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APPENDIX

Appendix A



Special Survey on Corporate Governance

We estimate that the survey will take about **5 minutes**. Responses will be used only in aggregate. Please fax your responses to 0-2218-5913 or 0-2539-8902 by **January 30 2003**. Thank you for taking the time to complete the survey. If you would like an advance copy of the results, please e-mail Chanisa Denkirati: dchanisa@hotmail.com

Instructions:

Please indicate the **level of importance** of the following corporate governance factors as key factors influencing the investing decisions of your organization. (3= most important, 2= fair and. 1=least important)

	<i>Least Important</i>	2	<i>Most Important</i>
	1		3
The Rights of Shareholders			
A. The company offers other ownership rights beyond voting rights.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. The Chairman of the Board and the CEO/MD have attended at least one of the last two Annual General Meetings.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. The company provides an opportunity allowing shareholders and minority shareholders to participate in decisions that change the company structure (i.e. composition of the board, and/or the remuneration of board members or executive)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. The company has anti-takeover defenses.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Equitable Treatment of Shareholders			
A. The company is part of an economic group where the parent/controlling shareholders also control key suppliers, customers, and/or similar business.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. The company facilitates voting by proxy, having no requirement that votes must be notarized.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Role of Stakeholders in Corporate Governance			
A. The company explicitly mentions the roles of stakeholders such as creditors, suppliers, customers or the community at large.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. The company explicitly mentions employees benefits and/or environmental issues in its public communications.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. The company provides an ESOP (Employee Share Option Program), or any long-term employee incentive plan linked to shareholder value creation to employees.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<i>Least Important</i>		<i>Most Important</i>

	1	2	3
Disclosure and Transparency			
A. The company has a transparent ownership structure.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. The company has a dispersed ownership structure that is not obscure by cross-shareholdings.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. The company provides a rationale/explanation for related party transactions and/or transactions that dealing with the company's directors which affect the corporation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. The company's annual report discloses financial and operating performance, business operations, competitive position, the basis of director remuneration, and operating risk.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. The company's annual report includes a forecast of the company's profitability in the next business year.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. There are some accounting qualifications in the audited financial statements apart from the qualification on the uncertainty of the situation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
G. The company offers multiple channels of access to information.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Responsibilities of the Board			
A. The company has its own written corporate governance rules that clearly state the definition of "independent" and describes its value system and board responsibilities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. There have been non-compliance cases with SET/SEC rules and regulations. (i.e. related-party transactions, time of disclosure, or other)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. Board members participated in the Thai IOD training on corporate governance.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. Chairman is an independent director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. The company has independent members in an Audit Committee, a Compensation Committee, a Nomination Committee, and a Business-oriented Committee.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please return this questionnaire to us by fax: 0-2218-5913 or 0-2539-8902.

Thank You!

Appendix B

Table 7

Governance Index of Sample Companies in 2001

This table present name and corporate governance index of firms, as grouping by trading value and stock return of 2001 as based year. Corporate governance index is rating by using the criterions in table 1.

	Corporate governance index		Corporate governance index	
	Shares in trading value group	of shares in trading value group	Shares in stock return group	of shares in stock return group
SICCO	15		AP	13
UBC	15		PAF	13
TFB	19		OGC	13
BBL	16		LPN	15
ACL	13		BRC	12
TA	18		TRU	13
AMARIN	12		TGCI	14
SCC	18		LH	14
BT	14		GOLD	18
ZMICO	16		PRANDA	14
NFS	15		SE-ED	15
LH	14		STRD	13
THAI	14		ZMICO	16
SIRI	16		TAF	15
TT&T	14		TTA	15
SUC	14		AJ	15
AP	13		SAMCO	12
ADVANC	16		TCI	14
GOLD	18		STANLY	14
BRC	12		CFRESH	14
TUF	15		PR	13
GRAMMY	14		NFS	15
SCCC	14		STECON	15
OGC	13		SCC	18
PAF	13		TWFP	14
MBK-PD	13		ALUCON	13

Table 7 (continue)
Governance Index of Sample Companies in 2001

Shares in trading value group	Corporate governance index		Shares in stock return group	Corporate governance index	
	of shares in trading value group	of shares in trading value group		of shares in stock return group	of shares in stock return group
NWR	14		TBSP	13	
CK	13		UFC	15	
TUNTEX	13		LANNA	14	
SITHAI	15		CPL	14	
SAMCO	15		VNG	13	
CVD	18		TR	14	
STECON	14		BKI	17	
SAMART	16		SICCO	17	
TGCI	14		MBK-PD	13	
BC	13		ASIMAR	13	
STANLY	13		AMARIN	13	
STA	13		BBL	15	
ATC	15		TIP	14	
CIRKIT	16		BTNC	13	
CHOTI	12		CK	13	
NEP	14		TIPCO	17	
EASTW	16		STA	13	
TRU	14		PPC	12	
BKI	17		SUC	13	
WG	14		POST	15	
S&P	14		SCCC	15	
LANNA	14		WG	14	
UFC	15		RHC	14	
ASIMAR	13		BC	14	
AJ	14		SIRI	18	
VNG	13		SAFE	14	
FMT	13		GRAMMY	12	
TTA	15		ADVANC	18	
SSPORT	12		CTW	12	

Table 7 (continue)
Governance Index of Sample Companies in 2001

Shares in trading value group	Corporate governance index		Shares in stock return group	Corporate governance index	
	of shares in trading value group	of shares in trading value group		of shares in stock return group	of shares in stock return group
CTW	12		NEP	13	
UMI	11		TCOAT	13	
LPN	15		CHOTI	12	
CFRESH	14		ROH	14	
AA	13		PTTEP	16	
SE-ED	15		PATO	13	
THECO	13		DRACO	14	
DRACO	14		AA	13	
SMG	13		DIANA	13	
SAFE	14		OHTL	14	
TCI	14		TFB	19	
TIPCO	14		SSPORT	13	
STRD	13		EASTW	15	
SFP	14		TISCO	14	
CPL	13		BEC	13	
TCOAT	13		KTB	14	
ICC	13		SHIN	15	
TIP	13		BAY	14	
TWFP	14		DTM	14	
PR	13		NC	12	
TR	13		SUN	13	
PRANDA	14		SPSU	13	
UTL	13		RAIMON	13	
PPC	12		TGP	12	
OHTL	14		TTI	13	
PATO	13		KWC	14	
SH	12		S&P	14	
CHARAN	13		TUNTEX	12	
DISTAR	13		SH	12	

Table 7 (continue)
Governance Index of Sample Companies in 2001

Shares in trading value group	Corporate governance index		Shares in stock return group	Corporate governance index	
	of shares in trading value group	of shares in trading value group		of shares in stock return group	of shares in stock return group
TAF	15		SCNYL	13	
ALUCON	13		BT	14	
DIANA	13		ATC	14	
BTNC	13		CPI	13	
CSR	14		UBC	15	
TOPP	12		CVD	15	
CPI	13		TT&T	14	
TBSP	13		NSI	14	
ASTL	14		SAMART	15	
KWC	14		ASTL	14	
TTTM	12		CIRKIT	14	
RHC	14		SITHAI	12	
TSTE	14		THAI	14	
SCNYL	13		NWR	14	
NSI	14		TA	18	
POST	17		THECO	13	

Appendix C

Table 8

Governance Index of Sample Companies in 2002

This table present name and corporate governance index of firms, as grouping by trading value and stock return of 2002 as the based year. Corporate governance index is rating by using the criterions in table 1.

	Corporate governance index		Corporate governance index	
	Shares in trading value group	of shares in trading value group	Shares in stock return group	of shares in stock return group
SICCO	17		AP	13
UBC	13		PAF	13
TFB	17		OGC	14
BBL	16		LPN	14
ACL	14		BRC	12
TA	18		TRU	14
AMARIN	13		TGCI	14
SCC	19		LH	15
BT	15		GOLD	17
ZMICO	16		PRANDA	14
NFS	17		SE-ED	15
LH	15		STRD	12
THAI	18		ZMICO	15
SIRI	18		TAF	13
TT&T	14		TTA	15
SUC	14		AJ	14
AP	13		SAMCO	15
ADVANC	18		TCI	14
GOLD	17		STANLY	13
BRC	12		CFRESH	13
TUF	14		PR	13
GRAMMY	12		NFS	16
SCCC	15		STECON	13
OGC	14		SCC	18
PAF	13		TWFP	14
MBK-PD	13		ALUCON	14

Table 8 (continue)
 Governance Index of Sample Companies in 2002

Shares in trading value group	Corporate governance index		Shares in stock return group	Corporate governance index	
	of shares in trading value group	of shares in stock return group		of shares in trading value group	of shares in stock return group
NWR	14		TBSP		13
CK	13		UFC		15
TUNTEX	13		LANNA		14
SITHAI	15		CPL		14
SAMCO	15		VNG		13
CVD	18		TR		14
STECON	14		BKI		17
SAMART	16		SICCO		17
TGCI	14		MBK-PD		13
BC	13		ASIMAR		13
STANLY	13		AMARIN		13
STA	13		BBL		15
ATC	15		TIP		14
CIRKIT	16		BTNC		13
CHOTI	12		CK		13
NEP	14		TIPCO		17
EASTW	16		STA		13
TRU	14		PPC		12
BKI	17		SUC		13
WG	14		POST		15
S&P	14		SCCC		15
LANNA	14		WG		14
UFC	15		RHC		14
ASIMAR	13		BC		14
AJ	14		SIRI		18
VNG	13		SAFE		14
FMT	13		GRAMMY		12
TTA	15		ADVANC		18
SSPORT	12		CTW		12

Table 8 (continue)
Governance Index of Sample Companies in 2002

Shares in trading value group	Corporate governance index		Corporate governance index	
	of shares in trading value group	Shares in stock return group	of shares in stock return group	
CTW	12	NEP	14	
UMI	12	TCOAT	13	
LPN	14	CHOTI	12	
CFRESH	14	ROH	15	
AA	13	PTTEP	16	
SE-ED	15	PATO	13	
THECO	12	DRACO	14	
DRACO	14	AA	13	
SMG	13	DIANA	13	
SAFE	14	OHTL	14	
TCI	14	TFB	17	
TIPCO	17	SSPORT	13	
STRD	12	EASTW	16	
SFP	16	TISCO	15	
CPL	14	BEC	14	
TCOAT	13	KTB	15	
ICC	12	SHIN	15	
TIP	14	BAY	13	
TWFP	14	DTM	13	
PR	13	NC	13	
TR	14	SUN	13	
PRANDA	14	SPSU	13	
UTL	13	RAIMON	12	
PPC	12	TGP	13	
OHTL	14	TTI	12	
PATO	13	KWC	14	
SH	12	S&P	14	
CHARAN	12	TUNTEX	13	
DISTAR	13	SH	12	

Table 8 (continue)
Governance Index of Sample Companies in 2002

Shares in trading value group	Corporate governance index		Shares in stock return group	Corporate governance index	
	of shares in trading value group	of shares in stock return group		of shares in trading value group	of shares in stock return group
TAF	14		SCNYL		12
ALUCON	14		BT		13
DIANA	13		ATC		14
BTNC	13		CPI		13
CSR	13		UBC		13
TOPP	12		CVD		17
CPI	13		TT&T		13
TBSP	13		NSI		14
ASTL	16		SAMART		15
KWC	13		ASTL		16
TTTM	12		CIRKIT		15
RHC	14		SITHAI		15
TSTE	13		THAI		18
SCNYL	12		NWR		14
NSI	14		TA		17
POST	16		THECO		13

Appendix D

Table 9

Relation of Tobin's-Q on the Governance Index of 2001

$$Q_i = \beta_0 + \beta_1 * GOV_i + \beta_2 * LOGBA_i + \beta_3 * LTDEBT_i + \beta_4 * SYSRisk_i + \beta_5 * USYSRisk_i + e_i$$

This table presents the result of cross-sectional regression of Governance index on firm value, as proxy by Tobin's Q, and other control variables. Q_i is firm value in 2001 as proxy by Tobin's Q calculated by the ratio of the market value of assets to book value of assets: the market value is calculated as the sum of the book value of assets and the book value of firm's debt. The market value of equity is measured at the end of year 2001. GOV_i is Governance Index of firm, the calculation is describe in Table 1. $LogBA_i$ is the log of book value of assets in million of Baht measured at the end of year 2001. $LogDebt_i$ is the log of debt to equity ratio of the firm in million of Baht measured at the end of year 2001. $SYSRisk_i$ is systematic risk of firms., $USYSRisk_i$ is unsystematic risk of firms Both systematic risk and unsystematic risk calculated by Market Model. The results are categorized into two parts. Panel A reports coefficient estimates from regression between governance index and other variables of the firms in stock return sample group. Panel B reports coefficient estimation from regression between governance index and other variables of the firms in trading value group.

Panel A: Regression of Q on Governance Index in Stock Return Sample Group								
	GOV_i	$LogBA_i$	$LogDebt_i$	$SYSRisk_i$	$USYSRisk_i$	<i>Intercept</i>	<i>Adjusted R-Square</i>	<i>F- Statistics</i>
Equally	859.8949	-0.0001 (-0.1417)	-25.0918 (-0.5871)	14084367.0000 (0.7074)	-47512.6100 (-0.4594)	795.4500*** (2.9535)	-0.0264	0.3621
	(0.6668)	-0.0001 (-0.1247)	-26.5695 (-0.6191)	13723421.0000 (0.6870)	-44999.3100 (-0.4335)	321.9412 (0.4237)	-0.0324	0.3769
TRIS	254.0695	-0.0001 (-0.1431)	-25.9093 (-0.5978)	13760682.0000 (0.6832)	-46533.5700 (-0.4467)	670.5886 (0.7285)	-0.0371	0.2907
	(0.1419)	-0.0001 (-0.1782)	-25.3394 (-0.5921)	13623220.0000 (0.6830)	-44533.9500 (-0.4297)	28.9891 (0.0310)	-0.0293	0.4362
IOD	1302.757	-0.0001 (-0.1452)	-26.0921 (-0.6104)	13877634.0000 (0.6970)	-44707.0300 (-0.4321)	141.4409 (0.2008)	-0.0263	0.4918
	(1.0052)							
Fund Manager	1197.9080	-0.0001 (-1.4642)	-3.8870 (-0.6775)	-12103554.0000** (-2.4937)	-46312.8100** (-2.2476)	643.5525*** (10.5728)	0.1323	4.7764
	(1.0052)	-0.0001 (-1.6189)	-6.2664 (-1.0891)	-13288891.0000*** (-2.7660)	-48309.71** (-2.3826)	290.3906 (1.6143)	0.2041	4.8220
TRIS	1182.7570**	-0.0001* (-1.8194)	-7.6159 (-1.3300)	-13947721.0000*** (-2.9361)	-48159.8500** (-2.4117)	79.5300 (0.3658)	0.1860	5.5267
	(2.6958)	-0.0001 (-1.5524)	-5.8632 (-1.0199)	-12867312** (-2.6795)	-46476.7300** (-2.2875)	232.1030 (1.0465)	0.1564	4.6731
IOD	715.9752*	-0.0001 (-1.4642)	-6.1219 (-1.0649)	-13008459.0000*** (-2.7128)	-47852.18** (-2.3591)	327.6000** (1.9741)	0.1603	4.7820
	(1.9271)							
Fund Manager	604.4677**							
	(2.0414)							

(***) Significant at the 0.01 level. (**) Significant at the 0.05 level. (*) Significant at the 0.10 level



Biography

Miss Chanisa Denkirati was born on 7th December 1979 in Bangkok. In 1997, she took the tertiary education at Faculty of Commerce and Accountancy, Chulalongkorn University with Accountancy as the major subject. In 2001, she then furthers her study in the Full-Time Master of Science in Finance Program (MS in Finance) at the Faculty of Commerce and Accountancy, Chulalongkorn University.