>May-19</td>
<td>37</td>
</tr>
</tbody>
</table>

2019 MSCI members

ADVANC, AOT, BANPU, BBL, BEM, BH, BGH, BTS, BJC, LH, CPALL, CPF, CPN, DTAC, EA, GLOW, GULF, HMPRO, EGCO, INTUCH, IVL, IRPC, KBANK, KTB, MINT, MTC, PTT, PTTGC, PTTEP, RATCH, ROBINS, SCB, SCC, TMB, TOP, TRUE, TU

Number of listed companies having market capitalization >= $1 billion and average daily trading value* >= $10 million

As of May 2019

<table>
<thead>
<tr>
<th>Country</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thailand</td>
<td>35</td>
</tr>
<tr>
<td>Singapore</td>
<td>23</td>
</tr>
<tr>
<td>Indonesia</td>
<td>12</td>
</tr>
<tr>
<td>Malaysia</td>
<td>6</td>
</tr>
<tr>
<td>Philippines</td>
<td>1</td>
</tr>
</tbody>
</table>

*Calculated by 6 months average daily trading value

Source: Bloomberg
Thai Capital Market Landscape

SET has diverse business sectors listed on the exchange with services sector being the largest industry among 8 industries in SET & mai.

Sectors listed on the Exchange

### Breakdown by number of companies
Unit: Number of companies (%)

- **Services**
  - 161 companies (23%)
- **Consumer Product**
  - 52 companies (7%)
- **Industrials**
  - 130 companies (18%)
- **Agro & Food**
  - 62 companies (9%)
- **Technology**
  - 50 companies (7%)
- **Property & Construction**
  - 122 companies (17%)
- **Financials**
  - 70 companies (10%)
- **Resources**
  - 66 companies (9%)

**Total: 711* Companies**

### Breakdown by Market Capitalization
Unit: Billion USD (%)

- **Services**
  - 130 companies (26%)
- **Consumer Product**
  - 4 companies (1%)
- **Industrials**
  - 27 companies (5%)
- **Agro & Food**
  - 35 companies (7%)
- **Technology**
  - 42 companies (8%)
- **Property & Construction**
  - 65 companies (13%)
- **Financials**
  - 115 companies (23%)
- **Resources**
  - 86 companies (17%)

**Total: 504 Billion USD**

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Note: *Excluding Property Fund & REITs 60 securities and IFF 7 securities
Source: The Stock Exchange of Thailand as of May 2019
Thai Capital Market Landscape

Investor base in Thai stock market is well diversified with roughly equal proportion between foreign and local.

Average daily trading value by investor type

Unit: Million USD (Percent), data as of May 2019

<table>
<thead>
<tr>
<th>Year</th>
<th>Institutional Investors</th>
<th>Foreign Investor</th>
<th>Retail Investors</th>
<th>Prop. Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>766 (69%)</td>
<td>287 (22%)</td>
<td>119 (9%)</td>
<td>121 (9%)</td>
</tr>
<tr>
<td>2016</td>
<td>801 (54%)</td>
<td>381 (26%)</td>
<td>156 (11%)</td>
<td>150 (10%)</td>
</tr>
<tr>
<td>2017</td>
<td>713 (48%)</td>
<td>446 (30%)</td>
<td>154 (10%)</td>
<td>163 (11%)</td>
</tr>
<tr>
<td>2018</td>
<td>729 (41%)</td>
<td>650 (36%)</td>
<td>219 (12%)</td>
<td>188 (11%)</td>
</tr>
<tr>
<td>May-19</td>
<td>520 (36%)</td>
<td>634 (42%)</td>
<td>183 (12%)</td>
<td>164 (11%)</td>
</tr>
</tbody>
</table>

Source: The Stock Exchange of Thailand
SET offers a wide range of attractive products to create value and broaden investment opportunities for investors.

### Equities
- Common Stock
- Preferred Stock
- Warrants
- Derivative Warrants
- Exchange Traded Funds
- Non-Voting Depositary Receipt
- Depositary Receipt

### Quasi-fixed income
- Property Funds
- REITs
- Infrastructure Funds

### Derivatives
- SET50 Index Futures
- SET50 Index Options
- Single Stock Futures
- 50 Baht Gold Futures
- 10 Baht Gold Futures
- Gold-D Futures
- Interest Rate Futures
- Oil Futures
- Currency Futures
- Sector Index Futures
- Rubber Futures
Thai Capital Market Landscape

Various schemes to facilitate foreign listing are available to suit different capital requirements and business structures.

<table>
<thead>
<tr>
<th>Ordinary Share</th>
<th>Unit Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> Holding Company</td>
<td><strong>4</strong> Infrastructure Trust</td>
</tr>
<tr>
<td>Listing of the Thai holding company with core companies operating overseas</td>
<td>Listing of Foreign Infrastructure Assets</td>
</tr>
<tr>
<td><strong>2</strong> Primary Listing</td>
<td><strong>5</strong> Real Estate Investment Trust (REIT)</td>
</tr>
<tr>
<td>Listing of a company incorporated abroad on the SET as a primary exchange</td>
<td>Listing of Foreign Real Estate</td>
</tr>
<tr>
<td><strong>3</strong> Secondary Listing</td>
<td></td>
</tr>
<tr>
<td>Allow foreign listed companies to list on SET as the Secondary Listing</td>
<td></td>
</tr>
</tbody>
</table>

### Shareholders (Thai/foreign)
- Holding Company (Thai incorporated)
  - > 50%
- Core Company (Foreign subsidiary)

### Foreign Company
- Listed company in Home Exchange (e.g. Cambodia, Laos)
- Listed company on SET

### Infrastructure Trust
- Income generating infrastructure assets
- Infrastructure trust (IFT)

### Real Estate Investment Trust (REIT)
- Income generating real estate assets
- Real estate Investment trust (REIT)

Source: The Stock Exchange of Thailand
**ACGA’s CG Watch market scores: 2016 to 2018**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Australia</td>
<td>1. Australia</td>
</tr>
<tr>
<td>2</td>
<td>Singapore</td>
<td>2. Hong Kong</td>
</tr>
<tr>
<td>3</td>
<td>Hong Kong</td>
<td>3. Singapore</td>
</tr>
<tr>
<td>4</td>
<td>Japan</td>
<td>4. Malaysia</td>
</tr>
<tr>
<td>5</td>
<td>Taiwan</td>
<td>5. Taiwan</td>
</tr>
<tr>
<td><strong>6</strong></td>
<td><strong>Thailand</strong></td>
<td><strong>6. Thailand</strong></td>
</tr>
<tr>
<td>7</td>
<td>Malaysia</td>
<td>7. Japan, India</td>
</tr>
<tr>
<td>8</td>
<td>India</td>
<td>-</td>
</tr>
<tr>
<td>9</td>
<td>Korea</td>
<td>9. Korea</td>
</tr>
<tr>
<td>10</td>
<td>China</td>
<td>10. China</td>
</tr>
<tr>
<td>11</td>
<td>Philippines</td>
<td>11. Philippines</td>
</tr>
<tr>
<td>12</td>
<td>Indonesia</td>
<td>12. Indonesia</td>
</tr>
</tbody>
</table>

**ASEAN corporate governance scorecard**

**Top of ASEAN**

- Thailand score increased to 84.53 in 2015 and 87.53 in 2016

- **2012-2013**
  - Thailand: 67.66
  - Malaysia: 62.29
  - Singapore: 75.39

- **2013-2014**
  - Thailand: 75.67
  - Malaysia: 62.29
  - Singapore: 71.68
  - Philippines: 43.29
  - Indonesia: 57.99
  - Vietnam: 48.90

- **2017**
  - Thailand: 87.53
  - Malaysia: 71.68
  - Singapore: 78.45
  - Philippines: 54.55
  - Indonesia: 54.55
  - Vietnam: 33.87

**The score is weighted and allocated to each of the five areas as follows:**
- Rights of shareholders 10%
- Equitable treatment of shareholders 15%
- Role of stakeholders 10%
- Disclosure and transparency 25%
- Responsibilities of the board 40%

**Remark:**
- Thailand: ACGA sees Thailand is moving ahead with pre-existing national CG policies and plans. Enforcement is also better. However, political/ regulatory falls in Thailand remain a drag, though this could be improved as political blockage is solved and institutional framework is enhanced.

Source: Asian Corporate Governance Association

*Average total corporate governance score of the country’s 100 largest listed companies based on market capitalization*

Source: Joint Initiative of the ASEAN Capital Markets Forum and the Asian Development Bank
Thai Capital Market Landscape
Thai listed companies continue to perform strongly on sustainability.

Number of Thai listed companies in DJSI Index

<table>
<thead>
<tr>
<th>Year</th>
<th>DJSI World Index</th>
<th>DJSI Emerging Market Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>2013</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>2014</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>2015</td>
<td>4</td>
<td>13</td>
</tr>
<tr>
<td>2016</td>
<td>5</td>
<td>15</td>
</tr>
<tr>
<td>2017</td>
<td>5</td>
<td>16</td>
</tr>
<tr>
<td>2018</td>
<td>8</td>
<td>19</td>
</tr>
</tbody>
</table>

Ranking World’s Top Stock Exchanges on Sustainability Disclosure

SET won United Nation Sustainable Stock Exchange (UN SSE) *Market Transparency Award*, the top ranked emerging market exchange

Source: Measuring Sustainability Disclosure report by Corporate Knights
Note: The evaluation takes into consideration seven quantitative indicators of corporate ESG performance: 1) greenhouse gas emissions, 2) energy use, 3) water use, 4) waste, 5) occupational safety, 6) employee turnover, and 7) temporary staff.
Outline

1 Thai Capital Market Landscape

2 Current Investment Themes
   - Well-being
   - International exposure
   - Sustainability
   - Infrastructure
   - High dividend

3 SET: Growth through Partnerships & Innovative Platforms
SET launches SET Well-Being Index to reflect the performance of highly competitive stocks in well-being related sectors which is the strength of Thailand.

7 Sectors in SETWB index
- Tourism & Leisure
- Health Care Services
- Transportation & Logistics
- Food & Beverage
- Commerce
- Agricultural
- Fashion

The SET Well-Being Index (SETWB)

- 30 securities from 7 sectors with high competitiveness

SETWB vs SET: total return index performance (data as end of May 2019)

Note: SETWB starts on April 1, 2019
Source: The Stock Exchange of Thailand
Thai listed companies have expanded abroad and grabbed extra growth opportunities.

Revenue growth from abroad
Unit: Million Baht

- 2016: 5.81 billion Baht (10.0% growth)
- 2017: 6.38 billion Baht (8.1% growth)
- 2018: 6.90 billion Baht

- 2016: 2.34 billion Baht
- 2017: 2.66 billion Baht (14.5% growth)
- 2018: 3.10 billion Baht (15.7% growth)

Listed companies’ revenue from abroad
Unit: Trillion Baht

- 2006: 0.80 trillion Baht (14% growth)
- 2008: 1.10 trillion Baht
- 2010: 1.33 trillion Baht
- 2012: 2.27 trillion Baht
- 2014: 2.63 trillion Baht
- 2016: 2.34 trillion Baht
- 2018: 3.10 trillion Baht (24% growth)

Number of listed companies with foreign revenue


Revenue from abroad
Unit: Trillion Baht

- Total revenue of all firms in SET
- Revenue from abroad

Listed companies’ revenue from abroad
Unit: Company

Number of listed companies investing abroad

- ASEAN 190 (CLMV 144)
- North Asia 91
- South Asia 37
- Africa 15
- Middle East 19
- America 41

(Data of 249 companies which continually reported revenue from trade and investment abroad during 2016 - 2018)

Source: The Stock Exchange of Thailand (data as of end 2018)

Note: One company may invest in more than one country/region.
SET launches CLMV Exposure index which will enable investors to benefit from CLMV economies.

**SET CLMV Exposure Index**

**Selection criteria**

- Stocks selected from Thai-listed companies, generating ≥ 10% of annual revenues from CLMV countries or ≥ THB 100 million annually (~USD 3.1 million).
- The market cap of selected stocks must be ≥ THB 5 billion (~USD 1.5 million) with at least 20% of free-float.
- Monthly traded status, indicated by the turnover ratio, ≥ 0.5% of total listed shares.

31 Thai listed firms selected into 2018 SET THSI Index

23% of Market Cap on SET & mai

2.8% dividend yields

**SETCLMV vs SET: total return index performance**

(data as of May 31, 2019)
Current Investment Themes - Sustainability
To deepen sustainability practice in to smaller Thai listed companies

**SETTHSI Index**
(Thailand Sustainability Investment)

**Selection criteria**
- Stock selected from the THSI list and not limited to the number of the stocks from the list.
  - Being DJ sustainability list (DJSI)
  - Survey based (3 dimensions of ESG ratings by SET)
- The market cap of selected stocks must be ≥ THB 5 billion (~USD 1.5 million) with at least 20% of free-float.
- Monthly traded status, indicated by the turnover ratio, ≥ 0.5% of total listed shares.

45 Thai listed firms selected into 2018 SET THSI Index
58% of Market Cap on SET & mai
3.2% dividend yields

**SETTHSI vs SET: total return index performance**
(data as of May 31, 2019)

Source: The Stock Exchange of Thailand
Current Investment Themes - Infrastructure

Infrastructure development funds offer high yield.

### Infrastructure funds listed in SET

**BRRGIF** | 105 | 8.29
--- | --- | ---
**ABPIF** | 111 | 9.07
**EGATIF** | 808 | 6.38
**TFFIF** | 1,626 | 1.57
**JASIF** | 1,767 | 9.02
**BTSGIF** | 1,932 | 7.65
**DIF** | 4,826 | 5.90

**Noted:** Source: The Stock Exchange of Thailand

### Dividend yields, higher than market average (3.31%)

<table>
<thead>
<tr>
<th>Infrastructure market capitalization</th>
<th>7%</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Unit: million USD; data as of May 31, 2019)</td>
<td>12 Months trailing dividend yield (Unit: Percent; data as of May 31, 2019)</td>
</tr>
</tbody>
</table>

**Eastern Economic Corridor (EEC)**

Potential for new Infrastructure fund (IFF)

<table>
<thead>
<tr>
<th>Project</th>
<th>Project Value (Mil. Baht)</th>
<th>Project Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>U-Tapao Airport and Airport City</td>
<td>290,000</td>
<td>2023</td>
</tr>
<tr>
<td>High Speed Rail Connecting the Airports</td>
<td>185,524</td>
<td>2023</td>
</tr>
<tr>
<td>Laem Chabang Port – Phase 3</td>
<td>84,360</td>
<td>2023</td>
</tr>
<tr>
<td>Map Ta Phut Industrial Port – Phase 3</td>
<td>55,400</td>
<td>2025</td>
</tr>
<tr>
<td>U-Tapao Aircraft Maintenance</td>
<td>10,588</td>
<td>2022</td>
</tr>
</tbody>
</table>

Source: Eastern Economic Corridor (EEC) Office
Thai listed companies offer high dividend yield.

### SETHD Index selection criteria

- Stocks selected from SET100 index in the same period and have paid dividends continuously in 3 accounting periods.
- Cash dividends (excluding special dividends) are paid continuously for the last 3 years.
- Stocks that have passed the above criteria will be ranked in descending order by the average daily dividend yield for the past 3 months.

### The SET High Dividend 30 Index (SETHD)

- **30** Thai listed firms selected into 2019 SETHD Index
- **5.1%** Dividend yields, higher than market average (3.17%)

### SETHD vs SET: total return index performance

(data as end of May 2019)

**Number of high dividend yield stock in SETHD classified by dividend yield**

(data as of May 2019)

<table>
<thead>
<tr>
<th>Dividend Yield Range</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 3.00</td>
<td>3</td>
</tr>
<tr>
<td>3.01 - 4.00</td>
<td>5</td>
</tr>
<tr>
<td>4.01 - 5.00</td>
<td>10</td>
</tr>
<tr>
<td>5.01 - 6.00</td>
<td>2</td>
</tr>
<tr>
<td>6.01 - 7.00</td>
<td>3</td>
</tr>
<tr>
<td>7.01 - 8.00</td>
<td>5</td>
</tr>
<tr>
<td>&gt; 8.00</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: The Stock Exchange of Thailand
Outline

1 Thai Capital Market Landscape

2 Current Investment Theme

3 SET: Growth through Partnerships & Innovative Platforms
SET: Growth through Partnerships & Innovative Platforms

Disruptive technologies, sustainability and regulatory change will redefine the future financial landscape.
Partnership and platform will be keys to improve working efficiency and diversifying into new businesses.

### SET: Growth through Partnerships & Innovative Platforms

To Make the Capital Market “Work” for Everyone

#### Competitiveness & Sustainability

<table>
<thead>
<tr>
<th>Efficiency</th>
<th>Enabler</th>
<th>Sustainability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange function</td>
<td>Industry platform</td>
<td>Long term capital market development</td>
</tr>
</tbody>
</table>

---

**Vision**

**Goal**

**How**
3 SET: Growth through Partnerships & Innovative Platforms

Encouraging innovation and building key infrastructure/platform for industry will be our focus towards sustainability.

- Digital Service Development
- Collaborative Digital Asset Platform
- Capital Market Innovation Award

Source: The Stock exchange of Thailand and The United Nations
SET: Growth through Partnerships & Innovative Platforms

Enhancing infrastructure and creating business opportunity for long term growth

Digital Asset Platform

- KYC & Anti-money laundering
- Customer Relationship
- Asset Tokenization
- Trading & Settlement
- Safe Custody
- Matching Platform
- Token & Smart Contract
- Settlement Instruction
- Wallet Provider
- Secure
- Streamlined
- Trusted
- Regulated

Asset Management Companies

- Investors

On FundConnext

- Asset Management Company: 19
- Distributor: 21

Total

- Asset Management Company: 25
- Distributor: 44

76% of AMCs

48% of Distributors
- Securities Company: 11
- Commercial Bank: 4
- Others: 6

Integrated Virtual Pitching Platform for Startups

https://www.live-mkt.com
Collaboration and partnership with International Exchanges & Organizations

- **Fund service platform**
  - Cross-border cooperation with Clearstream

- **SET Role in World Federation of Exchanges (WFE)**
  - Representing ASEAN Exchanges in global arena

- **The 1st ASEAN Stock Exchange joining UN Stock Exchange Initiative (UN SSE)**
  - Emphasizing SET role on promoting sustainability development

- **GMS Collaboration**
  - Capital market development platform
  - GMS cross border product development
  - ACMECS: promotion of infrastructure raising fund

- **ASEAN Collaboration**
  - Collaboration on ASEAN products, ASEAN website, and possible joint ASEAN roadshow

- **China Strategy**
  - Cooperation with Shenzhen Stock Exchange on China-Thailand SME Capital Market Service Initiative

Source: The Stock Exchange of Thailand, Information as of May 2019