

Hong Kong

ADD (no change)

Consensus ratings*: Buy 24 Hold 4 Sell 0

Current price:	HK\$11.22
Target price:	HK\$22.34
Previous target:	HK\$27.22
Up/downside:	99.1%
CGS-CIMB / Consensus:	8.0%
Reuters:	1478.HK
Bloomberg:	1478 HK
Market cap:	US\$1,704m
	HK\$13,262m
Average daily turnover:	US\$7.43m
	HK\$57.76m
Current shares o/s:	1,172m
Free float:	35.7%

*Source: Bloomberg

Key changes in this note

- FY21-23F revenue decreased by 2.0-4.3%
- FY21-23F EPS decreased by 1.5-4.0%



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-11.8	-25	19.1
Relative (%)	-8.6	-17.6	14.1

Major shareholders	% held
Mr HE Ningning	64.3

Analyst

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Q Technology

Weak shipments likely to persist into 4Q21F

- Q Tech's Sep 21 HCM shipment grew 15% yoy (+5% mom) by volume, outperforming its competitor due to an improved customer portfolio.
- 9M21 HCM was c.5% pts below company guidance/our forecasts for FY21F. We lower our HCM shipment growth to 20% to reflect weak 4Q21F shipment.
- Reiterate Add due to its continuous market share gain for sophisticated HCM products. We lower TP to HK\$22.34 on c.2-4% EPS cuts in FY21-23F.

HCM outperform peer due to improved customer portfolio

Q Technology's (Q Tech) Sep shipments saw sustained mom improvement in both handset camera modules (HCM) and fingerprint recognition modules (FRM), thanks to new order wins for Honor and market share gains in flagship models for Vivo, Oppo and Xiaomi. HCM shipment grew 15% yoy (+5% mom) to 43m units in Sep 21, outperforming its key competitor's -9% yoy (-3% mom) on an improved customer portfolio. More importantly, 32MP and above product shipments maintained a strong growth of 63% yoy in Sep 21, accounting for 28% of total shipments, which should support sustained GPM improvement in FY21F. FRM shipment grew 12% yoy (+2% mom) to 9.5m units due to an expanded customer base and rising demand for side-mounted capacitive fingerprint recognition modules in low-to mid-range models.

9M21 shipments c.5% pts below company guidance for FY21F

9M21 HCM shipments grew 22% yoy, of which, 30MP and above products jumped 50% yoy, c.5% pts below the company's guidance of a 25% yoy increase in FY21F. We estimate a 20% yoy HCM shipment growth in FY21F (previously 26% yoy) due to delays in some new model launches by Chinese customers on the back of advance 5G system-on-chips (SoC) shortages. On the positive side, we estimate 30% of FY21F HCM output will come from 32MP and above sophisticated products (32MP/48MP/64MP/108MP large chip size camera module, OIS, wide-angle/ultra-wide-angle and IoT products), which should support GPM to stay above 11% in 2H21F (11.9% in 1H21).

Expect weak shipment to persist into 4Q21F

3Q shipments were slightly affected by a few days of electricity suspension in Kunshan, Jiangsu province, Q Tech's main product base. However, electricity supply returned to normal after the Golden Week Holiday. Nevertheless, we estimate tight SoC supply, especially for advance 5G SoCs, to sustain in 4Q21F and affect Chinese brand shipments. We lower our FY21F HCM shipment forecast by 6% pts, from a growth of 26% to 20%, resulting in a c.4% EPS cut for FY21F and c.1.5% EPS cuts for FY22-23F.

Reiterate Add; target price lowered to HK\$22.34

We reiterate our Add call on Q Tech due to its continuous market share gains in the supply chains for sophisticated products for Oppo, Vivo and Xiaomi, and stable GPM outlook. We cut our TP to HK\$22.34 due to EPS revisions and lower our target multiple to 15x (previously 18x) for FY22F, reflecting unfavourable handset shipment growth outlook, and a 40% discount to its closest peer to reflect smaller handset lens business and less exposure to the automotive segment. Share price catalysts include continual product mix improvements and sustained GPM outlook. Downside risks are GPM pressure on poor spec-upgrades and fluctuating renminbi.

Financial Summary

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Revenue (Rmbm)	13,170	17,400	19,689	25,370	28,855
Net Profit (Rmbm)	542	840	1,159	1,463	1,723
Normalised EPS (Rmb)	0.49	0.73	1.03	1.25	1.47
Normalised EPS Growth	1741%	48%	41%	22%	18%
FD Normalised P/E (x)	19.11	12.85	9.13	7.50	6.37
Price To Sales (x)	0.80	0.62	0.55	0.43	0.38
DPS (Rmb)	0.09	0.04	0.10	0.12	0.15
Dividend Yield	0.97%	0.45%	1.06%	1.34%	1.58%
EV/EBITDA (x)	11.79	6.82	5.01	3.57	2.54
P/FCFE (x)	9,787	5	14	7	6
Net Gearing	28.8%	(26.1%)	(30.7%)	(45.6%)	(56.8%)
P/BV (x)	3.75	2.88	2.26	1.78	1.44
ROE	22.5%	25.6%	27.9%	26.8%	25.2%
% Change In Normalised EPS Estimates			(3.83%)	(1.51%)	(1.51%)
Normalised EPS/consensus EPS (x)			1.00	1.01	1.03

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

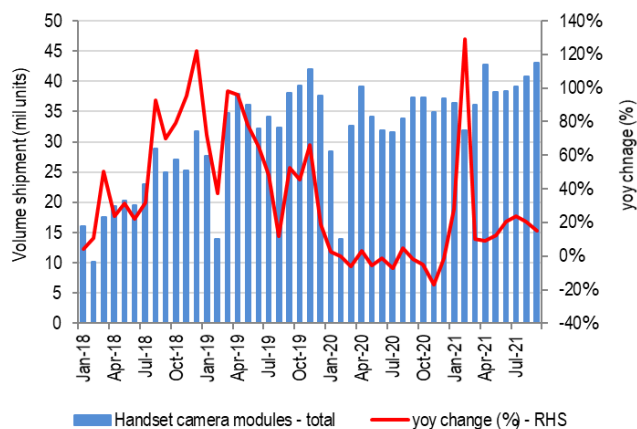
Weak shipments likely to persist into 4Q21F

Figure 1: Monthly shipments of key products (Sep 20 to Sep 21)

Monthly shipments	9M20	9M21	Company guidance	Comment	09/20	10/20	11/20	12/20	01/21	02/21	03/21	04/21	05/21	06/21	07/21	08/21	09/21
Volume shipments (mil units)																	
Handset camera modules	283	347	25%+	Not less than 25% yoy growth in FY21F	37.4	37.3	35.0	37.2	36.4	31.9	36.1	42.8	38.3	38.4	39.2	40.8	43.0
- 8MP and below	79	109	n.a.		11.3	11.4	11.9	10.1	9.9	10.7	10.7	11.4	10.2	12.5	13.2	14.3	16.7
- 10MP to 30MP	131	128	n.a.		18.8	18.3	13.7	15.3	16.8	11.7	14.0	16.8	14.1	12.5	13.5	14.2	14.5
- 32MP and above	73	109	over 30%	Not less than 30% of total HCM shipments	7.3	7.7	9.3	11.9	9.7	9.4	11.3	14.6	14.0	13.4	12.5	12.3	11.9
Fingerprint recognition modules																	
Fingerprint recognition modules	63	83	n.a.	No guidance	8.4	8.4	10.5	10.3	9.7	8.8	9.2	9.9	7.6	10.3	8.9	9.3	9.5
- Under-glass fingerprint	32	43	n.a.		3.6	4.2	4.8	4.5	5.4	5.1	5.1	5.5	4.1	5.7	3.7	4.3	3.8
- non under-glass fingerprint	31	40	n.a.		4.9	4.2	5.6	5.8	4.2	3.6	4.1	4.4	3.4	4.5	5.2	5.0	5.7
Volume shipments (yoy %)																	
Handset camera modules		22%		5% pts below to company guidance and our forecasts	-2%	-5%	-17%	-1%	28%	129%	10%	9%	12%	20%	24%	20%	15%
- 8MP and below		38%			-16%	-24%	-26%	-36%	9%	235%	1%	20%	5%	120%	46%	27%	48%
- 10MP to 30MP		-2%		Gaining market share in Xiaomi and Oppo	n.a.	n.a.	n.a.	n.a.	52%	44%	-1%	0%	-5%	-25%	-14%	-6%	-23%
- 32MP and above		50%		More order win in flagship projects	n.a.	n.a.	n.a.	n.a.	17%	267%	43%	13%	46%	40%	80%	64%	63%
Fingerprint recognition modules																	
Fingerprint recognition modules		32%		In line with our estimate	-40%	-14%	-13%	6%	63%	139%	21%	26%	-6%	51%	82%	-2%	12%
- Under-glass fingerprint		33%			-50%	1%	-9%	-12%	85%	121%	9%	8%	6%	72%	78%	3%	5%
- Non under-glass fingerprint		31%			-29%	-25%	-17%	26%	41%	169%	39%	61%	-18%	30%	85%	-6%	17%

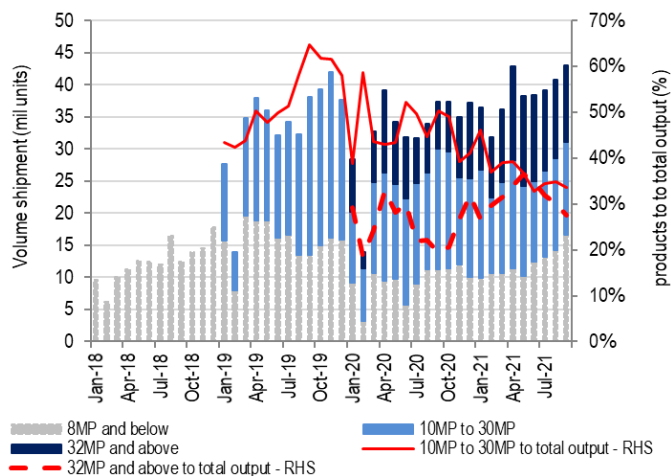
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 2: HCM monthly shipment (Jan 18 to Sep 21)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 3: HCM monthly shipments, breakdown by megapixel (Jan 18 to Sep 21)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Cut EPS by 4.0%/1.5%/1.5% for FY21F/22F/23F ➔

We cut our FY21F/22F/23F EPS forecasts by 4.0%/1.5%/1.5% as we revise downward our FY21F HCM shipment forecasts by 6% pts, from a 26% yoy growth to +20% yoy, reflecting weaker-than-expected 3Q shipments and tightened SoC supply to persist into 4Q21F (Fig 4).

Nevertheless, we maintain our GPM assumptions on the back of intact product mix improvements and enhanced automation and efficiency.

Figure 4: Earnings revision

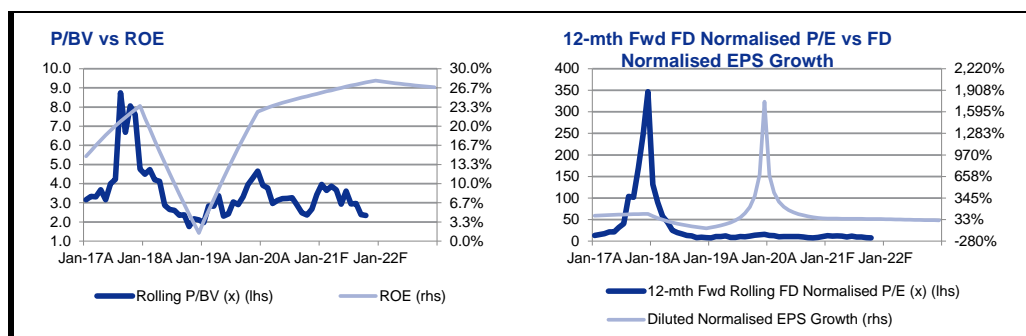
FYE Dec (Rmb m)	Dec-20A	Dec-21F			Dec-22F			Dec-23F		
		Old	New	% chg	Old	New	% chg	Old	New	% chg
Revenue	17,400	20,578	19,689	-4.3%	25,893	25,370	-2.0%	29,450	28,855	-2.0%
Gross profit	1,771	2,275	2,175	-4.4%	2,774	2,717	-2.1%	3,188	3,123	-2.1%
Gross profit margin	10.2%	11.1%	11.0%	0.0% pts	10.7%	10.7%	0.0% pts	10.8%	10.8%	0.0% pts
EBITDA	1,414	1,873	1,818	-2.9%	2,204	2,178	-1.2%	2,482	2,452	-1.2%
Net profit	840	1,207	1,159	-4.0%	1,486	1,463	-1.5%	1,749	1,723	-1.5%
EPS (Rmb)	0.719	0.93	0.99	-4.0%	1.27	1.25	-1.5%	1.49	1.47	-1.5%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 5: Peer comparison

Company	Bloomberg		Price (local curr)	Target Price (local curr)	Market Cap (US\$ m)	P/E (x)		3-year EPS CAGR (%)		P/BV (x)		Recurring ROE (%)		EV/EBITDA (x)		Dividend Yield (%)	
	Ticker	Recom.				CY20	CY21F	CY22F	CY21F	CY22F	CY21F	CY22F	CY21F	CY22F	CY21F	CY22F	
Handset vendors																	
Lenovo Group	992 HK	Add	7.63	13.24	11,808	13.9	8.2	6.7	32.9%	3.0	2.4	38.5%	39.8%	3.2	2.3	4.8%	5.3%
Xiaomi	1810 HK	Add	21.65	40.00	69,825	21.1	20.0	17.3	15.1%	3.5	3.1	17.8%	19.1%	18.6	14.5	0.0%	0.0%
Samsung Electronics	005930 KS	Add	71,500	106,000	357,251	18.4	13.4	10.4	n.a.	1.6	1.4	12.5%	14.4%	4.9	3.8	2.7%	3.0%
Apple	AAPL US	Not Rated	149.03	N/A	2,463,491	46.0	26.7	26.5	17.8%	41.4	37.4	144.5%	144.6%	20.0	20.1	0.6%	0.6%
Average						24.9	17.1	15.2	21.9%	12.4	11.1	53.3%	54.5%	11.6	10.1	2.0%	2.2%
Handset components - Acoustic																	
AAC Technologies	2018 HK	Hold	32.15	46.94	4,993	21.4	14.5	12.1	28.8%	1.6	1.5	10.7%	12.4%	6.7	5.7	1.4%	1.7%
GoerTek Inc	002241 CH	Not Rated	45.73	N/A	24,287	52.9	35.9	27.3	35.6%	6.4	4.9	18.7%	20.2%	20.9	16.9	0.5%	0.6%
Average						37.2	25.2	19.7	32.2%	4.0	3.2	14.7%	16.3%	13.8	11.3	0.9%	1.1%
Handset components - Casings / EMS																	
BYD Electronic	285 HK	Not Rated	31.30	N/A	9,063	10.5	14.5	10.6	6.4%	2.3	1.9	15.9%	18.5%	9.9	7.5	0.7%	1.1%
Tongda Group	698 HK	Hold	0.25	0.28	307	4.5	4.6	4.7	6.3%	0.2	0.2	5.6%	6.5%	3.0	2.4	3.2%	3.2%
Lens Technology	300433 CH	Add	21.13	41.05	16,294	18.6	16.0	12.7	n.a.	3.2	3.0	20.0%	24.5%	8.6	7.1	1.9%	2.4%
Luxshare Precision	002475 CH	Not Rated	33.40	N/A	36,531	32.3	26.7	20.0	26.3%	6.4	4.9	25.5%	26.3%	18.1	13.6	0.4%	0.5%
Shezhen Everwin in Precision	300115 CH	Not Rated	16.44	N/A	3,070	31.8	21.0	14.8	45.8%	2.6	2.3	12.1%	16.1%	N/A	N/A	0.7%	1.3%
Nanofilm Technologies	NANO SP	Add	3.81	5.05	1,858	36.8	36.1	25.6	21.1%	5.2	4.5	15.3%	18.7%	21.7	16.1	0.6%	1.0%
Catcher Technology	2474 TT	Not Rated	155.00	N/A	4,267	7.3	13.0	11.2	-15.6%	0.7	0.7	5.4%	6.2%	0.2	0.4	6.9%	6.5%
Jabil	JBL US	Not Rated	62.82	N/A	9,161	24.3	11.3	10.5	32.5%	4.3	3.7	41.7%	37.2%	5.0	4.6	0.5%	0.6%
Average						20.8	17.9	13.8	17.5%	3.1	2.7	17.7%	19.3%	9.5	7.4	1.9%	2.1%
Handset components - Displays																	
BOE Technology	000725 CH	Add	5.22	8.32	30,772	35.6	10.9	13.5	44.0%	1.6	1.5	15.5%	11.8%	5.7	5.8	4.6%	3.0%
Tianma Microelectronics	000050 CH	Add	13.83	23.40	5,270	20.5	15.7	12.9	25.2%	0.9	0.9	6.2%	7.1%	8.7	7.7	0.7%	0.8%
LG Display	034220 KS	Reduce	17,900	17,000	5,361	(10.9)	43.5	241.5	n.a.	0.6	0.6	1.3%	0.2%	2.2	3.2	0.0%	0.0%
Average						15.1	23.3	89.3	34.6%	1.0	1.0	7.7%	6.4%	5.5	5.6	1.8%	1.3%
Handset components - Opticals																	
Cowell Holdings	1415 HK	Add	4.82	6.95	517	9.6	9.5	6.9	20.8%	1.6	1.3	18.8%	20.6%	4.2	3.2	1.6%	2.2%
Q Technology	1478 HK	Add	11.22	22.34	1,704	12.8	9.1	7.4	29.3%	2.3	1.8	27.6%	26.8%	5.0	3.6	1.1%	1.3%
Sunny Optical Tech	2382 HK	Add	201.60	250.00	28,419	37.5	31.3	24.1	27.9%	8.8	6.7	31.5%	32.7%	20.3	15.6	0.6%	0.8%
O-Film Tech	002456 CH	Not Rated	8.20	N/A	3,435	22.0	20.0	16.3	18.2%	2.2	2.0	4.4%	7.1%	9.5	7.3	0.1%	0.5%
Will Semiconductor	603501 CH	Add	234.47	365.40	31,596	74.8	50.0	41.7	32.8%	13.3	10.5	30.4%	28.1%	35.7	29.9	0.2%	0.2%
Largan Precision	3008 TT	Not Rated	2,520	N/A	12,217	13.5	15.8	13.8	1.0%	2.3	2.1	14.9%	15.8%	7.3	6.4	3.2%	3.4%
LG Innotek	011070 KS	Add	197,000	250,000	3,902	13.6	9.3	8.9	n.a.	1.5	1.3	18.2%	15.9%	3.7	3.4	0.5%	0.5%
SEMCO	009150 KS	Hold	166,500	148,000	10,409	(52.7)	21.9	12.3	n.a.	2.0	1.7	9.6%	14.6%	9.5	6.3	0.8%	0.8%
Average						16.4	20.9	16.4	21.6%	4.2	3.4	19.4%	20.2%	11.9	9.5	1.0%	1.2%
Handset components - others																	
Avary Holding Shenzhen	002938 CH	Not Rated	30.13	N/A	10,874	22.5	19.1	16.0	15.5%	2.9	2.6	15.1%	16.0%	12.7	10.7	1.7%	1.9%
Shenzhen Goodix Technology	603160 CH	Reduce	110.90	103.20	7,882	30.3	41.5	33.5	n.a.	5.4	4.6	14.0%	14.9%	50.0	34.1	0.3%	0.4%
Sunwoda Electronics	300207 CH	Not Rated	36.81	N/A	9,307	77.8	45.7	32.8	49.0%	7.1	5.9	16.0%	18.6%	23.8	17.4	0.3%	0.4%
Universal Scientific Industrial	601231 CH	Add	14.45	29.80	4,951	20.3	15.6	12.4	n.a.	2.3	2.0	16.1%	17.5%	9.6	7.6	1.9%	2.4%
Delta Electronics Inc	2308 TT	Not Rated	258.00	N/A	24,221	26.2	21.9	18.9	16.8%	4.2	3.8	18.9%	19.8%	13.0	11.2	2.5%	2.9%
Pegatron	4938 TT	Not Rated	64.60	N/A	6,235	7.7	8.5	9.5	-5.3%	1.0	1.0	11.7%	10.1%	6.4	5.4	7.3%	7.1%
Zhen Ding Technology	4958 TT	Not Rated	97.60	N/A	3,183	10.4	10.4	8.8	8.8%	1.1	1.1	10.2%	11.1%	4.1	3.7	4.5%	5.4%
Average						27.9	23.2	18.8	16.9%	3.4	3.0	14.6%	15.4%	17.1	12.9	2.6%	2.9%

SOURCES: CGS-CIMB RESEARCH, BLOOMBERG (PRICE AS AT 11 OCT, 2021)

BY THE NUMBERS

Profit & Loss

(Rmbm)	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Total Net Revenues	13,170	17,400	19,689	25,370	28,855
Gross Profit	1,180	1,771	2,175	2,717	3,123
Operating EBITDA	932	1,387	1,798	2,158	2,432
Depreciation And Amortisation	(291)	(384)	(476)	(533)	(549)
Operating EBIT	641	1,002	1,322	1,625	1,883
Financial Income/(Expense)	(56)	2	54	17	28
Pretax Income/(Loss) from Assoc.	40	(23)	5	35	60
Non-Operating Income/(Expense)	0	0	0	0	0
Profit Before Tax (pre-EI)	624	981	1,381	1,677	1,971
Exceptional Items	(18)	(11)	(43)	0	0
Pre-tax Profit	607	970	1,338	1,677	1,971
Taxation	(65)	(130)	(179)	(213)	(248)
Exceptional Income - post-tax					
Profit After Tax	542	840	1,159	1,463	1,723
Minority Interests	0	0	0	0	0
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Preference Dividends (Australia)					
Net Profit	542	840	1,159	1,463	1,723
Normalised Net Profit	560	852	1,202	1,463	1,723
Fully Diluted Normalised Profit	560	852	1,202	1,463	1,723

Cash Flow

(Rmbm)	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
EBITDA	932	1,387	1,798	2,158	2,432
Cash Flow from Inv. & Assoc.	(40)	23	(5)	(35)	(60)
Change In Working Capital	1,183	1,379	19	166	83
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	397	973	34	58	72
Net Interest (Paid)/Received	(39)	(37)	(9)	(3)	8
Tax Paid	(33)	(121)	(179)	(213)	(248)
Cashflow From Operations	2,400	3,604	1,657	2,131	2,287
Capex	(1,156)	(541)	(1,100)	(700)	(600)
Disposals Of FAs/subsidiaries	0	0	0	0	0
Acq. Of Subsidiaries/investments	(156)	0	0	0	0
Other Investing Cashflow					
Cash Flow From Investing	(1,312)	(541)	(1,100)	(700)	(600)
Debt Raised/(repaid)	(1,086)	(1,015)	232	170	92
Proceeds From Issue Of Shares	40	242	0	0	0
Shares Repurchased	0	0	0	0	0
Dividends Paid	0	(107)	(49)	(116)	(146)
Preferred Dividends					
Other Financing Cashflow	230	(435)	(32)	(29)	(34)
Cash Flow From Financing	(817)	(1,315)	151	24	(88)
Total Cash Generated	271	1,748	708	1,455	1,600
Free Cashflow To Equity	1	2,048	789	1,601	1,780
Free Cashflow To Firm	1,140	3,117	589	1,460	1,721

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd
Balance Sheet

(Rmbm)	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Total Cash And Equivalents	504	2,250	2,658	4,131	5,749
Total Debtors	4,919	3,589	4,061	5,233	5,952
Inventories	1,913	1,943	2,177	2,816	3,199
Total Other Current Assets	26	100	113	146	166
Total Current Assets	7,363	7,882	9,009	12,326	15,065
Fixed Assets	2,704	2,960	3,584	3,751	3,801
Total Investments	433	416	416	416	416
Intangible Assets	5	4	4	4	4
Total Other Non-Current Assets	130	141	89	89	89
Total Non-current Assets	3,272	3,521	4,093	4,259	4,310
Short-term Debt	1,270	1,104	1,177	1,346	1,439
Current Portion of Long-Term Debt					
Total Creditors	6,192	6,021	6,747	8,727	9,914
Other Current Liabilities	82	151	151	151	151
Total Current Liabilities	7,543	7,276	8,075	10,224	11,503
Total Long-term Debt	59	159	0	0	0
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	160	157	177	228	260
Total Non-current Liabilities	220	316	177	228	260
Total Provisions	5	25	25	25	25
Total Liabilities	7,768	7,617	8,277	10,477	11,788
Shareholders' Equity	2,867	3,786	4,825	6,108	7,588
Minority Interests	0	0	0	0	0
Total Equity	2,867	3,786	4,825	6,108	7,588

Key Ratios

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Revenue Growth	61.9%	32.1%	13.2%	28.9%	13.7%
Operating EBITDA Growth	318%	49%	30%	20%	13%
Operating EBITDA Margin	7.08%	7.97%	9.13%	8.51%	8.43%
Net Cash Per Share (Rmb)	(0.71)	0.84	1.26	2.38	3.68
BVPS (Rmb)	2.48	3.23	4.12	5.21	6.47
Gross Interest Cover	12.13	18.72	41.87	55.23	55.95
Effective Tax Rate	10.6%	13.4%	13.4%	12.7%	12.6%
Net Dividend Payout Ratio	18.6%	5.8%	9.6%	10.0%	10.0%
Accounts Receivables Days	110.2	89.5	70.9	66.9	70.7
Inventory Days	39.84	45.15	42.93	40.23	42.66
Accounts Payables Days	136.9	139.9	132.9	124.5	132.0
ROIC (%)	17.6%	21.9%	38.7%	38.9%	44.7%
ROCE (%)	17.5%	22.0%	24.2%	24.5%	23.3%
Return On Average Assets	7.05%	7.71%	9.48%	9.77%	9.47%

Key Drivers

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Handset camera module shipments (yoy change %)	48.7%	0.0%	20.0%	15.0%	10.0%
Fingerprint recognition module shipments (yoy chan	(0.1)	(0.1)	0.2	0.1	0.1
Handset camera module GPM (%)	8.0%	10.0%	11.3%	10.9%	11.0%
Fingerprint recognition module GPM (%)	12.2%	10.7%	7.8%	7.8%	8.0%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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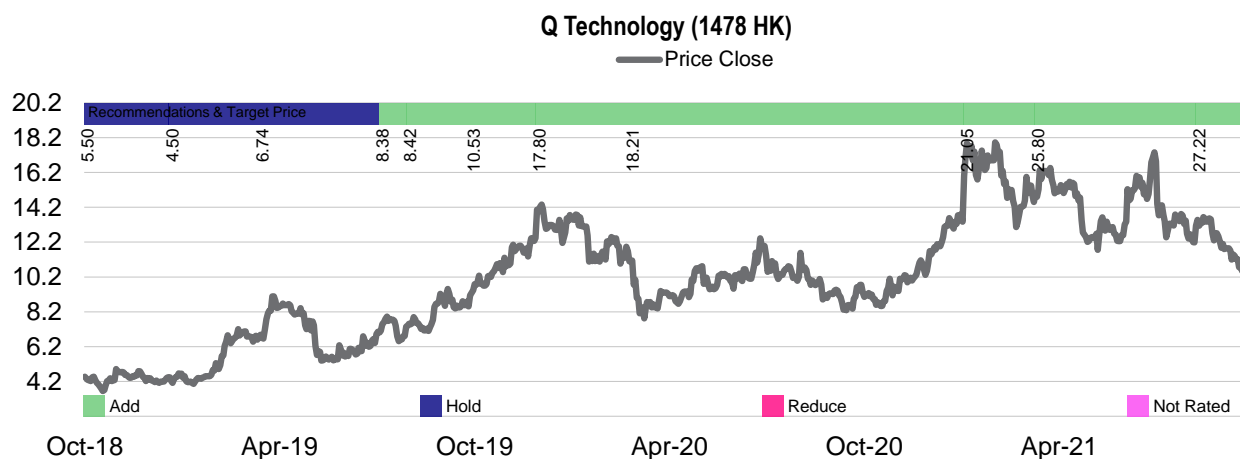
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Distribution of stock ratings and investment banking clients for quarter ended on 30 September 2021		
623 companies under coverage for quarter ended on 30 September 2021		
	Rating Distribution (%)	Investment Banking clients (%)
Add	72.4%	1.1%
Hold	20.1%	0.0%
Reduce	7.5%	0.0%

Spitzer Chart for stock being researched (2 year data)



Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2020, Anti-Corruption 2020

ADVANC – Excellent, Certified, **AMATA** – Excellent, Certified, **ANAN** – Excellent, n/a, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Excellent, n/a, **AU** – Good, n/a, **BAM** – Very Good, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Certified, **BCP** – Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Excellent, n/a, **BEAUTY** – Good, n/a, **BH** – Good, n/a, **BJC** – Very Good, n/a, **BLA** – Excellent, Certified, **BTS** – Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – n/a, n/a, **CENTEL** – Excellent, Certified, **CHAYO** – Very Good, n/a, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COM7** – Very Good, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** – Excellent, Certified, **CPNREIT** – n/a, n/a, **CRC** – Very Good, n/a, **DELTA** – Excellent, Certified, **DDD** – Very Good, n/a, **DIF** – n/a, n/a, **DOHOME** – Very Good, n/a, **DREIT** – n/a, n/a, **DTAC** – Excellent, Certified, **ECL** – Excellent, Certified, **EGCO** – Excellent, Certified, **EPG** – Excellent, Certified, **ERW** – Very Good, Certified, **GFPT** – Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Very Good, n/a, **HANA** – Excellent, Certified, **HMPRO** – Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, n/a, **INTUCH** – Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** – Excellent, Certified, **JASIF** – n/a, n/a, **JKN** – Excellent, Declared, **JMT** – Very Good, Declared, **KBANK** – Excellent, Certified, **KCE** – Excellent, Certified, **KEX** – n/a, n/a, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** – Excellent, Certified, **KTC** – Excellent, Certified, **LH** – Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MAKRO** – Excellent, Certified, **MC** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** – Excellent, Certified, **MTC** – Excellent, Certified, **NETBAY** – Very Good, n/a, **NRF** – n/a, n/a, **OR** – n/a, n/a, **ORI** – Excellent, Certified, **OSP** – Very Good, n/a, **PLANB** – Excellent, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, n/a, **PSH** – Excellent, Certified, **PTT** – Excellent, Certified, **PTTEP** – Excellent, Certified, **PTTGC** – Excellent, Certified, **QH** – Excellent, Certified, **RBF** – Good, n/a, **RS** – Excellent, n/a, **RSP** – Good, n/a, **S** – Excellent, n/a, **SAK** – n/a, n/a, **SAPPE** – Very Good, Certified, **SAWAD** – Very Good, n/a, **SCB** – Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – n/a, n/a, **SHR** – Very Good, n/a, **SIRI** – Excellent, Certified, **SPA** – Very Good, n/a, **SPALI** – Excellent, Declared, **SPRC** – Excellent, Certified, **SSP** – Good, Declared, **STEC** – n/a, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, n/a, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIDLOR** – n/a, n/a, **TISCO** – Excellent, Certified, **TKN** – Very Good, n/a, **TMB** – Excellent, Certified, **TOP** – Excellent, Certified, **TRUE** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Certified, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – n/a, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

- CG Score 2020 from Thai Institute of Directors Association (IOD)

- Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of January 30, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.

Recommendation Framework	
Stock Ratings	Definition:
Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.
<i>The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.</i>	
Sector Ratings	Definition:
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.
Country Ratings	Definition:
Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.