

## Singapore

**ADD** (no change)

Consensus ratings\*: Buy 3 Hold 0 Sell 0

Current price:	S\$0.80
Target price:	S\$1.00
Previous target:	S\$1.05
Up/downside:	25.0%
CGS-CIMB / Consensus:	-2.0%

Reuters:	HLAA.SI
Bloomberg:	HLA SP
Market cap:	US\$439.7m
	S\$598.4m
Average daily turnover:	US\$0.08m
	S\$0.11m
Current shares o/s:	747.8m
Free float:	23.7%

\*Source: Bloomberg

### Key changes in this note

► FY22-23F EPS cut by 7.7%-14.7%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-3	-1.9	15.1
Relative (%)	2.3	-3.6	9.3

Major shareholders	% held
Hong Leong Corp Holdings	75.2

### Analyst(s)



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# Hong Leong Asia

## Revvng up for a stronger ride in 2022

- 2H21 core PATMI of S\$19.3m (-22% yoy) was in line. Yuchai saw weaker sales post pre-buying ahead of Jul's new engine standard implementation.
- We forecast building materials unit to record 27% PBT growth in FY22F on the back of recovery in construction activity in Singapore.
- Yuchai should also see sequential volume and margin recovery in coming quarters as industry sales gradually normalise. Maintain Add.

### 2H21: A weaker-than-expected half

HLA reported 2H21 core PATMI of S\$19.3m (-37% hoh, -22% yoy), dragged by weaker diesel engines unit (Yuchai) which saw sales decline after benefiting from strong pre-buying in 1H21 as China transitioned to National VI (N6) engines on 1 Jul 2021. FY21 core net profit (excluding S\$10m gain on debt assignment in 1H21) of S\$50m (+10% yoy) was in line with our expectations at 99% of our full-year forecast. The group proposed full year DPS of 2 Scts (vs. FY20: 1 Sct), indicating 2.5% dividend yield.

### Riding the construction rebound in Singapore

Building materials unit (BMU) recorded 2H21 PBT of S\$19m (+19% yoy), supported by rising demand for concrete products in Singapore as construction activity recovers. The Building and Construction Authority (BCA) expects further demand recovery for building materials in Singapore in CY22F, and forecasts industry-ready mixed concrete demand to grow 8-21% and precast concrete demand to grow 45-63%. We forecast HLA's building materials segment to see PBT growth of 27% yoy in FY22F, riding on 1) stronger sales volume in Singapore, 2) narrower Tasek losses, and 3) higher profit contribution from associate BRC Asia. Commercialisation of HLA's integrated construction and prefabrication hub (ICPH) in 4Q22F could further boost segment earnings in FY23F.

### Sequential recovery ahead for diesel engine unit

Engine unit sales declined 40% hoh to 171k engines in 2H21, mainly dragged by weaker truck engine sales, while engine sales to the bus market and off-road market grew. Management believes that the accumulated distributors' inventory (ahead of new engine standard implementation) has pared down well in 2H21, and we forecast sales volume to improve sequentially in coming quarters as industry sales normalise. Along with volume recovery, we believe PBT margin for FY22F will also improve given the high operating leverage of the segment.

### Reiterate Add with lower TP of S\$1.00

Maintain Add; we believe the worst is over for HLA, and expect sequential earnings recovery ahead for both of its key segments. Our FY22-23F EPS is lowered to factor in lower margin assumptions for Yuchai; our SOP-based TP is lowered to S\$1.00 accordingly. Potential catalysts include a stronger rebound in demand for diesel engine and faster recovery in Singapore's construction sector. Downside risks include input price pressure for Yuchai, dragging margin recovery.

### Financial Summary

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (S\$m)	4,496	4,933	4,656	4,948	5,135
Operating EBITDA (S\$m)	284.6	233.0	288.8	333.2	358.9
Net Profit (S\$m)	45.26	59.66	63.99	77.01	82.51
Core EPS (S\$)	0.06	0.07	0.09	0.10	0.11
Core EPS Growth	(1.3%)	9.7%	28.9%	20.3%	7.1%
FD Core P/E (x)	13.22	12.05	9.35	7.77	7.25
DPS (S\$)	0.010	0.020	0.021	0.026	0.028
Dividend Yield	1.25%	2.50%	2.67%	3.22%	3.45%
EV/EBITDA (x)	5.54	7.53	6.07	5.00	4.99
P/FCFE (x)	3.37	NA	4.40	2.51	15.07
Net Gearing	(21.4%)	(11.4%)	(13.1%)	(18.1%)	(15.7%)
P/BV (x)	0.68	0.63	0.60	0.56	0.53
ROE	5.50%	5.41%	6.52%	7.45%	7.55%
% Change In Core EPS Estimates			(14.7%)	(7.7%)	
CGS-CIMB/Consensus EPS (x)			0.84	0.86	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## Revving up for a stronger ride in 2022

**Figure 1: Results comparison**

FYE Dec (\$\$ m)	2H21	2H20	yoy chg (%)	1H21	hoh chg (%)	FY21	FY20	yoy chg (%)	Prev FY21F	Comments
Revenue	2,093.8	2,359.1	(11.2)	2,838.7	(26.2)	4,932.6	4,496.2	9.7	4,784.2	Above expectations on stronger engine sales, FY21 formed 103% of our full-year forecast
Cost of sales	(1,752.7)	(1,963.1)	(10.7)	(2,450.5)	(28.5)	(4,203.2)	(3,776.8)	11.3	(4,093.4)	Below, weaker engine margins
<b>Gross profit</b>	<b>341.2</b>	<b>396.0</b>	<b>(13.8)</b>	<b>388.3</b>	<b>(12.1)</b>	<b>729.4</b>	<b>719.4</b>	<b>1.4</b>	<b>690.7</b>	
GPM (%)	16.3%	16.8%		13.7%	19.1	14.8%	16.0%		14.4%	
Opex	(339.7)	(329.6)	3.1	(302.2)	12.4	(641.9)	(557.3)	15.2	(551.0)	Above, higher than expected R&D expenses for China Yuchai
<b>Operating profit</b>	<b>40.6</b>	<b>101.8</b>	<b>(60.2)</b>	<b>108.3</b>	<b>(62.5)</b>	<b>148.8</b>	<b>206.8</b>	<b>(28.0)</b>	<b>181.0</b>	
OPM (%)	1.9%	4.3%		3.8%	(49.2)	3.0%	4.6%		3.8%	
Associates	(19.5)	(12.1)	61.6	3.2	(714.6)	(16.4)	(11.8)	39.2	3.0	
<b>Profit before tax</b>	<b>21.1</b>	<b>89.8</b>	<b>(76.5)</b>	<b>111.4</b>	<b>(81.1)</b>	<b>132.5</b>	<b>195.1</b>	<b>(32.1)</b>	<b>184.0</b>	
Tax expense	7.4	(16.9)	n.m.	(21.1)	(134.8)	(13.8)	(42.1)	(67.3)	(34.1)	
Effective tax rate	-34.9%	18.9%		18.9%		10.4%	21.6%		18.5%	
Net profit	28.4	72.8	(61.0)	90.3	(68.6)	118.7	153.0	(22.4)	149.9	
NCI	9.1	48.2	(81.1)	50.0	(81.7)	59.1	107.7	(45.2)	89.9	
PATMI	19.3	24.7	(21.8)	40.4	(52.3)	59.7	45.3	31.8	60.0	
<b>Core PATMI</b>	<b>19.3</b>	<b>24.7</b>	<b>(21.8)</b>	<b>30.4</b>	<b>(36.5)</b>	<b>49.7</b>	<b>45.3</b>	<b>9.7</b>	<b>50.0</b>	<b>In line, FY21 formed 99% of our full-year forecast</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 2: Earnings revision**

(\$\$ m)	FY22F			FY23F		
	Old	New	% change	Old	New	% change
Revenue	4,828.6	4,655.6	-3.6%	4,983.6	4,947.9	-0.7%
Gross profit	842.0	793.3	-5.8%	880.9	871.6	-1.1%
Profit before tax	254.4	198.3	-22.0%	275.3	237.3	-13.8%
PATMI	75.0	64.0	-14.7%	83.5	77.0	-7.7%
Core PATMI	75.0	64.0	-14.7%	83.5	77.0	-7.7%
Basic EPS (Scts)	10.0	8.6	-14.7%	11.2	10.3	-7.7%
Core EPS (Scts)	10.0	8.6	-14.7%	11.2	10.3	-7.7%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 3: Sum-of-parts valuation**

Sum-of-the-parts valuation	CY23F net profit (\$\$m)	Implied FY23F P/E (X)	Value (\$\$'m)	Per share (\$\$)	% of SOP	Comment
Diesel engines			396.4	0.53	47.8%	Based on our target price of CYD US
Building materials	39.3	12.0	471.6	0.63	56.8%	Based on 12x CY23F P/E
Rigid plastic packaging	-0.2	8.0	-1.9	0.00	-0.2%	Based on 8x CY23F P/E
<b>Net cash as of end-FY21F</b>			<b>-36.2</b>	<b>-0.05</b>	<b>-4.4%</b>	
Cash owned by Hong Leong Asia excl. CYD			400.2	0.54		
Less: borrowings of Hong Leong Asia excl. CYD			-436.4	-0.58		
<b>Sum-of-parts valuation</b>			<b>829.9</b>	<b>1.11</b>	<b>100.0%</b>	
No. of shares (mm)			747.9			
Discount to SOP				10%		
<b>Target Price (\$\$)</b>				<b>1.00</b>		

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



## ESG in a nutshell

We are pleased that HLA is actively taking steps to contribute to better environmental protection standards. On its diesel engine front, it has been investing in R&D to develop the next National VI engine products in China to reduce emissions and achieve higher energy efficiency. It also continues to devote resources to develop new energy engine products and green technology. On its building materials unit front, it is also continuously innovating its production processes and exploring the use of alternative raw materials to mitigate and minimise its environmental impact. HLA is also stepping up investments in digitising its systems and processes to speed up the business transformation at its plants to reduce energy consumption and carbon emissions.

### Keep your eye on

In line with China's full implementation of National VI(a) engines by Jul 2021, HLA has already launched a complete range of products that are in compliance with the latest standards.

By the end of 2020, Yuchai had a portfolio of engines that was National VI(b) emission standards compliant, even though such emission standards are not scheduled for implementation until Jul 2023.

### Implications

Given China's growing emphasis on environmental protection management, its emission standards for diesel engines have surpassed that of European standards. We think the continued success of HLA's diesel engine unit is dependent on its ability to fulfil the latest emission standards in China. Continued R&D to keep up with the latest standards, as well as new energy engine products and green technology, is crucial.

### ESG highlights

In Singapore, HLA has successfully completed a commercial project using Portland fly-ash concrete (PFAC) in FY20. PFAC is viewed as a "greener" choice compared to Ordinary Portland Cement (OPC), as it directly reduces the need for clinker production (95% of the material) by 30-50%, and hence helps decrease carbon emissions significantly. The treatment and utilisation of pulverised coal which is incorporated into the mix also helps to optimise recycled materials, reducing the consumption of natural raw materials, water and energy to create a more sustainable construction material.

### Implications

We like HLA's continual efforts in innovating its production processes, as well as exploring the use of alternative raw materials at its building materials unit to mitigate and minimise its environmental impact. We think this is especially important in Singapore, where the government is taking the lead in green building.

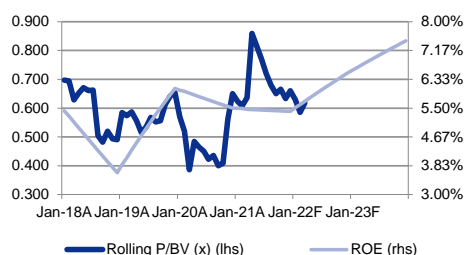
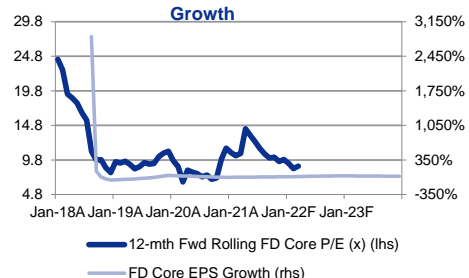
### Trends

In FY20, both energy intensity and scope 1 emissions intensity of HLA were lowered. Overall energy intensity was lowered to 1.59TJ/S\$ million in FY20, compared to 2.07TJ/S\$ million in FY19. Meanwhile, scope 1 emissions intensity also decreased to 339tCO<sub>2</sub>/S\$ million in FY20, compared to 442tCO<sub>2</sub>/S\$ million in FY19.

### Implications

While this is partially due to shorter operating hours amid the Covid-19 pandemic which triggered a nationwide lockdown, we are pleased that HLA continues to take steps to improve its environmental protection standards.

SOURCES: CGS-CIMB RESEARCH, REFINITIV

**BY THE NUMBERS**
**P/BV vs ROE**

**12-mth Fwd FD Core P/E vs FD Core EPS Growth**

**Profit & Loss**

(\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>Total Net Revenues</b>	<b>4,496</b>	<b>4,933</b>	<b>4,656</b>	<b>4,948</b>	<b>5,135</b>
<b>Gross Profit</b>	<b>719</b>	<b>729</b>	<b>793</b>	<b>872</b>	<b>916</b>
<b>Operating EBITDA</b>	<b>285</b>	<b>233</b>	<b>289</b>	<b>333</b>	<b>359</b>
Depreciation And Amortisation	(122)	(145)	(116)	(124)	(128)
<b>Operating EBIT</b>	<b>162</b>	<b>88</b>	<b>172</b>	<b>209</b>	<b>231</b>
Financial Income/(Expense)	(43)	(32)	(37)	(37)	(36)
Pretax Income/(Loss) from Assoc.	(12)	(16)	15	16	17
Non-Operating Income/(Expense)	88	93	47	48	44
<b>Profit Before Tax (pre-EI)</b>	<b>195</b>	<b>132</b>	<b>198</b>	<b>237</b>	<b>257</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>195</b>	<b>132</b>	<b>198</b>	<b>237</b>	<b>257</b>
Taxation	(42)	(14)	(37)	(44)	(47)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>153</b>	<b>119</b>	<b>162</b>	<b>194</b>	<b>209</b>
Minority Interests	(108)	(59)	(98)	(117)	(127)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>45</b>	<b>60</b>	<b>64</b>	<b>77</b>	<b>83</b>
Recurring Net Profit	45	50	64	77	83
<b>Fully Diluted Recurring Net Profit</b>	<b>45</b>	<b>50</b>	<b>64</b>	<b>77</b>	<b>83</b>

**Cash Flow**

(\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>EBITDA</b>	<b>284.6</b>	<b>233.0</b>	<b>288.8</b>	<b>333.2</b>	<b>358.9</b>
Cash Flow from Inv. & Assoc.	11.8	16.4	(15.3)	(16.3)	(17.4)
Change In Working Capital	(50.1)	(166.9)	(10.4)	53.9	(164.1)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	111.5	87.2	33.0	34.9	33.1
Net Interest (Paid)/Received	(3.1)	(1.7)	(3.5)	(3.5)	(3.5)
Tax Paid	(48.6)	(37.2)	(36.6)	(43.8)	(47.3)
<b>Cashflow From Operations</b>	<b>306.1</b>	<b>130.7</b>	<b>256.0</b>	<b>358.4</b>	<b>159.7</b>
Capex	(137.3)	(136.0)	(150.0)	(150.0)	(150.0)
Disposals Of FAs/subsidiaries	0.0	0.0	0.0	0.0	0.0
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(31.4)	(102.6)	30.0	30.0	30.0
<b>Cash Flow From Investing</b>	<b>(168.7)</b>	<b>(238.6)</b>	<b>(120.0)</b>	<b>(120.0)</b>	<b>(120.0)</b>
Debt Raised/(repaid)	39.9	58.3	0.0	0.0	0.0
Proceeds From Issue Of Shares	0.0	0.0	0.0	0.0	0.0
Shares Repurchased					
Dividends Paid	(7.5)	(7.5)	(16.0)	(19.3)	(20.6)
Preferred Dividends					
Other Financing Cashflow	(158.9)	(136.2)	(61.3)	(61.3)	(61.3)
<b>Cash Flow From Financing</b>	<b>(126.5)</b>	<b>(85.3)</b>	<b>(77.3)</b>	<b>(80.5)</b>	<b>(81.9)</b>
Total Cash Generated	10.9	(193.2)	58.7	157.9	(42.2)
<b>Free Cashflow To Equity</b>	<b>177.3</b>	<b>(49.6)</b>	<b>136.0</b>	<b>238.4</b>	<b>39.7</b>
<b>Free Cashflow To Firm</b>	<b>174.9</b>	<b>(77.8)</b>	<b>169.5</b>	<b>271.9</b>	<b>73.2</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**BY THE NUMBERS... cont'd**
**Balance Sheet**

(S\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Cash And Equivalents	1,346	1,219	1,278	1,436	1,393
Total Debtors	1,862	1,754	1,818	1,978	1,961
Inventories	968	1,187	824	919	931
Total Other Current Assets	28	8	8	8	8
<b>Total Current Assets</b>	<b>4,204</b>	<b>4,168</b>	<b>3,927</b>	<b>4,340</b>	<b>4,293</b>
Fixed Assets	994	1,013	1,046	1,073	1,095
Total Investments	104	173	188	205	222
Intangible Assets	265	333	333	333	333
Total Other Non-Current Assets	290	307	307	307	307
<b>Total Non-current Assets</b>	<b>1,653</b>	<b>1,825</b>	<b>1,874</b>	<b>1,917</b>	<b>1,957</b>
Short-term Debt	495	724	724	724	724
Current Portion of Long-Term Debt					
Total Creditors	2,163	2,166	1,856	2,165	1,996
Other Current Liabilities	259	206	206	206	206
<b>Total Current Liabilities</b>	<b>2,918</b>	<b>3,096</b>	<b>2,786</b>	<b>3,095</b>	<b>2,926</b>
Total Long-term Debt	328	176	176	176	176
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	193	192	192	192	192
<b>Total Non-current Liabilities</b>	<b>521</b>	<b>368</b>	<b>368</b>	<b>368</b>	<b>368</b>
Total Provisions	0	0	0	0	0
<b>Total Liabilities</b>	<b>3,439</b>	<b>3,464</b>	<b>3,154</b>	<b>3,464</b>	<b>3,295</b>
Shareholders' Equity	880	957	1,005	1,063	1,125
Minority Interests	1,538	1,572	1,642	1,731	1,830
<b>Total Equity</b>	<b>2,418</b>	<b>2,529</b>	<b>2,647</b>	<b>2,793</b>	<b>2,954</b>

**Key Ratios**

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	9.81%	9.71%	(5.61%)	6.28%	3.78%
Operating EBITDA Growth	2.6%	(18.1%)	23.9%	15.4%	7.7%
Operating EBITDA Margin	6.33%	4.72%	6.20%	6.73%	6.99%
Net Cash Per Share (S\$)	0.69	0.39	0.46	0.68	0.62
BVPS (S\$)	1.18	1.28	1.34	1.42	1.50
Gross Interest Cover	4.32	2.91	5.14	6.25	6.88
Effective Tax Rate	21.6%	10.4%	18.5%	18.4%	18.4%
Net Dividend Payout Ratio	16.5%	12.5%	25.0%	25.0%	25.0%
Accounts Receivables Days	145.7	133.8	140.0	140.0	140.4
Inventory Days	75.69	93.56	95.00	78.00	80.22
Accounts Payables Days	189.0	188.0	190.0	180.0	180.5
ROIC (%)	8.1%	3.6%	6.3%	9.2%	10.3%
ROCE (%)	5.17%	2.61%	4.90%	5.74%	6.06%
Return On Average Assets	3.49%	2.44%	3.25%	3.82%	3.91%

**Key Drivers**

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Diesel Engines PBT margin (%)	4.7%	2.1%	4.2%	4.8%	5.0%
Building Materials PBT margin (%)	4.4%	6.9%	7.6%	7.5%	7.3%
Rigid Plastic Packaging PBT margin (%)	-1.5%	-2.7%	-1.6%	-0.9%	-0.3%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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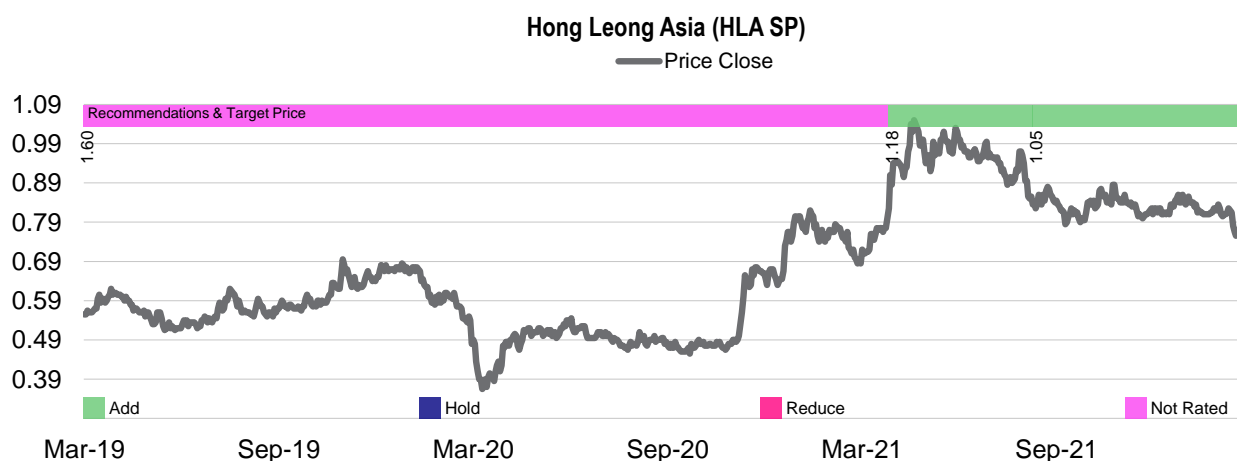
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## Spitzer Chart for stock being researched ( 2 year data )



## 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	
<b>Stock Ratings</b>	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>	
<b>Sector Ratings</b>	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.
<b>Country Ratings</b>	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.

