

Malaysia

ADD (no change)

Consensus ratings*: Buy 5 Hold 0 Sell 0

Current price:	RM1.64
Target price:	RM2.50
Previous target:	RM2.70
Up/downside:	52.4%
CGS-CIMB / Consensus:	-0.6%
Reuters:	KWNF.KL
Bloomberg:	KFB MK
Market cap:	US\$140.3m
	RM589.5m
Average daily turnover:	US\$0.05m
	RM0.24m
Current shares o/s:	359.5m
Free float:	43.0%

*Source: Bloomberg

Key changes in this note

- We lower our FY22-23F EPS by 1.5-2.6%.
- We introduce our FY24F EPS estimates.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	13.1	-2.4	-22.7
Relative (%)	7.3	-8.8	-24.6

Major shareholders

	% held
Gan Thiam Chai	30.8
NareshChandra	19.7
Gan Thiam Hock	6.5

Analyst(s)



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Kawan Food

Expect price hikes and higher sales volume

- FY21 core net profit of RM32.1m (+15.5% yoy) was within expectations at 101% of our and 98% of Bloomberg consensus full-year estimates.
- We expect Kawan to post a 16% yoy rise in FY22 net profit, from: i) higher production volume, ii) selling price hikes and iii) greater economies of scale.
- Maintain Add, with a lower TP of RM2.50 (20x CY23F P/E).

FY21: Core net profit up 15.5% yoy; within expectations

4Q21 core net profit came in at RM10.3m (+31.2% yoy), after accounting for one-off losses of RM0.2m (mainly inventories written off of RM0.3m, provisions for slow-moving inventories of RM0.2m and gain on disposal on quoted shares of RM0.4m). This brought FY21 core net profit to RM32.1m (+15.5% yoy), which was in-line with expectations.

4Q21: Buoyed by higher export sales

4Q21 revenue and core net profit rose qoq by 5.2% and 42.7%, respectively. This was thanks to: i) higher export sales (+28.7% qoq) which has better profitability vs local sales, ii) better cost control and iii) higher economies of scale. Overall, FY21 revenue waned 1.2% yoy to RM252m as lower export sales (-9.2% yoy) more than offset higher local sales (+9.3% yoy). FY21 EBITDA margins rose 2.9% pts yoy to 22.2%, thanks to lower marketing costs and better cost efficiencies. Hence, FY21 core net profit grew to RM32.1m (+15.5% yoy), further aided by lower tax rate (+1% pt yoy) and higher interest income (+10.1% yoy).

Raising selling prices and launching more profitable new products

We gather that Kawan has raised its domestic (48.3% of FY21 sales) selling prices by 10-15% from Feb 2022 onwards, mainly to partially pass on the increase in its raw material prices to customers. To recap, Kawan has gradually raised its export selling prices since the start of 4Q21 (51.7% of FY21 sales). We expect these price hikes to aid in passing on the recent rise in input prices (35-40% of total costs). Also, it is looking to launch more new products in the near term, products with higher value and better profit margin.

Expecting 16% core net profit growth in FY22

Going into FY22, we expect Kawan to post 16% growth in core net profit. This will be backed by: i) higher sales, both domestic and from exports; ii) price hikes and iii) increase in production volume. The latter is based on Kawan's ongoing efforts to secure more workers as it aims to increase its workforce by 95.6-117% by end-1Q22 to increase its permanent workforce to 450-500 from 230 workers currently.

Maintain Add call with a lower TP of RM2.50

We cut our FY22-23F EPS to account for higher input costs and introduce FY24F EPS estimates. We keep our Add call with lower TP of RM2.50 (20x CY23 P/E, in line with current 5-year historical mean). We continue to like Kawan, in view of: i) undemanding valuations (trading at 13.1x CY23F P/E, vs. overall consumer sector's average CY23F P/E of 41.4x), ii) robust 3-year (FY21-24F) EPS CAGR of 17% and iii) strong balance sheet (net cash of RM21m as at end-4Q21).

Financial Summary	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (RMm)	254.7	251.8	296.2	324.8	357.1
Operating EBITDA (RMm)	49.72	55.95	65.43	76.01	85.54
Net Profit (RMm)	28.54	32.30	37.14	45.03	52.23
Core EPS (RM)	0.08	0.09	0.10	0.13	0.15
Core EPS Growth	134%	13%	16%	21%	16%
FD Core P/E (x)	20.66	18.35	15.87	13.09	11.29
DPS (RM)	0.025	0.030	0.035	0.040	0.045
Dividend Yield	1.52%	1.83%	2.13%	2.44%	2.74%
EV/EBITDA (x)	10.84	10.17	8.61	7.08	5.93
P/FCFE (x)	16.71	25.95	21.24	11.86	10.42
Net Gearing	(14.8%)	(5.7%)	(6.7%)	(12.3%)	(18.0%)
P/BV (x)	1.71	1.60	1.50	1.39	1.28
ROE	8.5%	9.0%	9.7%	11.0%	11.8%
% Change In Core EPS Estimates			(1.54%)	(2.56%)	
CGS-CIMB/Consensus EPS (x)			0.96	0.98	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 1: Results Comparison

FYE Dec 31 (RM m)	4QFY21	4QFY20	yoy % chg	qoq % chg	4QFY21 Cum	4QFY20 Cum	yoy % chg	Prev. FY21F	Comments
Revenue	67.4	60.6	11.2	5.2	251.8	254.7	(1.2)	267.9	FY21: Weaker revenue due to impact of MCO leading to lower production volume
Operating costs	(50.6)	(49.8)	1.6	0.4	(195.8)	(205.5)	(4.7)	(212.2)	
EBITDA	16.8	10.8	55.2	23.1	55.9	49.2	13.7	55.7	
EBITDA margin (%)	25.0	17.9	7.1	3.6	22.2	19.3	2.9	20.8	Due to better cost control and lower distribution expenses
Depn & amort.	(5.5)	(4.1)	32.9	13.5	(19.3)	(16.9)	14.6	(18.1)	
EBIT	11.4	6.7	68.9	28.4	36.6	32.3	13.3	37.6	
Interest expense	(0.2)	(0.2)	(16.0)	12.6	(0.6)	(0.8)	(23.3)	0.2	
Interest & invt inc	0.3	0.1	150.9	0.7	1.0	0.5	105.1	0.0	Net cash position of RM21m as of end-4Q21 (excluding other investments of RM56.8m)
Exceptionals	(0.2)	(1.8)	(90.5)	(133.9)	0.2	(0.5)	132.5	0.0	4Q21: Inventories written off (RM0.3m), provision for slow moving inventories (RM0.2m), gain on disposal on quoted shares (RM0.4m)
Pretax profit	11.5	6.6	72.6	27.8	37.0	32.0	15.5	37.8	
Tax	(1.4)	(0.4)	219.1	9.9	(4.7)	(4.4)	7.1	(6.1)	
Tax rate (%)	11.8	6.4	84.9	(1.9)	12.6	13.6	(1.0)	16.0	Lower than statutory tax rate due to utilisation of tax incentive and reinvestment allowances
Minority interests	0.0	(0.2)	0.2	>100	(0.0)	(0.4)	(99.2)	(0.4)	
Net profit	10.1	6.0	4.1	31.1	32.3	27.3	18.4	31.4	
Core net profit	10.3	7.9	31.2	42.7	32.1	27.8	15.5	31.4	Broadly in-line with our expectations, at 101% of our and 98% of Bloomberg consensus full-year estimates
EPS (sen)	2.8	1.7	67.9	31.1	9.0	7.6	18.4	8.7	
Core EPS (sen)	2.9	2.2	31.2	42.7	8.9	7.7	15.5	8.7	Based on 359.5m outstanding shares

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 2: Geographical segment breakdown

FYE Dec 31 (RM m)	4Q FY21	4Q FY20	3Q FY21	yoy % chg	qoq % chg	4QFY21 cum	4QFY20 cum	yoy % chg
Malaysia	29.1	28.0	34.3	4.0	(15.2)	121.6	111.3	9.3
China	2.2	4.4	5.3	(50.9)	(59.4)	13.3	15.0	(11.6)
Rest of Asia	10.0	7.3	5.1	37.3	96.3	31.9	32.5	(1.6)
Europe	7.0	5.3	5.2	30.7	35.1	20.5	22.3	(8.1)
North America	14.9	12.8	11.6	16.0	28.1	53.9	60.4	(10.8)
Oceania	3.6	2.6	2.6	36.1	38.8	9.7	12.5	(22.1)
Africa	0.7	0.1	0.0	377.8	n.m.	0.9	0.8	17.9
Total	67.4	60.6	64.0	11.2	5.2	251.8	254.7	(1.2)

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 3: Earnings revision

RM m	2021A	FY22F			FY23F			FY24F		
		Old	New	%chg	Old	New	%chg	Old	New	%chg
Revenue	252	296	296	0.0%	325	325	0.0%	-	357	-
EBITDA	56	65	65	0.0%	76	76	0.0%	-	86	-
Core pretax profit	37	46	45	-2.6%	57	55	-2.5%	-	64	-
Core net profit	32	38	37	-1.5%	46	45	-2.6%	-	52	-
Core EPS (sen)	9	10	10	-1.5%	13	13	-2.6%	-	15	-

SOURCES: CGS-CIMB, COMPANY REPORTS

Re-rating catalysts and downside risks ►

Re-rating catalysts: Stronger-than-expected export revenue and margin expansion from higher economies of scale.

Downside risks: lower-than-expected export sales and/or a sharp increase in operating expenses.

Figure 4: Sector Comparisons (CGS-CIMB's Malaysia consumer sector coverage)

Company	Bloomberg Ticker	Recom.	Share price (local curr)	Target Price (local curr)	Market Cap (US\$ m)	Core P/E (x)		3-year EPS CAGR (%)	P/BV (x)		Recurring ROE (%)		EV/EBITDA (x)		Dividend Yield (%)	
						CY22F	CY23F		CY22F	CY23F	CY22F	CY23F	CY22F	CY23F	CY22F	CY23F
Consumer Staples																
Nestle (Malaysia)	NESZ MK	Hold	134.00	135.00	7,478	53.1	43.0	11.1%	53.4	52.7	101.2%	123.5%	29.2	27.2	1.9%	2.3%
Fraser & Neave Holdings	FNH MK	Add	22.60	29.80	1,973	17.8	16.8	4.8%	2.6	2.4	15.2%	15.0%	10.5	9.7	3.0%	3.2%
QL Resources	QLG MK	Add	4.95	5.40	2,867	45.3	35.1	N/A	4.7	4.3	10.7%	12.7%	20.3	16.9	0.8%	1.0%
Power Root Bhd	PWRT MK	Hold	1.32	1.40	132	23.1	19.0	N/A	2.1	2.1	9.1%	11.0%	12.8	11.1	4.2%	5.0%
Kawan Food	KFB MK	Add	1.64	2.50	140	15.9	13.1	17.0%	1.5	1.4	9.8%	11.0%	8.6	7.1	2.1%	2.4%
MSM Malaysia Holdings	MSM MK	Reduce	0.81	0.93	135	13.1	7.3	37.1%	0.3	0.3	2.6%	4.7%	6.7	5.4	3.8%	6.9%
CCK Consolidated Holdings	CCK MK	Add	0.56	0.76	83	11.1	9.6	15.8%	1.1	1.0	9.9%	10.6%	4.7	4.0	2.5%	3.0%
Weighted Subsector Average						44.5	36.0	7.9%	32.7	32.2	64.1%	77.6%	23.5	21.4	1.9%	2.2%
Consumer Discretionary																
7-Eleven Malaysia Holdings	SEM MK	Add	1.46	1.90	391	25.2	22.3	22.5%	15.0	11.8	67.8%	59.2%	5.5	4.9	2.4%	2.7%
Berjaya Food Berhad	BFD MK	Add	3.21	4.40	275	13.9	13.2	5.8%	2.9	2.8	21.9%	21.5%	3.9	3.3	5.1%	5.3%
Bonia Corporation	BON MK	Add	1.75	2.50	83	12.0	10.4	23.7%	0.9	0.9	7.7%	8.5%	4.3	3.9	3.0%	4.2%
DKSH Holdings (Malaysia)	DKSH MK	Add	5.05	6.20	189	9.1	8.2	9.1%	1.0	0.9	11.4%	11.5%	5.0	4.4	2.0%	2.0%
Lee Swee Kiat Group	LSKG MK	Add	0.81	1.63	31	9.7	6.4	40.8%	1.8	1.5	19.6%	25.0%	4.6	2.9	4.1%	6.1%
Mynews Holdings Berhad	MNHB MK	Add	0.81	1.18	131	36.9	20.7	25.9%	2.3	2.1	6.4%	10.6%	7.9	6.3	0.7%	1.2%
Panasonic Manufacturing Malaysia Berhad	PMM MK	Hold	28.24	31.20	408	18.1	13.6	N/A	2.2	2.2	12.2%	16.4%	9.5	7.1	6.7%	7.1%
InNature Bhd	NATURE MK	Add	0.69	0.84	115	17.9	16.2	28.5%	3.3	3.1	18.9%	19.6%	8.8	7.6	3.9%	4.3%
Mr D.I.Y. Group (M) Bhd	MRDIY MK	Add	3.63	4.20	5,427	40.8	34.1	19.9%	15.4	12.1	42.5%	39.6%	21.7	18.2	1.0%	1.2%
Weighted Subsector Average						35.8	29.8	18.4%	13.0	10.3	38.9%	36.6%	18.2	15.2	1.7%	1.9%
Weighted Average						41.4	33.8	11.6%	25.7	24.4	55.2%	63.1%	21.6	19.2	1.8%	2.1%
Simple Average						24.6	19.7	19.2%	8.7	8.0	26.1%	28.6%	11.4	9.8	2.8%	3.4%

SOURCES: CGS-CIMB, BLOOMBERG

ESG in a nutshell



According to FTSE Russell's assessment based on Jun 21 results review, Kawan Food is ranked among the top 51-75% by ESG ratings among PLCs in the FBM EMAS. Kawan's sustainability policy is benchmarked against internationally recognised standards and principles, such as those related to fair trade, the United Nations Guiding Principles on Business and Human Rights, as well the United Nations Sustainability Development Goals (UNSDGs).

Keep your eye on

Currently, only three out of nine members of Kawan's board of directors are independent.

Implications

We are negative on this matter, as at least half of the board should comprise independent directors, according to the Malaysia Code of Corporate Governance (MCCG). This is to ensure better objectivity and that shareholders' interests are well represented.

ESG highlights

The company appointed a new female board member in FY20, bringing its female board representation to 22%.

Implications

While we are positive on the company's efforts to increase its female board representation, this is still below the recommended 30% in MCCG.

Trends

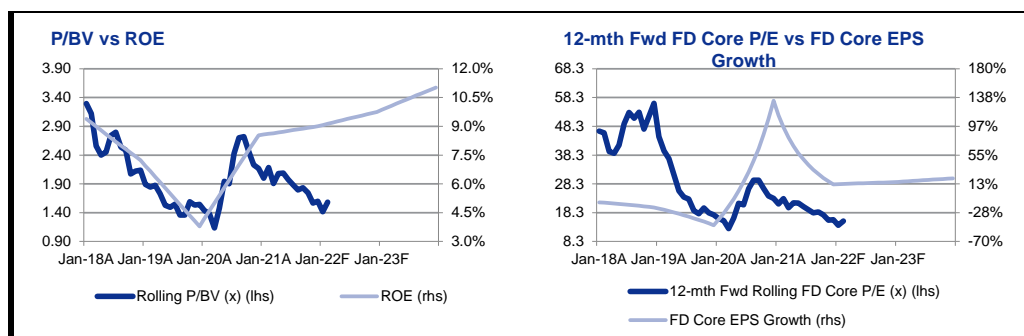
In the period of FY18-20, Kawan managed to reduce its energy consumption and water consumption, per kilogram product. This is expected to increase further with more investments in solar panels and water conservation tanks.

Implications

We are positive on these matters as they indicate Kawan's efforts in reducing its energy and water consumption, via a mixture of higher economies of scale as well as ongoing efforts to lower environmental impact.

SOURCES: CGS-CIMB RESEARCH, REFINITIV

BY THE NUMBERS



Profit & Loss

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Net Revenues	254.7	251.8	296.2	324.8	357.1
Gross Profit	109.5	108.9	127.3	139.7	(203.6)
Operating EBITDA	49.7	55.9	65.4	76.0	85.5
Depreciation And Amortisation	(16.9)	(19.3)	(20.5)	(21.2)	(22.0)
Operating EBIT	32.9	36.6	44.9	54.8	63.6
Financial Income/(Expense)	(0.3)	0.4	0.4	0.4	0.4
Pretax Income/(Loss) from Assoc.	0.0	0.0	0.0	0.0	0.0
Non-Operating Income/(Expense)	0.0	0.0	0.0	0.0	0.0
Profit Before Tax (pre-EI)	32.5	37.0	45.3	55.2	63.9
Exceptional Items	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	32.5	37.0	45.3	55.2	63.9
Taxation	(4.4)	(4.7)	(8.2)	(9.9)	(11.5)
Exceptional Income - post-tax					
Profit After Tax	28.2	32.3	37.1	45.2	52.4
Minority Interests	0.4	(0.0)	(0.0)	(0.2)	(0.2)
Preferred Dividends	0.0	0.0	0.0	0.0	0.0
FX Gain/(Loss) - post tax	0.0	0.0	0.0	0.0	0.0
Other Adjustments - post-tax	0.0	0.0	0.0	0.0	0.0
Net Profit	28.5	32.3	37.1	45.0	52.2
Recurring Net Profit	28.5	32.1	37.1	45.0	52.2
Fully Diluted Recurring Net Profit	28.5	32.1	37.1	45.0	52.2

Cash Flow

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
EBITDA	49.72	55.95	65.43	76.01	85.54
Cash Flow from Invt. & Assoc.	0.00	0.00	0.00	0.00	0.00
Change In Working Capital	(1.78)	(18.09)	(19.53)	(6.38)	(7.46)
(Incr)/Decr in Total Provisions	0.00	0.00	0.00	0.00	0.00
Other Non-Cash (Income)/Expense	0.00	0.00	0.00	0.00	0.00
Other Operating Cashflow	3.45	(1.44)	0.00	0.00	0.00
Net Interest (Paid)/Received	(0.31)	0.00	0.00	0.00	0.00
Tax Paid	1.46	(3.69)	(8.15)	(9.93)	(11.51)
Cashflow From Operations	52.53	32.72	37.76	59.70	66.57
Capex	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)
Disposals Of FAs/subsidiaries	(7.25)	0.00	0.00	0.00	0.00
Acq. Of Subsidiaries/investments	0.00	0.00	0.00	0.00	0.00
Other Investing Cashflow	0.00	0.00	0.00	0.00	0.00
Cash Flow From Investing	(17.25)	(10.00)	(10.00)	(10.00)	(10.00)
Debt Raised/(repaid)	0.00	0.00	0.00	0.00	0.00
Proceeds From Issue Of Shares	0.00	0.00	0.00	0.00	0.00
Shares Repurchased	0.00	0.00	0.00	0.00	0.00
Dividends Paid	(8.99)	(10.79)	(12.58)	(14.38)	(16.18)
Preferred Dividends	0.00	0.00	0.00	0.00	0.00
Other Financing Cashflow	0.00	0.00	0.00	0.00	0.00
Cash Flow From Financing	(8.99)	(10.79)	(12.58)	(14.38)	(16.18)
Total Cash Generated	26.30	11.94	15.17	35.32	40.39
Free Cashflow To Equity	35.28	22.72	27.76	49.70	56.57
Free Cashflow To Firm	35.59	22.72	27.76	49.70	56.57

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Cash And Equivalents	66.3	33.5	39.0	64.7	95.6
Total Debtors	49.6	58.4	47.3	51.9	57.1
Inventories	30.2	32.7	60.0	64.7	70.6
Total Other Current Assets	15.8	65.9	65.9	65.9	65.9
Total Current Assets	162.0	190.5	212.2	247.1	289.1
Fixed Assets	228.5	220.1	219.6	218.4	216.4
Total Investments	0.0	0.0	0.0	0.0	0.0
Intangible Assets	0.0	0.0	0.0	0.0	0.0
Total Other Non-Current Assets	26.2	25.8	25.8	25.8	25.8
Total Non-current Assets	254.7	245.9	245.4	244.2	242.2
Short-term Debt	9.4	10.0	10.0	10.0	10.0
Current Portion of Long-Term Debt	0.0	0.0	0.0	0.0	0.0
Total Creditors	44.9	40.2	36.9	39.8	43.4
Other Current Liabilities	1.7	4.5	4.5	4.5	4.5
Total Current Liabilities	56.0	54.7	51.4	54.3	57.9
Total Long-term Debt	5.7	2.4	2.4	2.4	2.4
Hybrid Debt - Debt Component	0.0	0.0	0.0	0.0	0.0
Total Other Non-Current Liabilities	9.2	9.7	9.7	9.7	9.7
Total Non-current Liabilities	15.0	12.1	12.1	12.1	12.1
Total Provisions	0.0	0.0	0.0	0.0	0.0
Total Liabilities	71.0	66.8	63.5	66.4	70.0
Shareholders' Equity	345.0	368.9	393.4	424.1	460.1
Minority Interests	0.7	0.6	0.6	0.8	1.0
Total Equity	345.7	369.5	394.1	424.9	461.2

Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	19.0%	(1.2%)	17.6%	9.7%	10.0%
Operating EBITDA Growth	49.2%	12.5%	17.0%	16.2%	12.5%
Operating EBITDA Margin	19.5%	22.2%	22.1%	23.4%	23.9%
Net Cash Per Share (RM)	0.14	0.06	0.07	0.15	0.23
BVPS (RM)	0.96	1.03	1.09	1.18	1.28
Gross Interest Cover	106.0	N/A	N/A	N/A	N/A
Effective Tax Rate	13.4%	12.6%	18.0%	18.0%	18.0%
Net Dividend Payout Ratio	31.5%	33.4%	33.9%	31.9%	31.0%
Accounts Receivables Days	68.89	78.30	65.16	55.76	55.84
Inventory Days	68.0	80.4	100.2	122.9	44.2
Accounts Payables Days	100.5	108.8	83.4	75.5	27.1
ROIC (%)	8.3%	9.2%	9.5%	11.0%	12.6%
ROCE (%)	9.4%	10.0%	11.5%	13.1%	14.0%
Return On Average Assets	7.1%	7.5%	8.2%	9.5%	10.2%

Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Export (ex China) Growth (%)	20.2%	5.0%	10.2%	7.7%	7.5%
Export (China) Growth (%)	5.4%	7.5%	15.0%	15.0%	15.0%
Local Growth (%)	20.0%	5.0%	10.3%	11.4%	12.2%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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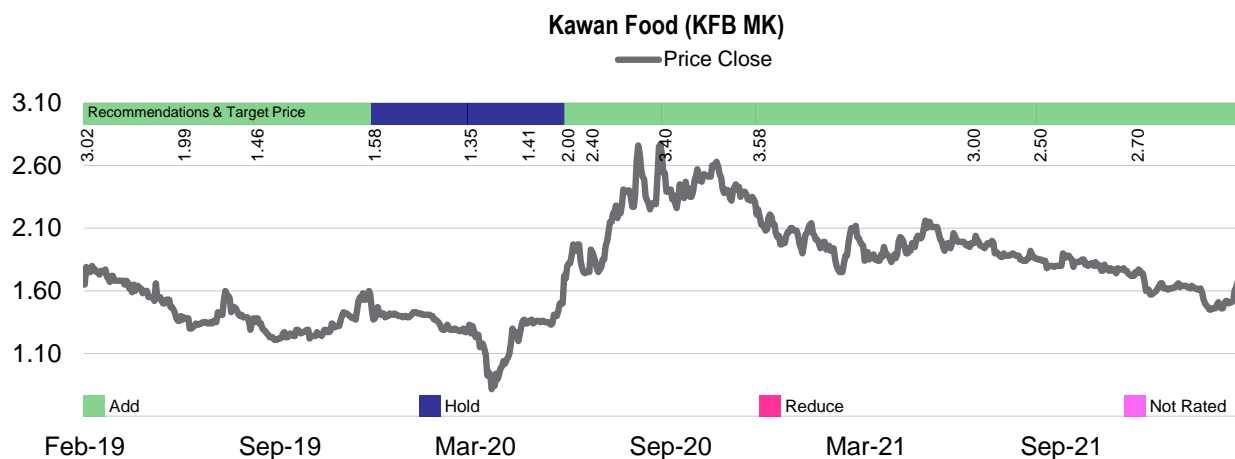
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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2021 619 companies under coverage for quarter ended on 31 December 2021		
	Rating Distribution (%)	Investment Banking clients (%)
Add	71.1%	1.5%
Hold	21.8%	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.

