

Hong Kong

ADD (no change)

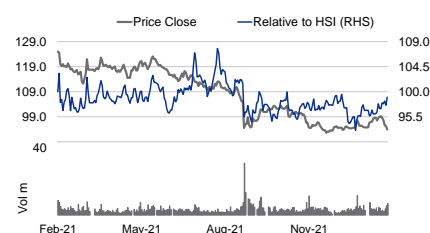
Consensus ratings*: Buy 13 Hold 4 Sell 1

Current price:	HK\$93.95
Target price:	HK\$143.0
Previous target:	HK\$144.0
Up/downside:	52.2%
CGS-CIMB / Consensus:	12.9%
Reuters:	0016.HK
Bloomberg:	16 HK
Market cap:	US\$34,863m HK\$272,246m
Average daily turnover:	US\$44.10m HK\$343.8m
Current shares o/s:	2,898m
Free float:	52.0%

*Source: Bloomberg

Key changes in this note

- FY6/22F EPS decreased by 4%.
- FY6/23F EPS decreased by 7%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-3.2	-6	-22.4
Relative (%)	3.9	1.2	0.5

Major shareholders	% held
Kwok's family	48.0

Analyst(s)



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Sun Hung Kai Properties Ltd

Eager to expand HK DP land bank

- SHKP reported a 15% yoy decline in underlying profit in 1HFY6/22, driven by lower DP sales recognition in HK and China.
- Due to HK's latest wave of Covid-19 outbreak, we think SHKP may miss its FY6/22F HK DP sales target of HK\$45bn (46% achieved in 1H).
- It does not rule out the possibility of acquiring HK assets from Chinese developers, and will step up efforts in farmland conversion.
- Reiterate Add with a lower TP of HK\$143 (30% discount to NAV). SHKP is still our top pick among HK developers.

1HFY6/22 underlying profit declined by 15% yoy

SHKP reported a 15% yoy decline in underlying profit to HK\$14.8bn in 1HFY6/22 (50% of our FY6/22F estimate), primarily driven by lower development property (DP) booking in HK and China. Interim DPS was flat yoy at HK\$1.25.

May miss FY6/22F DP sales target but huge backlog for booking

SHKP recorded HK\$20.6bn of contracted DP sales in HK in 1HFY6/22, driven by upbeat sales of Wetland Seasons Bay and The Yoho Hub. We think there is risk to SHKP achieving its FY6/22F DP sales target of HK\$45bn given the latest round of Covid-19 outbreak, but it has HK\$28.6bn unbooked sales for the coming years. Its gross rental income (GRI) from HK investment properties (IP) declined by 3% yoy in 1HFY6/22, due to mildly negative rental reversion of its office and retail rental portfolio.

Expanding China IP portfolio to capture luxury retail sales growth

Its China GRI remains a bright spot, rising 12% yoy in Rmb terms to Rmb2.8bn in 1HFY6/22, driven by strong luxury demand amid border lockdowns. It targets its China IP portfolio to expand to 29m sf by end-FY26F (15m sf currently), driven by completion of remaining phases of Shanghai ITC and Nanjing IFC. SHKP also achieved contracted DP sales of HK\$2.4bn in 1HFY6/22, slightly behind its FY22F target of HK\$7bn.

Eager to acquire more HK land bank through different means

SHKP completed the lease modification for Shap Sz Heung farmland so that its total planned GFA increased by 1m sf to 5.8m sf. SHKP expects to build no fewer than 9k homes (i.e., about 600 sf per unit) under the approved new plan. Meanwhile, it does not rule out the possibility of acquiring assets in HK from Chinese developers if the ask prices are attractive. Otherwise, its current DP land bank in HK is sufficient to meet its development needs in the next five to six years. SHKP also says a few farmland sites have entered the final stages of conversion.

Reiterate Add with a lower TP of HK\$143

We cut FY22F/23F EPS by 4%/7% to factor in slower DP sales recognition and slower recovery of HK IP. We also lower our TP for SHKP to HK\$143, as we trim its NAV by 1% to HK\$204.7 and keep its target discount at 30%. Reiterate Add; SHKP is still our top pick among HK developers for its premium-pricing ability and a solid DP sales pipeline for the property market in the north of HK. Stronger property sales margins in HK are a potential re-rating catalyst, while weaker-than-expected recovery of HK IP is a key downside risk.

Financial Summary

	Jun-20A	Jun-21A	Jun-22F	Jun-23F	Jun-24F
Total Net Revenues (HK\$m)	82,653	85,262	87,511	90,633	104,680
Operating EBITDA (HK\$m)	35,455	37,245	36,598	37,918	43,959
Net Profit (HK\$m)	23,521	26,686	28,919	31,627	35,083
Core EPS (HK\$)	10.13	10.31	9.98	10.91	12.11
Core EPS Growth	(9.4%)	1.7%	(3.2%)	9.4%	10.9%
FD Core P/E (x)	9.27	9.11	9.41	8.61	7.76
DPS (HK\$)	4.95	4.95	4.95	5.00	5.00
Dividend Yield	5.27%	5.27%	5.27%	5.32%	5.32%
EV/EBITDA (x)	8.26	7.29	7.32	6.88	5.69
P/FCFE (x)	11.92	21.38	21.16	14.47	11.52
Net Gearing	14.4%	15.9%	15.0%	13.9%	12.0%
P/BV (x)	0.48	0.46	0.45	0.44	0.42
ROE	5.16%	5.13%	4.81%	5.13%	5.52%
% Change In Core EPS Estimates			(4.01%)	(7.14%)	0.45%
CGS-CIMB/Consensus EPS (x)			0.93	0.94	1.02

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 1: SHKP 1HFY22 results summary

HK\$ m	1HFY21	1HFY22	yoy%
Property developemnt	24,964	17,305	-31%
-Hong Kong	23,374	16,964	-27%
-China	1,590	341	-79%
Property investment	10,190	10,442	2%
-Hong Kong	7,736	7,540	-3%
-China	2,454	2,902	18%
Hotel operation	1,030	1,564	52%
Telecom	3,244	3,792	17%
Other income/expenses	6,642	7,050	6%
Total revenue	46,070	40,153	-13%
Property sales	11,340	7,190	-37%
-Hong Kong	10,449	7,012	-33%
-China	891	178	-80%
Rental income	7,778	8,029	3%
-Hong Kong	5,754	5,612	-2%
-China	2,024	2,417	19%
Hotel operation	(202)	(138)	-32%
Telecom	380	391	3%
Other income/expenses	1,727	1,435	-17%
Operating profit	21,023	16,907	-20%
Net interest expense	(1,017)	(917)	-10%
Net operating profit	20,006	15,990	-20%
Non-operating profit/loss	71	504	610%
Associated companies	1,971	1,713	-13%
Profit before taxation	22,048	18,207	-17%
Taxation	(4,169)	(3,061)	-27%
Minority interests & PCS	(397)	(328)	-17%
Core profit	17,482	14,818	-15%
Core EPS (HK\$)	6.03	5.11	-15%
DPS (HK\$)	1.25	1.25	0%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 2: Segment profit breakdown

HK\$ m	1HFY21	1HFY22	yoy %
Property development	12,366	7,658	-38%
Property development income- HK	10,484	7,036	-33%
Property development income-China	1,882	622	-67%
Rental income	9,496	9,728	2%
Rental income- HK	6,923	6,715	-3%
Rental income- China	2,313	2,766	20%
Rental income- Singapore	260	247	-5%
Hotel operations	(228)	(162)	-29%
Other businesses	2,378	2,103	-12%
Adj. for unallocated expenses	155	216	39%
Total segment profit	24,167	19,543	-19%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 3: Earnings revisions

HK\$ m	2022F			2023F			2024F		
	Old	New	% chg	Old	New	% chg	Old	New	% chg
Core net profit	30,127	28,919	-4%	34,058	31,627	-7%	34,927	35,083	0%
EPS (HK\$)	10.40	9.98	-4%	11.75	10.91	-7%	12.05	12.11	0%
DPS (HK\$)	4.99	4.95	-1%	5.29	5.00	-5%	5.42	5.00	-8%

SOURCES: CGS-CIMB RESEARCH ESTIMATES

Figure 4: NAV breakdown

	HK\$m	HK\$/share	As % of GAV
HK Development Properties	152,330	52.6	22.2%
HK Investment Properties	352,866	121.8	51.3%
China Investment Properties	118,897	41.0	17.3%
China Development Properties	22,817	7.9	3.3%
Others	40,534	14.0	5.9%
Gross Asset Value (GAV)	687,445	237.2	100.0%
Net debt	(94,315)	(32.5)	
Net Asset Value (NAV)	593,130	204.7	

SOURCES: CGS-CIMB RESEARCH ESTIMATES

Figure 5: Summary of NAV and TP changes

	Old	New	Change
NAV (HK\$)	205.9	204.7	-1%
Discount to NAV	30%	30%	0% pts
TP (HK\$)	144.0	143.0	-1%


SOURCES: CGS-CIMB RESEARCH ESTIMATES

Figure 6: HK property valuation summary

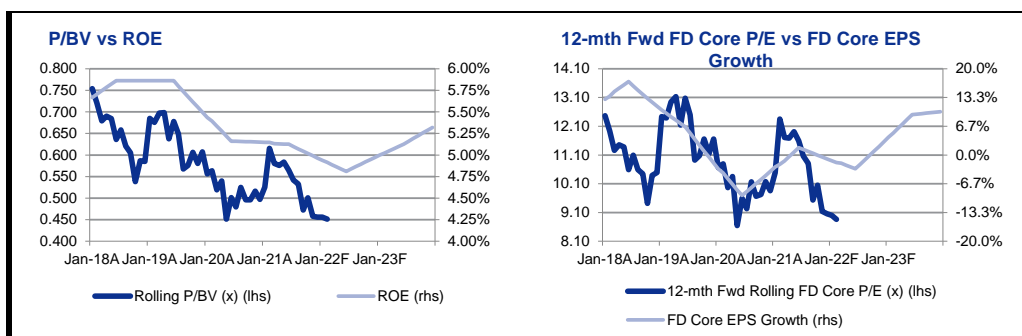
Short Name	Ticker	Share price		TP	Rating	Mkt cap (US\$m)	NAV/sh (HK\$)	Disc. to NAV		P/E (x)				P/BV (x)			Net Gearing (%)				
		(HK\$)	(HK\$)					NAV	Upside	2020	2021F	2022F	2023F	2020	2021F	2022F	2020	2021F	2022F	2020	2021F
CK Asset	1113 HK	50.20	58.10	ADD	23,423	96.8	48	16	9.6	9.7	8.1	7.2	0.52	0.50	0.48	3.6	4.1	4.2	5	10	7
HLD	12 HK	32.60	40.40	ADD	20,211	67.3	52	24	10.6	11.1	10.5	9.8	0.48	0.47	0.46	5.5	5.5	5.6	25	38	37
Kerry Prop	683 HK	22.35	31.70	ADD	4,163	63.4	65	42	7.7	6.9	6.6	6.0	0.30	0.29	0.29	6.0	14.5	6.0	22	20	20
NWD	17 HK	31.85	46.40	ADD	10,264	77.4	59	46	12.2	11.5	10.6	7.4	0.38	0.36	0.35	6.4	6.5	6.5	41	35	32
SHKP	16 HK	93.95	143.00	ADD	34,863	204.7	54	52	9.3	9.1	9.4	8.6	0.48	0.46	0.45	5.3	5.3	5.3	15	15	14
Sino	83 HK	9.96	12.10	ADD	9,713	20.1	50	21	16.6	7.4	10.6	11.4	0.48	0.47	0.45	5.5	8.3	5.7	(26)	(24)	(24)
Wharf Holdings	4 HK	27.60	27.70	HOLD	10,801	50.4	45	0	27.3	21.8	14.4	12.3	0.53	0.52	0.51	1.4	1.6	2.1	16	24	22
HLP	101 HK	16.52	18.00	HOLD	9,518	29.5	44	9	17.7	17.0	15.6	12.4	0.54	0.52	0.51	4.6	4.7	4.7	21	24	25
HKL*	HKL SP	5.57	6.30	ADD	13,000	10.5	47	13	13.5	13.1	12.6	12.3	0.36	0.36	0.34	3.9	3.9	4.1	13	15	14
Hysan	14 HK	22.75	32.90	ADD	3,013	65.7	65	45	9.8	10.6	9.8	9.2	0.32	0.32	0.31	6.3	6.3	6.4	(7)	4	4
Swire Prop	1972 HK	20.20	21.20	HOLD	15,133	38.6	48	5	9.3	14.7	14.7	13.7	0.41	0.41	0.40	4.5	4.6	4.8	2	4	4
Wharf REIC	1997 HK	34.85	40.20	HOLD	13,550	61.9	44	15	14.2	14.3	13.1	12.5	0.52	0.51	0.50	4.2	4.2	4.7	25	24	23
Champion REIT	2778 HK	3.65	4.10	HOLD	2,775	6.3	42	12	13.9	14.4	14.6	14.4	0.42	0.44	0.44	6.8	6.2	6.1	29	28	26
Link REIT	823 HK	63.80	85.00	ADD	17,240	77.7	18	33	NA	113.6	20.6	19.9	0.82	0.84	0.84	4.5	4.5	5.1	21	30	33
Midland	1200 HK	0.96	2.52	ADD	88	NA	NA	163	5.2	2.4	2.0	1.9	0.63	0.51	0.43	0.0	10.8	13.6	(65)	(75)	(77)
Developers							53	29	13.3	11.1	10.0	9.0	0.45	0.44	0.43	4.8	6.5	5.1	14	17	15
Landlords & REITs							44	19	13.1	28.3	14.4	13.5	0.49	0.49	0.48	5.0	4.9	5.1	15	19	19
Simple average (ex. Midland)							49	24	13.2	19.7	12.2	11.2	0.47	0.46	0.45	4.9	5.7	5.1	14	18	17

Share price data as of 24 Feb 2022; * HKL data stated in US\$

SOURCES: CGS-CIMB RESEARCH, BLOOMBERG, COMPANY REPORTS

Refinitiv ESG Scores							
	<table border="1"> <tr> <td style="text-align: center;">B+ ESG Score</td> <td style="text-align: center;">A+ ESG Controversies Score</td> <td style="text-align: center;">B+ ESG Combined Score</td> <td style="text-align: center;">A ESG Environment Pillar Score</td> <td style="text-align: center;">B+ ESG Social Pillar Score</td> <td style="text-align: center;">C+ ESG Government Pillar Score</td> </tr> </table>	B+ ESG Score	A+ ESG Controversies Score	B+ ESG Combined Score	A ESG Environment Pillar Score	B+ ESG Social Pillar Score	C+ ESG Government Pillar Score
B+ ESG Score	A+ ESG Controversies Score	B+ ESG Combined Score	A ESG Environment Pillar Score	B+ ESG Social Pillar Score	C+ ESG Government Pillar Score		
ESG in a nutshell							
<p>Sun Hung Kai Properties (SHKP) had a combined ESG score of B+ score in 2021 according to Refinitiv. SHKP's sustainability strategy is built on five priority pillars: the environment, people, customers, supply chain and community. It also scored A for MSCI ESG ratings in FY6/21. SHKP has set a couple of ESG targets. It aims to reduce direct and indirect greenhouse gas emissions/electricity consumption/water use of its major investment properties by 25%/13%/5% respectively before FY6/30 (baseline: FY6/20). Also, SHKP targets to achieve an annual diversion rate of at least 70% of construction waste in Hong Kong construction projects.</p>							
<p>Keep your eye on</p> <p>We see no ESG issues for SHKP which we are concerned about.</p>	<p>Implications</p> <p>N/A</p>						
<p>ESG highlights</p> <p>In FY6/20, over 95% of SHKP's ongoing construction sites (by total gross floor area) were registered with BEAM Plus. Total greenhouse gas emissions were reduced by 18% yoy while total energy consumption was reduced by 19% yoy. Also, its construction team maintained a low accident rate of 2.65 accidents per 1,000 workers in FY6/20..</p>	<p>Implications</p> <p>SHKP has demonstrated its commitment towards ESG issues over the past few years. We believe further progress on ESG could support a further re-rating of its share price.</p>						
<p>Trends</p> <p>SHKP had an ESG score of 60.14 in FY6/20, according to Refinitiv, vs. 61.95 in FY6/19, with relative improvements in workforce offset by lower score in shareholders, emissions, and community. It scored A in "Workforce" section in FY6/20 which improved from B+ in FY6/19, as SHKP increased net employment creation, improved the employee turnover rate, and provided ESG training and day care services to staff.</p>	<p>Implications</p> <p>We have not applied any premium/discount for ESG in our fundamental valuations. We believe SHKP will continually improve on the different areas of ESG, thereby attracting greater interest from ESG-focused investors.</p>						
<small>SOURCES: CGS-CIMB RESEARCH, REFINITIV</small>							

BY THE NUMBERS



Profit & Loss

(HK\$m)	Jun-20A	Jun-21A	Jun-22F	Jun-23F	Jun-24F
Total Net Revenues	82,653	85,262	87,511	90,633	104,680
Gross Profit	42,136	44,769	43,992	45,578	52,839
Operating EBITDA	35,455	37,245	36,598	37,918	43,959
Depreciation And Amortisation	0	0	0	0	0
Operating EBIT	35,455	37,245	36,598	37,918	43,959
Financial Income/(Expense)	(2,120)	(1,990)	(1,955)	(2,105)	(2,262)
Pretax Income/(Loss) from Assoc.	3,147	3,682	4,502	7,578	6,069
Non-Operating Income/(Expense)	337	82	419	419	419
Profit Before Tax (pre-EI)	36,819	39,019	39,564	43,809	48,186
Exceptional Items					
Pre-tax Profit	36,819	39,019	39,564	43,809	48,186
Taxation	(6,674)	(8,378)	(9,396)	(10,613)	(11,433)
Exceptional Income - post-tax					
Profit After Tax	30,145	30,641	30,168	33,196	36,753
Minority Interests	(777)	(768)	(1,250)	(1,569)	(1,670)
Prof. & Special Div	0	0	0	0	0
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax	(5,847)	(3,187)	0	0	0
Net Profit	23,521	26,686	28,919	31,627	35,083
Recurring Net Profit	29,368	29,873	28,919	31,627	35,083
Fully Diluted Recurring Net Profit	29,368	29,873	28,919	31,627	35,083

Cash Flow

(HK\$m)	Jun-20A	Jun-21A	Jun-22F	Jun-23F	Jun-24F
EBITDA	35,455	37,245	36,598	37,918	43,959
Cash Flow from Invnt. & Assoc.					
Change In Working Capital	12,047	(20,089)	(179)	15,299	21,094
Straight Line Adjustment					
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	14,521	9,534	7,718	8,956	7,992
Other Operating Cashflow					
Net Interest (Paid)/Received	(2,769)	(2,421)	(2,656)	(2,863)	(3,094)
Tax Paid	(5,539)	(5,426)	(9,396)	(10,613)	(11,433)
Cashflow From Operations	53,715	18,843	32,085	48,697	58,517
Capex	(48,687)	(10,222)	(15,000)	(30,000)	(35,000)
Disposals Of FAs/subsidiaries	(380)	1,506	0	0	0
Disposals of Investment Properties					
Acq. Of Subsidiaries/Investments	0	0	0	0	0
Other Investing Cashflow	0	0	117	117	117
Cash Flow From Investing	(49,067)	(8,716)	(14,883)	(29,883)	(34,883)
Debt Raised/(repaid)	18,191	2,605	(4,339)	0	0
Proceeds From Issue Of Shares	4	(18)	0	0	0
Shares Repurchased					
Dividends Paid	(15,083)	(14,760)	(14,344)	(14,634)	(14,489)
Preferred Dividends					
Other Financing Cashflow	8,209	(5,567)	0	0	0
Cash Flow From Financing	11,321	(17,740)	(18,683)	(14,634)	(14,489)

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

(HK\$m)	Jun-20A	Jun-21A	Jun-22F	Jun-23F	Jun-24F
Total Cash And Equivalents	31,705	21,781	20,300	24,481	33,626
Properties Under Development	234,104	201,296	203,807	201,443	192,764
Total Debtors	17,029	18,373	18,373	18,373	18,373
Inventories					
Total Other Current Assets	824	1,383	1,383	1,383	1,383
Total Current Assets	283,662	242,833	243,864	245,679	246,146
Fixed Assets	4,288	4,273	4,273	4,273	4,273
Total Investments	509,881	549,313	562,100	591,781	625,993
Intangible Assets	0	0	0	0	0
Total Other Non-Current Assets	0	0	0	0	0
Total Non-current Assets	514,169	553,586	566,373	596,054	630,266
Short-term Debt	26,375	20,979	10,479	9,657	10,231
Current Portion of Long-Term Debt					
Total Creditors	58,313	36,854	39,186	52,120	64,535
Other Current Liabilities					
Total Current Liabilities	84,688	57,833	49,666	61,777	74,766
Total Long-term Debt	90,044	95,844	102,005	102,827	102,253
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	23,843	27,750	27,750	27,750	27,750
Total Non-current Liabilities	113,887	123,594	129,755	130,577	130,003
Total Provisions	12,654	15,366	15,366	15,366	15,366
Total Liabilities	211,229	196,793	194,786	207,720	220,135
Shareholders' Equity	571,813	593,820	608,395	625,388	645,982
Minority Interests	14,789	5,806	7,056	8,625	10,295
Total Equity	586,602	599,626	615,450	634,013	656,277

Key Ratios

	Jun-20A	Jun-21A	Jun-22F	Jun-23F	Jun-24F
Revenue Growth	(3.1%)	3.2%	2.6%	3.6%	15.5%
Operating EBITDA Growth	(6.3%)	5.0%	(1.7%)	3.6%	15.9%
Operating EBITDA Margin	42.9%	43.7%	41.8%	41.8%	42.0%
Net Cash Per Share (HK\$)	(29.23)	(32.80)	(31.81)	(30.37)	(27.21)
BVPS (HK\$)	197.3	204.9	210.0	215.8	222.9
Gross Interest Cover	10.40	11.72	11.78	11.55	12.21
Effective Tax Rate	18.1%	21.5%	23.7%	24.2%	23.7%
Net Dividend Payout Ratio	61.0%	53.8%	49.6%	45.8%	41.3%
Accounts Receivables Days	88.21	75.78	76.63	73.99	64.24
Inventory Days	-	-	-	-	-
Accounts Payables Days	296.1	293.2	237.8	232.0	204.2
ROIC (%)	16.5%	15.7%	16.2%	16.8%	21.2%
ROCE (%)	5.13%	5.21%	5.02%	5.09%	5.75%
Return On Average Assets	3.37%	3.65%	3.96%	4.23%	4.50%

Key Drivers

	Jun-20A	Jun-21A	Jun-22F	Jun-23F	Jun-24F
Contracted property sales in HK (HK\$ m)	33,600.0	23,200.0	35,904.5	53,348.5	65,019.1
Revenue from DP (HK\$ m)	39,765.0	42,701.0	43,738.3	44,519.1	55,592.4
Revenue from IP (HK\$ m)	19,909.0	20,410.0	20,826.4	22,305.0	24,490.0
Operating profit margin (%)	42.9%	43.7%	41.8%	41.8%	42.0%
Operating profit margin - DP (%)	44.3%	45.1%	39.1%	38.3%	38.1%
Operating profit margin - IP (%)	75.9%	76.7%	79.4%	79.7%	80.0%
Effective tax rate (%)	18.3%	21.5%	21.5%	21.5%	21.5%
Payout ratio on underlying profit (%)	48.8%	48.0%	49.6%	45.8%	41.3%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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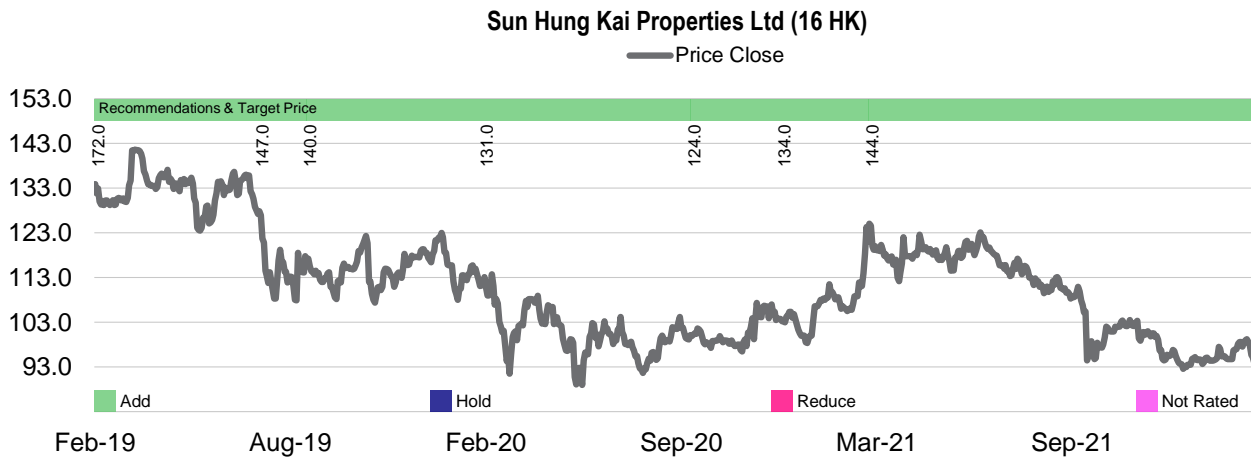
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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2021		
619 companies under coverage for quarter ended on 31 December 2021		
	Rating Distribution (%)	Investment Banking clients (%)
Add	71.1%	1.5%
Hold	21.8%	0.0%
Reduce	7.1%	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 2021, Anti-Corruption 2021

ADVANC – Excellent, Certified, **AMATA** – Excellent, Certified, **ANAN** – Excellent, n/a, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Excellent, n/a, **AWC** – Excellent, Declared, **AU** – Good, n/a, **BAM** – Very Good, Certified, **BAY** – Excellent, Certified, **BBL** – Excellent, Certified, **BCH** – Very Good, Certified, **BCP** - Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Excellent, n/a, **BEAUTY** – Good, n/a, **BEM** – Excellent, n/a **BH** - Good, n/a, **BJC** – Very Good, n/a, **BLA** – Very Good, 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** – Excellent, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** - Excellent, Certified, **CPNREIT** – n/a, n/a, **CRC** – Excellent, Declared, **DELTA** - Excellent, Certified, **DDD** – Excellent, n/a, **DIF** – n/a, n/a, **DOHOME** – Very Good, Declared, **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** – Excellent, n/a, **HANA** - Excellent, Certified, **HMPRO** - Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, Declared, **INTUCH** - Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** - Excellent, Certified, **JASIF** – n/a, n/a, **JKN** – n/a, Certified, **JMT** – Very Good, n/a, **KBANK** - Excellent, Certified, **KCE** - Excellent, Certified, **KEX** – Very Good, Declared, **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** – Very Good, Declared, **OR** – Excellent, n/a, **ORI** – Excellent, Certified, **OSP** – Excellent, n/a, **PLANB** – Excellent, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, Declared, **PSH** – Excellent, Certified, **PTT** - Excellent, Certified, **PTTEP** - Excellent, n/a, **PTTGC** - Excellent, Certified, **QH** – Excellent, Certified, **RAM** – n/a, n/a, **RBF** – Very Good, n/a, **RS** - Excellent, Declared, **RSP** – Good, n/a, **S** – Excellent, n/a, **SAK** – Very Good, Declared, **SAPPE** – Very Good, Certified, **SAWAD** – Very Good, n/a, **SCB** - Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – Excellent, Declared, **SECURE** – n/a, n/a, **SHR** – Excellent, n/a, **SIRI** – Excellent, Certified, **SPA** – Very Good, n/a, **SPALI** - Excellent, Certified, **SPRC** – Excellent, Certified, **SSP** - Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIDLOR** – n/a, Certified **TISCO** - Excellent, Certified, **TKN** – Very Good, n/a, **TOP** - Excellent, Certified, **TRUE** – Excellent, Certified, **TTB** - 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 2021 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 August 5, 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.

