

Classification of Industry Group and Sector

The classification of listed company's industry structure is to incorporate similar businesses into the same group, so as to provide appropriate investment information and comparison among the listed companies. The classification is intended to clearly reflect the listed companies' business as well as the country's various industries.

Rules Summary

Overall principle

- The classification will be for listed companies (ordinary shares), unit trusts of the property fund, unit trust of the infrastructure fund, and the Real Estate Investment Trusts (REITs). Other financial instruments will be in separate groups.
- This shall not apply to listed companies in Non-Performing Group (NPG).
- The classification will include companies operating similar businesses or are likely to develop in the same direction.

Criteria for the classification of industries and business sectors

- The consideration will essentially be based on major business of the listed company that generates more than 50% of its total revenue.
- If there is no business that generates more than 50% of total revenue, profits will be used as secondary basis. Nevertheless, SET may consider using other supporting criteria as deemed appropriate.
- In case the company operates via its holding in several subsidiaries (Holding Company), the company will be classified in line with the business of its subsidiary that generates major revenue.
- Presently, SET has classified the listed companies according to their industry groups and business sector. From 2015 onwards, the listed companies on mai will be classified as well.

Structure of 8 Industry Groups and 28 Business Sectors

Industry Group	Business Sector	Description of Business
Agro & Food Industry Businesses relating to farming, forestation, livestock, processing agricultural products, and food and beverage production	Agribusiness	The businesses that operate the farms, livestock, fishing, forest, process, carve and store agricultural products, as well as the distributors of agricultural products primarily for other industries, <u>except</u> the businesses relating to chemical fertilizer and pesticides and those relating to textiles.
	Food & Beverage	Producing the food by processing agricultural products, operating the restaurants, distributing the food, as well as producing beverages.
Consumer Products Businesses relating to the production and distribution of consumer products, both necessity and luxury goods.	Fashion	Producers, designers, and distributors of the following: <ul style="list-style-type: none"> - Apparels, shoes, leatherwork, bags - Cutting and processing gemstones and accessories - Producing the raw materials for the industry e.g. textile, yarn, tanning.

Industry Group	Business Sector	Description of Business
	Home & Office Products	Operate businesses relating to household or office products: <ul style="list-style-type: none"> - Producers and distributors of household products such as furniture, decorating items, sports equipment, toys, and kitchen appliances. - Producers and distributors of the lighting products, household or office appliances e.g. televisions, sound equipment, and photocopiers. - Producers of office supplies e.g. pens, folders, etc.
	Personal Products & Pharmaceuticals	Producers and distributors of: <ul style="list-style-type: none"> - Products for personal consumption e.g. cosmetics, skincare products, perfume, napkins, and toilet paper. - Medicine, medical equipment, products produced from the bio-technology.
Financials Industries relating to different types of financial service providers	Banking	Operators of the banking business as per the Commercial Banking Act and related laws, as well as the businesses established under the special law.
	Finance & Securities	Operators of these businesses: Finance, leasing, hire-purchase (not selling the services or products directly to customers), factoring, credit card, consumer loan, securities company, investment management company, asset management company, and other asset services.
	Insurance	Operators as per the Insurance Act, Life Assurance Act, as well as other similar businesses established under the special law.
Industrials Business relating to the production and distribution of general raw materials used in various industries, primary and intermediate products, machines and equipment used in production industry and the automotive industry.	Automotive	The operators of these businesses: <ul style="list-style-type: none"> - Production or assembly of cars, and various automotive - Production, distribution, or assembly of the auto parts and spare parts - Auto repair and maintenance services - Distribution and being a distribution center for new and used cars
	Industrial Materials & Machine	The operators of these businesses: <ul style="list-style-type: none"> - Production and distribution of light and heavy machines and equipment - Equipment or basic parts of electrical appliances e.g. cables and wires, light bulbs, insulators, and motors. - Raw materials used in several industries <u>Exception:</u> Companies that produce tools or equipment for special business only, not for application in other businesses.
	Packaging	Producers and distributors of packaging products, including the packing parts, materials or products used to produce the packages, and those not classified in other sectors.

Industry Group	Business Sector	Description of Business
	Paper & Printing Materials	Producers and distributors of: <ul style="list-style-type: none"> - Pulp and paper, and paper products - Ink used for printing
	Petrochemicals & Chemicals	Producers and distributors of: <ul style="list-style-type: none"> - Petrochemical products, plastic compound, molded plastic products - Chemicals, basic chemicals, and processed chemical products, fertilizer, and pesticides. Exception: Production of molded plastic to be used as parts or accessory of finished goods or any specific goods
	Steel and Metal Products	Producer, processors, or distributors of steel products, steel fabrication or metal products which have steel as a major component.
Property & Construction Industries relating to the producers of construction material, the developers and managers of real estates, as well as the construction and engineering services.	Construction Materials	Producers and distributors of: Construction material, non-steel decorating material, as well as sanitary ware.
	Construction Services	Providers of services and advice about: <ul style="list-style-type: none"> - Construction of the residence and other types of buildings e.g. residential construction, condominiums, industrial estates, shopping centers, roads, bridges, and interior decoration services - The construction projects regarding the engineering system, and civil design
	Property Development	Producers and distributors of the following: <ul style="list-style-type: none"> - Real estate developers for sale or lease, as well as managing the real estate e.g. the juristic person of condominium, housing estate, or land - Representatives or agents for selling or leasing the property
	Property Fund & Real Estate Investment Trusts	- Mutual funds or trust funds with an objective to invest in the property and gain revenue from the rent, interest, and profits from property trade
Resources Businesses relating sourcing and managing the resources such as production and allocation of energy and mining.	Energy & Utilities	Operators of the following businesses: <ul style="list-style-type: none"> - Production, exploration, drilling, refining and distributing natural energy in various forms such as oil and natural gas. - Utility providers e.g. electricity, water, and gas
	Mining	Mining surveyor, operator, smelter, and distributor. The minerals can be either metal or non-metal, but excluding the energy minerals.
Services Businesses in the service industry, except financial service and IT as they are classified in different groups.	Commerce	Two factors are taken into consideration: <ul style="list-style-type: none"> - Providers of goods to consumers, retail and wholesale, with physical stores e.g. shops, department stores, convenient stores, discount stores, superstores, or without a physical store i.e. electronic medium - Products for sale must be the finished goods for consumers, and can be from different sectors.

Industry Group	Business Sector	Description of Business
	Health Care Services	Providers of medical services, dental services, cosmetic surgery, health rehabilitation, and other physical fitness.
	Media & Publishing	Producers and distributors of these media: <ul style="list-style-type: none"> - Various type of media: <ol style="list-style-type: none"> 1) Entertainment media e.g. music, film, play, entertainment programs, cinemas, and the play house. 2) Broadcaster of radio and television 3) Producer of advertising media - Print media e.g. printing house, publishing house, and producers of the magazines, newspapers, and other prints.
	Professional Services	Providers of specific services not specified in any other sectors e.g. education, business consultancy, waste management, as well as the services to the business not categorized in any sector.
	Tourisms & Leisure	Comprise of: <ul style="list-style-type: none"> - Operators of the hotel and temporary accommodation, as well as travel service e.g. tour agency - Operators of recreation, relax, and study tour places e.g. zoo, entertainment venue, exercise and fitness, and sports arena
	Transportation & Logistics	Comprise of: <ul style="list-style-type: none"> - Transportation businesses in all channels e.g. air transport (airports, airlines), water transport (ports, shipping companies), train and other land transports, and integrated logistic services. - Product storage service, warehouse rental, and other related services.
Technology Businesses relating to IT products, including all primary, intermediate and final products, and the providers of IT and telecommunication services.	Electronic Components	Producers of electrical components used in electrical appliances or other electrical equipment e.g. IC, PCB, and semiconductors (<u>except</u> for the components produced to be specifically used in computers)
	Information & Communication Technology	Comprise of: <ul style="list-style-type: none"> - Providers of IT services relating to the management of information and communication e.g. providers of telecommunication network, satellite, cable, IT system design and implementation, internet network providers, designer and implementing the internet network. - Producers or providers of installation services for computers or the mainframe servers. - Producers or distributors of IT equipment used for this technology e.g. telecommunication devices, hardware, computer parts, and the software developers.

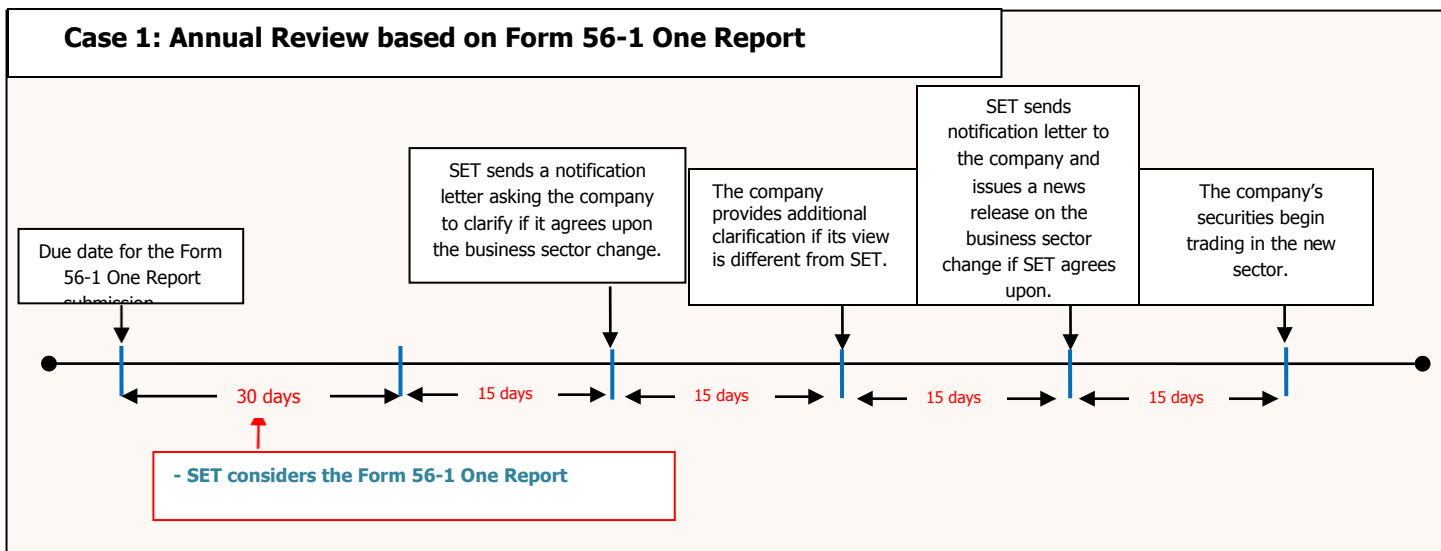
Process of Industry Group and Business Sector Classification Review

Since the listed company may have changed its business structure, there is a need to review the classification of industry group and business sector regularly. SET will take into consideration based on the following three cases:

Case 1: Annual review

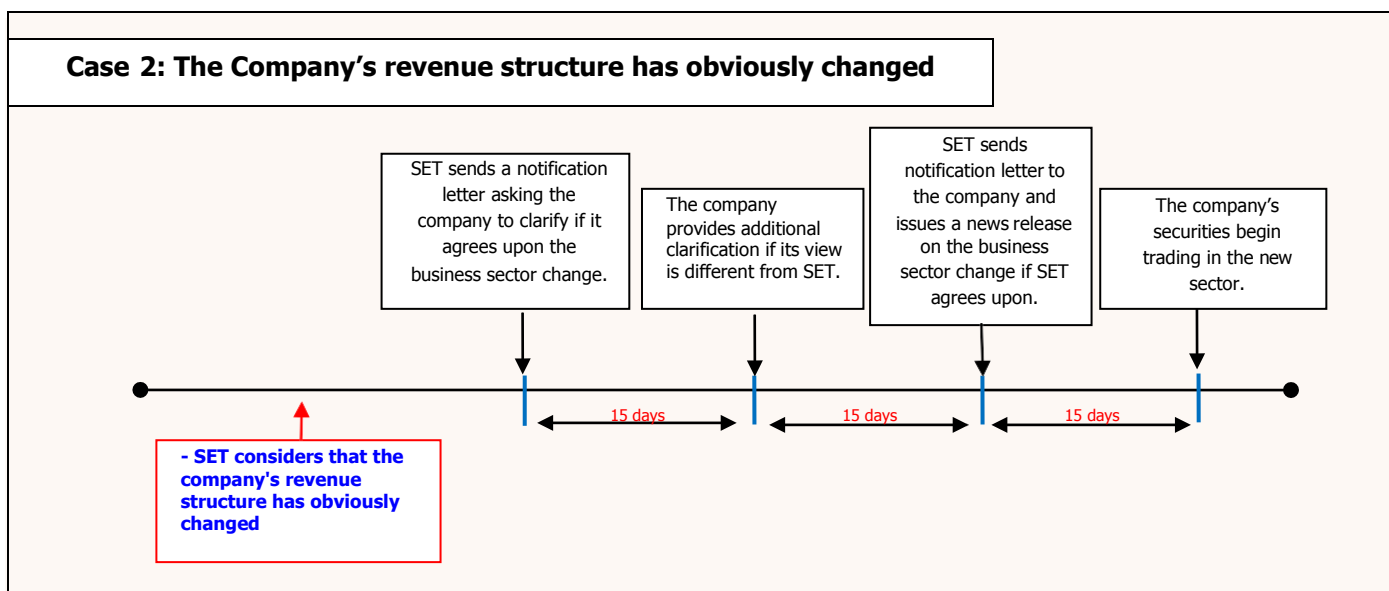
SET will consider the information as per the Form 56-1 One Report, which must be sent to SET within three months after the end of company's accounting period.

- (1) It will take approximately 30 days for SET to consider, starting from the due date of Form 56-1 One Report.
- (2) If the company's revenue structure is not in line with its current business sector, SET will send a notification letter to the company about the change in business sector within 15 days after the due date in (1).
- (3) If the company has different opinions, it can provide additional clarifications to SET within 15 days from the day SET has sent the notification letter.
- (4) SET will consider additional clarifications within 15 days. If SET is to proceed with the business sector change, it will send a notification letter to the company and announces to the investors not less than 15 days before the securities will begin trading in the new sector.



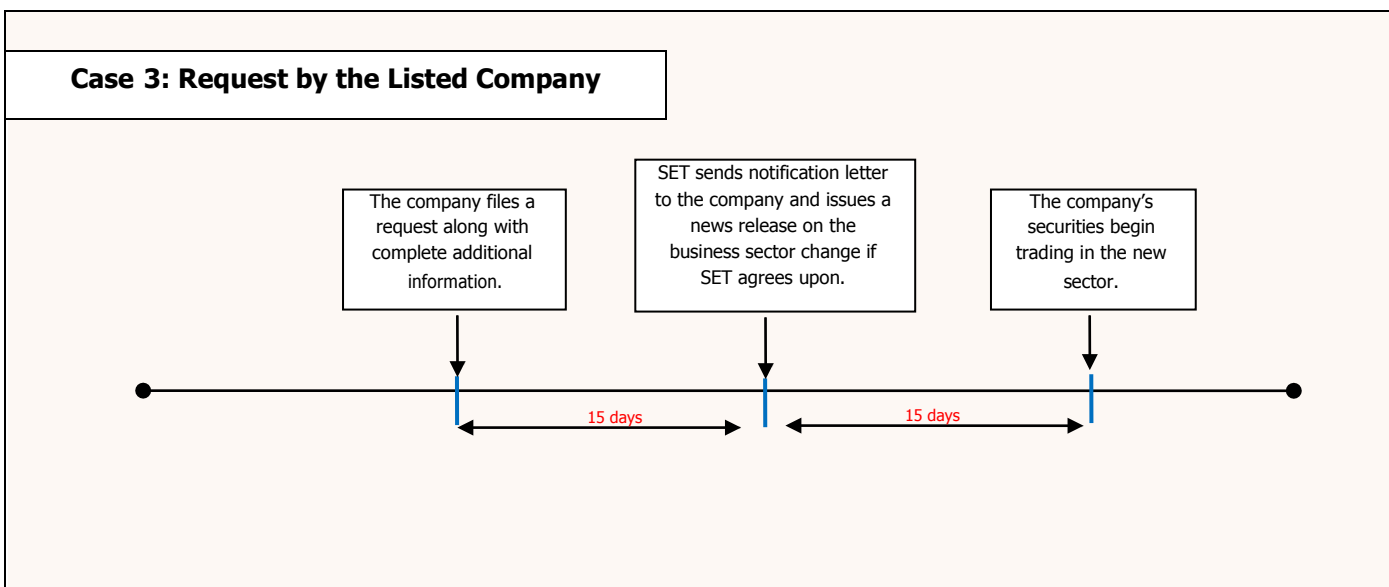
Case 2: The Company's revenue structure has obviously changed.

In case the company's business has changed so much that it leads to the change in revenue structure. For example, when there is an acquisition of business, or change the type of business operations. SET will then consider reviewing business sector classification without having to wait for the annual review. The change in business sector will occur after the structural change has taken effect. SET will proceed as per Case 1, item (3) to (4).



Case 3: Request by the listed company

The listed company can request for a change in industry group and business sector if it sees inappropriate. The company can send a request letter to SET, along with related information. It will take 15 days for SET to consider, starting from the day SET has received complete information. If SET agrees upon, it will send a notification letter to the company and announces to investors not less than 15 days before the securities will begin trading in the new sector.



Q&A

Questions	Answer
1) In considering the company's income for industry group change, the income will be only from the listed company, or from consolidated financial statements?	Income will consider from consolidated financial statements of the listed company and subsidiaries
2) If the company has income for each quarter from various businesses, how will the business sector change be considered?	Operational performance will be considered from total-year period to see which business brings the most income to the company. If it is still unclear, other information such as profits and additional clarifications by the company will be considered.

Related regulations

SET regulations

1. SET Industry Group and Sector Classification Structure
2. Appendix 2 of the Circular Letter Bor.Jor. (Wor) 90/2004 Re: Sector Reclassifications in 2005 (Reconsideration of proper placement of business sectors' listed companies)