

Hong Kong

ADD (no change)

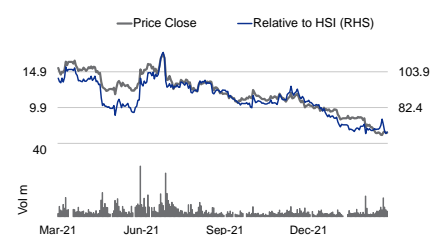
Consensus ratings*: Buy 25 Hold 3 Sell 0

Current price:	HK\$6.38
Target price:	HK\$10.56
Previous target:	HK\$14.25
Up/downside:	65.5%
CGS-CIMB / Consensus:	-31.4%
Reuters:	1478.HK
Bloomberg:	1478 HK
Market cap:	US\$963.6m
	HK\$7,541m
Average daily turnover:	US\$2.64m
	HK\$20.61m
Current shares o/s:	1,182m
Free float:	35.7%

*Source: Bloomberg

Key changes in this note

- FY22F/23F revenue decreased by 7%/11%.
- FY22F/23F GPM decreased by 1.2%/1.2% pts.
- FY22F/23F EPS decreased by 24%/26%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-24.7	-37	-58.7
Relative (%)	-12.5	-29.4	-31.9

Major shareholders	% held
Mr HE Ningning	64.3

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Q Technology

Non-handset camera modules to grow fast

- Q Technology's (Q Tech) FY21 net profit grew 2.7% yoy and formed only 87% of our forecast due to a sharp drop in 2H21 GPM.
- FY22F handset camera module (HCM) shipments could grow 13% yoy, but GPM likely to stay low (8.5%) on slow spec-upgrades for Chinese brands.
- Reiterate Add. TP reduced to HK\$10.56 on 24%/26% EPS cuts in FY22F/23F due to GPM pressure in HCM.

2H21 profitability quickly deteriorated on poor product mix

Q Tech's FY21 net profit increased by a mere 2.7% yoy to Rmb863m, mainly due to sharp GPM deterioration for HCM and fingerprint recognition modules (FPM) in 2H21. 2H21 GPM retreated by 430bp hoh to 7.3% (1H21: 11.6%; 2H20: 12.1%) due to poor product mix (initial low-end HCM shipment for Samsung), weak high-end smartphone sales among customers, sharp GPM decline for FPM due to key component shortages, and ramp-up of auto/IoT camera modules. 2H21 net profit dropped 42% yoy to Rmb292m (vs. +70% to Rmb571m in 1H21), driven by 8.5% yoy revenue growth and 480bp yoy GPM decline.

HCM shipment to grow 13%, but GPM to remain low at 8.5%

Q Tech's HCM shipments grew 21% yoy to 476m in FY21 due to new order wins for Samsung and Honor. However, HCM ASP fell 9% yoy to Rmb35.2 in FY21 (1H21: Rmb37.5; 2H21: Rmb33.2) due to increased output of Samsung's low- to mid-range products. HCM GPM declined by 30bp yoy to 9.7% in FY21 but fell sharply to 7.3% in 2H21 (1H21: 11.6%) due to poor product mix, low utilisation rate in its India factory and increased labour cost. We estimate FY22F HCM shipments to grow 13% yoy (management guides 10%+ yoy) on strong orders from Samsung and stable demand from Vivo/Oppo/Honor. We expect HCM GPM to decline to 8.5% in FY22F due to increased competition but ASP to grow 8%, driven by wider adoption of high-resolution lens (64MP/108MP), large chip size, big aperture and OIS features. We expect FPM shipment to grow over 20% yoy in FY22F but ASP to decline 10% and GPM to stay low at 6%, no thanks to poor spec-upgrade and fierce competition.

Non-handset camera module to be new growth driver in FY22F

Q Tech produced c.3m camera modules for automotive, IoT and AR products, which contributed c.2% of total FY21 revenue. We expect non-handset camera modules to achieve fast growth and become the company new growth driver in FY22-23F due to new projects wins for automotive and new products launches for AR glass customers.

Reiterate Add; TP slide to HK\$10.56

We cut FY22F/23F EPS by c.24%/26% as we expect lower GPM in HCM and FPM products, no thanks to slower-than-expected spec-upgrades and increased competition. We maintain our Add call as we believe its earnings will recover in FY23F on better product mix in HCM and higher contribution from auto/IoT/AR camera modules. Our lower TP of HK\$10.56 is now pegged to 10x FY23F P/E, a 30% discount to its peers, reflecting its smaller handset lens and automotive segment contributions. Share catalysts include strong recovery in HCM GPM, improved utilisation in its India factory and faster ramp-up in auto/IoT/AR camera modules. Downside risk: sustained GPM pressure in HCM.

Financial Summary

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (Rmbm)	17,400	18,663	22,815	24,864	27,234
Net Profit (Rmbm)	840	863	895	1,044	1,231
Normalised EPS (Rmb)	0.73	0.75	0.76	0.88	1.04
Normalised EPS Growth	48.4%	2.8%	1.1%	16.6%	17.9%
FD Normalised P/E (x)	7.16	6.95	6.88	5.90	5.00
Price To Sales (x)	0.35	0.33	0.27	0.25	0.22
DPS (Rmb)	0.042	-	-	-	-
Dividend Yield	0.81%	0.00%	0.00%	0.00%	0.00%
EV/EBITDA (x)	3.35	3.55	2.88	2.15	1.44
P/FCFE (x)	2.98	20.53	8.18	7.31	5.96
Net Gearing	(26.1%)	(16.9%)	(23.7%)	(31.6%)	(38.9%)
P/BV (x)	1.60	1.30	1.12	0.95	0.81
ROE	25.6%	20.8%	17.6%	17.5%	17.5%
% Change In Normalised EPS Estimates			(23.8%)	(26.1%)	
Normalised EPS/consensus EPS (x)			0.66	0.65	0.72

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Non-handset camera modules to grow fast

Figure 1: Results review

FYE Dec (Rmb m)	2HFY21	2HFY20	yoy % chg	hoh % chg	2HFY21 Cum	2HFY20 Cum	yoy % chg	Prev. FY21F	Comments
Revenue	9,327	8,598	8.5	(0.1)	18,663	17,400	7.3	19,630	FY21 revenue grew 8% yoy, driven by 22% shipment growth
Operating costs	(8,806)	(7,754)	13.6	4.2	(17,261)	(16,014)	7.8	(18,003)	and 9% decline in handset camera modules (HCM).
EBITDA	520	844	(38.4)	(41.0)	1,402	1,387	1.1	1,627	FY21 GPM fell 70bp yoy to 9.4%, mainly due to surging components costs
EBITDA margin (%)	5.6	9.8			7.5	8.0		8.3	and poor products mix in 2H21. 2H21 GPM dropped 480bp yoy to 7.3%
Depn & amort.	(260)	(202)	28.7	26.4	(466)	(384)	21.3	(470)	(1H21 GPM was 11.6%, +330bp yoy).
EBIT	260	642	(59.5)	(61.5)	935	1,002	(6.7)	1,157	
Interest expense	(15)	(24)	(37.5)	3.5	(30)	(54)	(43.9)	(30)	
Interest & invt inc	67	(12)	669.5	16.8	124	56	123.1	116	
Associates' contrib	(11)	(8)	49.9	(38.2)	(29)	(23)	28.7	(38)	Share of net loss from Newmax Technology (36% owned).
Exceptionals	23	(3)	N/M	N/M	(43)	(11)	276.1	(68)	Impairment loss in Newmax and asset disposal loss.
Pretax profit	323	595	N/M	(50.8)	957	970	(1.3)	1,137	
Tax	(9)	(91)	(90.4)	(89.9)	(94)	(130)	(27.3)	(149)	
Tax rate (%)	2.7	15.2	-	-	9.9	13.4	-	13.1	
Minority interests	0	-	N/M	N/M	0	-	N/M	-	
Net profit	314	505	(37.7)	(44.9)	863	840	2.7	988	FY21 net profit merely increased by 3% yoy to Rmb863m, which only
Core net profit	292	508	(42.5)	(52.5)	906	852	6.4	1,056	formed 87% of our estimate due to surge in components costs, low
EPS (Rmb cts)	26.9	43.2	(37.7)	(44.5)	73.9	71.9	2.7	84.6	production efficiency in India factory and poor products mix in 2H21.

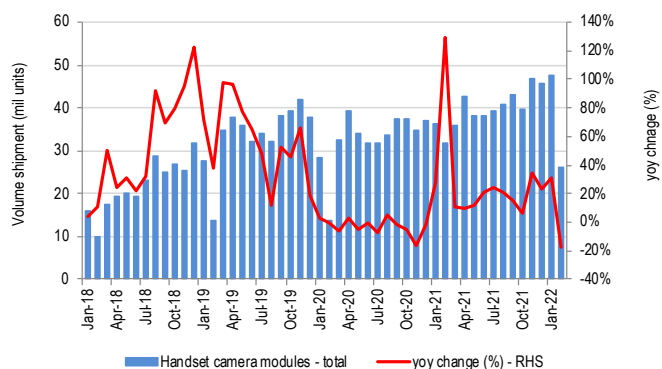
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 2: Key segment shipments

Monthly shipments	12M20	12M21	Company guidance	01/21	02/21	03/21	04/21	05/21	06/21	07/21	08/21	09/21	10/21	11/21	12/21	01/22	02/22
Volume shipments (mil units)																	
Handset camera modules	393	479	10%+	36.4	31.9	36.1	42.8	38.3	38.4	39.2	40.8	43.0	39.8	47.0	45.6	47.7	26.2
- 8MP and below	113	166	n.a.	9.9	10.7	10.7	11.4	10.2	12.5	13.2	14.3	16.7	17.1	19.3	19.8	-	-
- 10MP to 30MP	179	161	n.a.	16.8	11.7	14.0	16.8	14.1	12.5	13.5	14.2	14.5	9.6	11.3	12.4	-	-
- 32MP and above	101	152	over 30%	9.7	9.4	11.3	14.6	14.0	13.4	12.5	12.3	11.9	13.0	16.3	13.4	13.6	7.3
Fingerprint recognition modules	92	115	20%+	9.7	8.8	9.2	9.9	7.6	10.3	8.9	9.3	9.5	9.9	11.0	10.6	10.6	5.8
- Under-glass fingerprint	47	59	n.a.	5.4	5.1	5.1	5.5	4.1	5.7	3.7	4.3	3.8	4.9	6.9	4.5	4.7	2.1
- non under-glass fingerprint	45	55	n.a.	4.2	3.6	4.1	4.4	3.4	4.5	5.2	5.0	5.7	4.9	4.2	6.1	5.9	3.7
Volume shipments (yoy %)																	
Handset camera modules		22%		28%	129%	10%	9%	12%	20%	24%	20%	15%	7%	34%	23%	31%	-18%
- 8MP and below		47%		9%	235%	1%	20%	5%	120%	46%	27%	48%	51%	62%	97%	-100%	-100%
- 10MP to 30MP		-10%		52%	44%	-1%	0%	-5%	-25%	-14%	-6%	-23%	-47%	-17%	-19%	-100%	-100%
- 32MP and above		50%		17%	267%	43%	13%	46%	40%	80%	64%	63%	70%	75%	13%	40%	-23%
Fingerprint recognition modules		25%		63%	139%	21%	26%	-6%	51%	82%	-2%	12%	17%	6%	3%	10%	-34%
- Under-glass fingerprint		25%		85%	121%	9%	8%	6%	72%	78%	3%	5%	0%	22%	-1%	-15%	-59%
- Non under-glass fingerprint		24%		41%	169%	39%	61%	-18%	30%	85%	-6%	17%	36%	-14%	6%	41%	1%

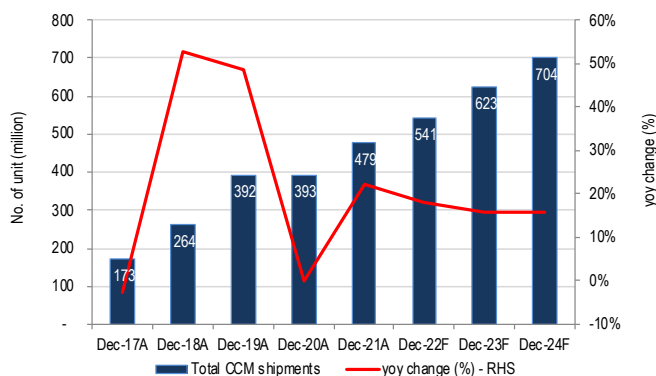
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 3: Handset camera module monthly shipments (Jan 18 to Feb 2022)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 4: Handset camera modules shipment forecasts (FY17 to FY24F)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 5: Earnings revision

FYE 31 Dec (Rmb m)	Dec-21A	Dec-22F			Dec-23F			Dec-24F		
		Old	New	% chg	Old	New	% chg	Old	New	% chg
Revenue	18,663	24,563	22,815	-7.1%	27,926	24,864	-11.0%	n.a.	27,234	n.a.
Gross profit	1,762	2,376	1,943	-18.2%	2,753	2,162	-21.5%	n.a.	2,447	n.a.
Gross profit margin	9.4%	9.7%	8.5%	-1.2% pts	9.9%	8.7%	-1.2% pts	n.a.	9.0%	n.a.
EBITDA	1,487	1,851	1,597	-13.7%	2,102	1,763	-16.1%	n.a.	1,844	n.a.
Net profit	863	1,175	895	-23.8%	1,412	1,044	-26.1%	n.a.	1,231	n.a.
EPS (Rmb)	0.732	0.99	0.76	-23.8%	1.19	0.88	-26.1%	n.a.	1.04	n.a.

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 6: Peer comparison

Company	Bloomberg		Price	Target Price	Market Cap	Core P/E (x)			P/BV (x)		Recurring ROE (%)		EV/EBITDA (x)		Dividend Yield (%)	
	Ticker	Recom.				(local curr)	(local curr)	(US\$ m)	CY2021	CY2022	CY2023	CY2021	CY2022	CY2021	CY2022	CY2021
Handset component makers - optical																
Cowell Holdings	1415 HK	Add	7.67	14.17	818	15.1	9.7	7.0	2.5	2.0	18.7%	23.1%	7.8	5.8	1.0%	1.5%
Largan Precision	3008 TT	Not Rated	2,000	N/A	9,420	17.9	14.2	12.9	2.3	1.7	13.2%	12.7%	9.6	7.0	2.9%	3.6%
Q Tech	1478 HK	Add	6.38	10.56	964	6.9	6.8	5.9	1.3	1.1	20.5%	17.6%	3.6	2.9	1.6%	1.9%
SEMCO	009150 KS	Add	160,500	195,000	9,855	11.2	10.2	9.3	1.8	1.6	17.7%	16.6%	6.1	5.0	0.9%	0.9%
Sunny Optical	2382 HK	Add	137.60	261.40	19,286	21.9	16.8	13.4	5.9	4.6	30.1%	31.8%	13.8	10.3	0.9%	1.2%
Average						14.6	11.5	9.7	2.8	2.2	20.0%	20.4%	8.1	6.2	1.5%	1.8%

SOURCES: CGS-CIMB RESEARCH, BLOOMBERG (PRICE AS AT 21 MAR 2022)



ESG in a nutshell

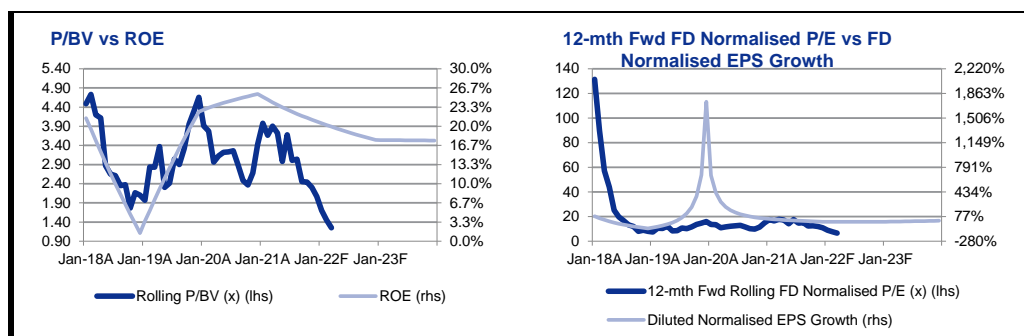
In 2020, Q tech integrated several environmental protections into its daily operations, including improving the energy-saving technology of the ice water machines, applying energy-saving LED lightings, reduced the fuel used for staff shuttle buses and carrying out the Six Sigma training project to advocate for health and safety concepts for employees to all members in the task force.

The company has developed its vision “to illuminate machines” and is pushing for the research and development of new materials, new processes, and new products to achieve stable and sustainable development.

In our view, Q Tech is not involved in any environmentally detrimental industry practices and has launched efforts to minimise the environmental impact of its operations.

<p>Keep your eye on</p> <p>Q Tech supports sustainable development by following three main goals in its ESG strategy.</p>	<p>Implications</p> <p>Q Tech identified three vital goals to connect its operations and ESG commitments. These act as the foundation of the company’s ESG strategy, namely Decent Work and Economic Growth, Responsible Consumption and Production, and Peace, Justice, and Strong Institutions.</p>
<p>ESG highlights</p> <p>Q Tech has a well-established ESG governance structure to review and tailor ESG goals and monitor the corresponding risks.</p>	<p>Implications</p> <p>Q Tech established a cross-department ESG task force for reporting relevant ESG performance to the board. The report combines opinions from stakeholders, including employees, customers, investors and suppliers in a 4-step procedure, namely identification, prioritisation, validation and review.</p>
<p>Trends</p> <p>In FY20, the company’s energy and water consumption, greenhouse gas emission and hazardous waste produced increased; its non-hazardous waste produced decreased.</p>	<p>Implications</p> <p>Q Tech’s total energy consumption rose 21% yoy to 688,744 GJ in FY20. Energy consumption density (GJ per thousand of products sold) increased from 1.12 in FY19 to 1.42 in FY20.</p> <p>Total water consumption rose 10% yoy to 1,774,478 m³ in FY20. Water consumption density (m³ per thousand of products sold) increased from 3.17 in FY19 to 3.66 in FY20.</p> <p>Total greenhouse gas (GHG) emission increased 20% yoy to 150,932 tonnes of CO₂ in FY20. Total emission density (tonnes/’000 pcs sales volume) increased from 0.25 in FY19 to 0.31 in FY20.</p> <p>Total hazardous waste produced increased 112% yoy to 563.1 tonnes in FY20.</p> <p>Total non-hazardous waste produced decreased 4.5% yoy to 573 tonnes in FY20.</p>

SOURCES: CGS-CIMB RESEARCH

BY THE NUMBERS

Profit & Loss

(Rmbm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Net Revenues	17,400	18,663	22,815	24,864	27,234
Gross Profit	1,771	1,762	1,943	2,162	2,447
Operating EBITDA	1,387	1,402	1,557	1,743	1,966
Depreciation And Amortisation	(384)	(466)	(539)	(586)	(618)
Operating EBIT	1,002	935	1,018	1,157	1,349
Financial Income/(Expense)	2	94	28	10	15
Pretax Income/(Loss) from Assoc.	(23)	(52)	(15)	28	45
Non-Operating Income/(Expense)	0	0	0	0	0
Profit Before Tax (pre-EI)	981	978	1,031	1,196	1,408
Exceptional Items	(11)	(21)	0	0	0
Pre-tax Profit	970	957	1,031	1,196	1,408
Taxation	(130)	(94)	(136)	(152)	(177)
Exceptional Income - post-tax					
Profit After Tax	840	863	895	1,044	1,231
Minority Interests	0	0	0	0	0
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Preference Dividends (Australia)					
Net Profit	840	863	895	1,044	1,231
Normalised Net Profit	852	884	895	1,044	1,231
Fully Diluted Normalised Profit	852	884	895	1,044	1,231

Cash Flow

(Rmbm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
EBITDA	1,387	1,402	1,557	1,743	1,966
Cash Flow from Inv. & Assoc.	23	52	15	(28)	(45)
Change In Working Capital	1,379	(927)	(49)	(55)	(71)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	973	46	37	58	70
Net Interest (Paid)/Received	(37)	(12)	(12)	(10)	(5)
Tax Paid	(121)	(94)	(136)	(152)	(177)
Cashflow From Operations	3,604	466	1,412	1,556	1,738
Capex	(541)	(880)	(900)	(800)	(800)
Disposals Of FAs/subsidiaries	0	0	0	0	0
Acq. Of Subsidiaries/investments	0	0	0	0	0
Other Investing Cashflow					
Cash Flow From Investing	(541)	(880)	(900)	(800)	(800)
Debt Raised/(repaid)	(1,015)	713	240	85	95
Proceeds From Issue Of Shares	242	0	0	0	0
Shares Repurchased	0	0	0	0	0
Dividends Paid	(107)	(49)	0	0	0
Preferred Dividends					
Other Financing Cashflow	(435)	(30)	(30)	(32)	(34)
Cash Flow From Financing	(1,315)	634	210	53	61
Total Cash Generated	1,748	220	722	809	999
Free Cashflow To Equity	2,048	299	752	842	1,033
Free Cashflow To Firm	3,117	(384)	542	789	972

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd
Balance Sheet

(Rmbm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Cash And Equivalents	2,250	2,554	3,194	4,021	5,038
Total Debtors	3,589	4,446	5,435	5,923	6,488
Inventories	1,943	2,258	2,789	3,033	3,312
Total Other Current Assets	100	57	63	68	75
Total Current Assets	7,882	9,315	11,481	13,046	14,913
Fixed Assets	2,960	3,144	3,505	3,719	3,902
Total Investments	416	344	344	344	344
Intangible Assets	4	20	20	20	20
Total Other Non-Current Assets	141	224	126	126	126
Total Non-current Assets	3,521	3,733	3,995	4,210	4,392
Short-term Debt	1,104	1,708	1,898	1,983	2,077
Current Portion of Long-Term Debt					
Total Creditors	6,021	6,283	7,759	8,440	9,215
Other Current Liabilities	151	89	89	89	89
Total Current Liabilities	7,276	8,079	9,745	10,511	11,381
Total Long-term Debt	159	50	0	0	0
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	157	214	261	285	312
Total Non-current Liabilities	316	264	261	285	312
Total Provisions	25	0	0	0	0
Total Liabilities	7,617	8,343	10,007	10,796	11,693
Shareholders' Equity	3,786	4,699	5,464	6,454	7,606
Minority Interests	0	6	6	6	6
Total Equity	3,786	4,705	5,469	6,460	7,612

Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	32.1%	7.3%	22.2%	9.0%	9.5%
Operating EBITDA Growth	48.8%	1.1%	11.1%	11.9%	12.8%
Operating EBITDA Margin	7.97%	7.51%	6.83%	7.01%	7.22%
Net Cash Per Share (Rmb)	0.84	0.67	1.10	1.72	2.50
BVPS (Rmb)	3.23	3.98	4.62	5.46	6.43
Gross Interest Cover	18.72	31.13	33.88	35.68	39.78
Effective Tax Rate	13.4%	9.9%	13.2%	12.7%	12.6%
Net Dividend Payout Ratio	5.78%	NA	NA	NA	NA
Accounts Receivables Days	89.48	78.57	79.04	83.37	83.40
Inventory Days	45.15	45.37	44.13	46.80	46.85
Accounts Payables Days	139.9	132.5	122.3	129.7	129.8
ROIC (%)	21.9%	27.4%	20.2%	21.2%	23.2%
ROCE (%)	22.0%	16.5%	15.0%	14.9%	15.2%
Return On Average Assets	7.71%	6.65%	6.13%	6.33%	6.67%

Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Handset camera module shipments (yoy change %)	0.0%	22.1%	13.0%	15.0%	13.0%
Fingerprint recognition module shipments (yoy chan	(0.1)	0.2	0.2	0.1	0.1
Handset camera module GPM (%)	10.0%	9.7%	8.6%	8.8%	9.1%
Fingerprint recognition module GPM (%)	10.7%	5.2%	6.0%	6.0%	6.0%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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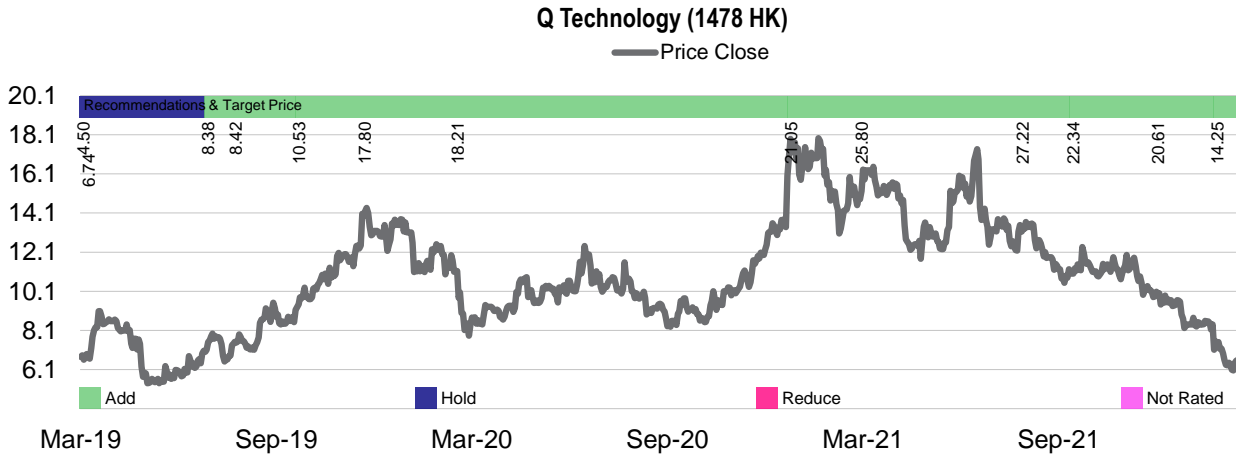
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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2021		
619 companies under coverage for quarter ended on 31 December 2021		
	Rating Distribution (%)	Investment Banking clients (%)
Add	71.1%	1.5%
Hold	21.8%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

