

## Hong Kong

**HOLD** (previously ADD)

Consensus ratings\*: Buy 17 Hold 4 Sell 2

Current price:	HK\$5.16
Target price:	HK\$5.60
Previous target:	HK\$9.80
Up/downside:	8.5%
CGS-CIMB / Consensus:	-52.0%
Reuters:	1516.HK
Bloomberg:	1516 HK
Market cap:	US\$2,030m
	HK\$15,885m
Average daily turnover:	US\$24.19m
	HK\$188.9m
Current shares o/s:	3,078m
Free float:	35.9%

\*Source: Bloomberg

**Key changes in this note**

- FY22F EPS decreased by 2%.
- FY23F EPS decreased by 8%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-22.2	-30.5	-79.4
Relative (%)	-20.1	-26.7	-57.2

Major shareholders	% held
Sunac (1918 HK)	64.1

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# Sunac Services

## Higher collection risk a share price overhang

- Sunac Services reported a 117% yoy increase in FY21 core net profit with an unchanged 30% payout ratio.
- Due to liquidity issues of its parent, we expect Sunac Services to see slower growth in managed GFA and VAS to non-property owners.
- Investors may watch out for Rmb2.3bn increase in trade receivables from related parties in FY21. Downgrade to Hold with a lower TP of HK\$5.6.

### FY21 core net profit increased 117% yoy

Sunac Services reported a 117% yoy increase in core net profit in FY21, 11% above our estimate, and higher than the 100% mentioned in its positive profit alert. Overall gross profit margin (GPM) saw 4% pt expansion with 31.5%, thanks to GPM expansion in property management (PM) services and introduction of commercial operational services. DPS was up 114% yoy to Rmb0.124 as its 30% payout ratio remained unchanged.

### To see lower GFA contribution from parent

Its managed GFA increased by 59% yoy to 215m sq m at end-FY21; c.54% of the increment was driven by new projects completed by parent Sunac (1918 HK, Reduce) or its JV partners. However, due to liquidity issues associated with Sunac, we estimate a delay in Sunac's property project completion will lead to slower growth in Sunac Services' managed GFA. We revise down our managed GFA growth projection to 32%/22% for FY22F/23F, from 38%/29% previously.

### Revenue from VAS to non-property owners under pressure

Revenues from value-added services (VAS) to non-property owners and community VAS jumped 60% and 188% yoy, respectively, on a low base. As Sunac's property sales slowed, we think revenue from VAS to non-property owners will come under pressure with almost 0% growth in FY22-23F. On the other hand, we estimate community VAS to sustain solid revenue growth with a CAGR of 42% over FY21-24F, driven by penetration of new services (e.g. convenience and interior decoration services).

### Receivables collection risk a key share price overhang

Its net impairment loss on financial assets jumped from Rmb15m in FY20 to Rmb196m in FY21 (2.5% of FY21 revenue); management attributes this to slowdown of collection from related parties. Investors may pay attention to whether the Rmb2.3bn increase in trade receivables from related parties in FY21 would lead to further provisions in FY22F (Fig. 2). Until Sunac's liquidity issues ease, Sunac Services' receivables collection risk would remain a key share price overhang.

### Downgrade to Hold with a lower TP of HK\$5.6

We downgrade Sunac Services to Hold from Add and cut its TP to HK\$5.6, suggesting only 9% upside in share price. See p.2 for EPS revisions and valuation methodology. Key downside risks: higher impairment provisions for receivables and slower-than-expected GFA expansion for PM services. Easing of Sunac's liquidity issues is a key upside risk to Sunac Services.

**Financial Summary**

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Net Revenues (Rmbm)	4,625	7,904	10,251	12,659	15,233
Operating EBITDA (Rmbm)	747	1,673	2,153	2,617	3,141
Net Profit (Rmbm)	591	1,276	1,596	1,941	2,314
Core EPS (Rmb)	0.19	0.41	0.52	0.63	0.75
Core EPS Growth	122%	116%	26%	22%	19%
FD Core P/E (x)	21.98	10.15	8.09	6.64	5.57
DPS (Rmb)	0.06	0.12	0.16	0.19	0.23
Dividend Yield	1.39%	2.96%	3.73%	4.54%	5.40%
EV/EBITDA (x)	4.91	4.64	2.84	2.16	1.05
P/FCFE (x)	NA	NA	6.95	15.90	4.64
Net Gearing	(96.4%)	(62.0%)	(70.1%)	(64.6%)	(73.9%)
P/BV (x)	1.34	1.52	1.33	1.15	1.00
ROE	11.8%	14.0%	17.5%	18.6%	19.2%
% Change In Core EPS Estimates			(1.57%)	(8.40%)	
CGS-CIMB/Consensus EPS (x)			0.83	0.74	1.37

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## EPS revision and valuation methodology ►

We cut FY22F/23F EPS by 2%/8% and introduce FY24F EPS of Rmb0.75. Our EPS cuts reflect higher impairment provisions as well as lower overall GPM assumptions across all of Sunac Services' segments. Our new FY21-24F EPS CAGR is therefore lowered to 22%. We value Sunac Services at 8.9x FY22F P/E, after we lower PEG multiple from 0.5x to 0.4x to reflect our lower estimates for its EPS growth due to its receivables issues.

**Figure 1: Sunac Services' FY21 results summary**

Rmb m	FY20	FY21	yoy %	FY21F	var %
<i>Property management services</i>	2,774	4,539	64%	5,290	-14%
<i>VAS to non-property owners</i>	1,673	2,682	60%	2,048	31%
<i>Community VAS</i>	176	507	188%	557	-9%
<i>Commercial operational services</i>	3	176	6527%		<i>n.m.</i>
<b>Total revenue</b>	<b>4,625</b>	<b>7,904</b>	<b>71%</b>	<b>7,895</b>	<b>0%</b>
COGS	(3,347)	(5,413)	62%	(5,720)	-5%
<b>Gross profit (GP)</b>	<b>1,278</b>	<b>2,491</b>	<b>95%</b>	<b>2,175</b>	<b>15%</b>
Selling and marketing costs	(29)	(69)	139%	(48)	44%
Administrative expenses	(502)	(749)	49%	(790)	-5%
Other income and gains	68	159	135%	57	179%
Other expenses	(15)	(196)	1207%	(35)	456%
Finance costs, net	10	138	1215%	166	-17%
Share of profit of associates	9	11	23%	36	-70%
<b>Profit before tax</b>	<b>819</b>	<b>1,785</b>	<b>118%</b>	<b>1,562</b>	<b>14%</b>
Tax expense	(195)	(426)	119%	(358)	19%
<b>Profit for the period before MI</b>	<b>624</b>	<b>1,358</b>	<b>118%</b>	<b>1,203</b>	<b>13%</b>
Minority interest (MI)	(25)	(82)	231%	(54)	53%
<b>Reported net profit</b>	<b>597</b>	<b>1,276</b>	<b>114%</b>		
One-off items	(8)	-	-100%		
<b>Core net profit</b>	<b>589</b>	<b>1,276</b>	<b>117%</b>	<b>1,150</b>	<b>11%</b>
DPS (Rmb)	0.058	0.124	114%	0.113	10%
<b>Ratios</b>			<b>% pt chg</b>		<b>% pt var</b>
<i>Property management services</i>	21.6%	25.7%	4.1%	22.9%	2.8%
<i>VAS to non-property owners</i>	35.6%	35.6%	0.1%	35.0%	0.7%
<i>Community VAS</i>	46.3%	45.6%	-0.7%	44.5%	1.0%
<i>Commercial operational services</i>	20.9%	79.2%	58.3%	<i>n.m.</i>	<i>n.m.</i>
Overall gross profit margin	27.6%	31.5%	3.9%	27.6%	4.0%
SG&A expense ratio	11.5%	10.3%	-1.1%	10.6%	-0.3%
Core net profit margin	12.7%	16.1%	3.4%	14.6%	1.6%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 2: Analysis of net increase in trade and other receivables in FY21**

	End-FY20	Chg (FY21)	End-FY21
<b>Trade and other receivables, net</b>	<b>1,384.8</b>	<b>3,181.5</b>	<b>4,566.3</b>
Less: other receivables	(334.0)	(400.1)	(734.1)
<b>Trade receivables, net</b>	<b>1,050.8</b>	<b>2,781.4</b>	<b>3,832.2</b>
<b>Net increase in trade receivables</b>		<b>2,781.4</b>	
Less: net increase in trade receivables from 3P		(456.9)	
<b>Net increase in trade receivables from related parties</b>		<b>2,324.5</b>	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 3: End-period PM portfolio projection**

	2018	2019	2020	2021	2022F	2023F	2024F
<b>GFA under management by source: (m sq m)</b>							
- Sunac and Sunac JVs	28.4	52.6	91.8	135.0	159.8	181.5	205.7
- 3P projects (including acquired projects)	0.2	0.3	43.3	79.7	122.8	162.6	199.4
<b>Total GFA under management (m sq m)</b>	<b>28.6</b>	<b>53.0</b>	<b>135.1</b>	<b>214.7</b>	<b>282.5</b>	<b>344.1</b>	<b>405.1</b>
<b>yoy chg: (m sq m)</b>							
- Sunac and Sunac JVs	8.5	24.2	39.1	43.3	24.7	21.7	24.2
- 3P projects (including acquired projects)	0.1	0.2	43.0	36.4	43.0	39.8	36.8
<b>Total yoy chg in GFA under management (m sq m)</b>	<b>8.6</b>	<b>24.4</b>	<b>82.1</b>	<b>79.6</b>	<b>67.8</b>	<b>61.6</b>	<b>61.0</b>
yoy chg %	43%	85%	155%	59%	32%	22%	18%
<b>Contracted GFA (m sq m)</b>							
	<b>96.9</b>	<b>157.7</b>	<b>263.8</b>	<b>358.4</b>	<b>408.4</b>	<b>458.4</b>	<b>518.4</b>
yoy chg in contracted GFA (m sq m)	39.5	60.8	106.1	94.6	50.0	50.0	60.0
yoy chg %	69%	63%	67%	36%	14%	12%	13%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 4: TP changes summary**

	Old	New	Chg
Three-year EPS CAGR	31%	22%	n.a.
Target PEG (x)	0.50	0.40	-0.10
Target FY22F P/E	15.7	8.9	-44%
FY22F EPS (Rmb)	0.53	0.52	-2%
<b>New target price (HK\$)</b>	<b>9.80</b>	<b>5.60</b>	<b>-43%</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 5: Earnings revision**

Rmb m	2022F			2023F			2024F
	Old	New	% chg	Old	New	% chg	New
Core net profit	1,632	1,596	-2%	2,136	1,941	-9%	2,314
EPS (Rmb)	0.53	0.52	-2%	0.69	0.63	-8%	0.75
DPS (Rmb)	0.16	0.16	-1%	0.21	0.19	-8%	0.23

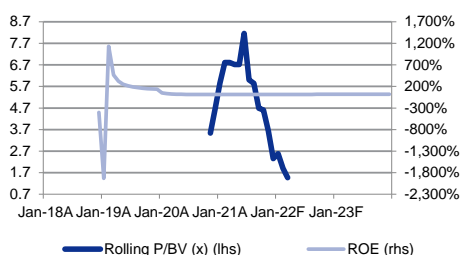
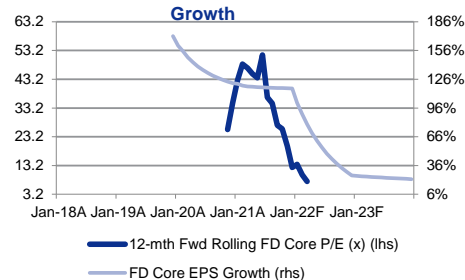
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 6: China property management valuation summary**

Company Name	Ticker	Share price (HK\$)	Target price (HK\$)	Rating	Upside (%)	Mkt cap (US\$ m)	P/E (x)				Dividend yield			EPS CAGR	FY20-23F PEG (x)*	Net gearing (%)
							2020	2021F	2022F	2023F	2020	2021F	2022F			
A-Living Services	3319 HK	11.68	20.90	ADD	79	2,119	7.0	5.5	4.3	3.6	5.5	6.4	8.1	25%	0.18	(56)
COPH	2669 HK	9.52	11.60	ADD	22	3,998	44.5	31.8	23.4	18.0	0.7	0.9	1.3	35%	0.67	(170)
Country Garden Services	6098 HK	34.35	62.60	ADD	82	14,766	26.7	21.2	16.0	11.5	0.8	1.1	1.6	32%	0.50	(71)
CIFI Ever Sunshine	1995 HK	10.74	17.60	ADD	64	2,405	37.3	24.8	17.7	13.1	0.8	1.3	1.7	42%	0.43	(105)
Greentown Service	2869 HK	7.90	7.40	HOLD	(6)	3,276	26.9	24.2	19.9	16.3	2.7	2.6	2.7	18%	1.10	(60)
KWG Living	3913 HK	3.03	5.80	ADD	91	781	11.9	7.3	5.2	3.9	2.4	4.9	6.7	45%	0.12	(99)
Poly Property Services	6049 HK	57.15	47.00	HOLD	(18)	4,040	39.4	30.1	23.9	19.6	0.9	0.7	0.8	26%	0.91	(119)
Powerlong CM	9909 HK	6.19	25.10	ADD	305	508	9.7	7.4	5.3	4.0	4.8	6.8	9.5	34%	0.16	(159)
Times Neighborhood	9928 HK	2.38	4.50	ADD	89	300	7.8	5.0	3.6	2.9	4.2	6.7	9.1	40%	0.09	(59)
Shimao Services	873 HK	4.38	8.30	ADD	89	1,381	12.1	7.3	5.4	4.3	2.6	4.1	5.6	41%	0.13	(86)
<b>Sunac Services</b>	<b>1516 HK</b>	<b>5.16</b>	<b>5.60</b>	<b>HOLD</b>	<b>9</b>	<b>2,030</b>	<b>22.0</b>	<b>10.2</b>	<b>8.1</b>	<b>6.6</b>	<b>1.4</b>	<b>3.0</b>	<b>3.7</b>	<b>49%</b>	<b>0.17</b>	<b>(96)</b>
Jinke Smart Services	9666 HK	28.30	36.30	ADD	28	2,361	24.3	14.2	10.6	8.1	2.2	2.8	3.8	44%	0.24	(95)
CR Mixc Lifestyle	1209 HK	38.40	42.20	HOLD	10	11,198	92.7	55.2	38.7	28.3	0.4	0.5	0.8	48%	0.80	(79)
<b>Large-cap average</b>					<b>25</b>		<b>53</b>	<b>35</b>	<b>26</b>	<b>20</b>	<b>0.7</b>	<b>0.8</b>	<b>1.1</b>	<b>36%</b>	<b>0.74</b>	<b>(89)</b>
<b>Small and mid-cap average</b>					<b>77</b>		<b>20</b>	<b>14</b>	<b>10</b>	<b>8</b>	<b>2.7</b>	<b>3.9</b>	<b>5.2</b>	<b>37%</b>	<b>0.33</b>	<b>(99)</b>
<b>Overall average</b>					<b>65</b>		<b>28</b>	<b>19</b>	<b>14</b>	<b>11</b>	<b>2.3</b>	<b>3.2</b>	<b>4.3</b>	<b>37%</b>	<b>0.42</b>	<b>(96)</b>

Share price data as of 30 Mar 2022, \* PEG = FY22F PE/EPS CAGR (FY20-23F)\*100

SOURCES: CGS-CIMB RESEARCH, BLOOMBERG, COMPANY REPORTS

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

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

**Profit & Loss**

(Rmbm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>Total Net Revenues</b>	<b>4,625</b>	<b>7,904</b>	<b>10,251</b>	<b>12,659</b>	<b>15,233</b>
<b>Gross Profit</b>	<b>1,278</b>	<b>2,491</b>	<b>3,106</b>	<b>3,766</b>	<b>4,515</b>
<b>Operating EBITDA</b>	<b>747</b>	<b>1,673</b>	<b>2,153</b>	<b>2,617</b>	<b>3,141</b>
Depreciation And Amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>747</b>	<b>1,673</b>	<b>2,153</b>	<b>2,617</b>	<b>3,141</b>
Financial Income/(Expense)	63	101	29	29	9
Pretax Income/(Loss) from Assoc.	9	11	50	69	86
Non-Operating Income/(Expense)	0	0	0	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>819</b>	<b>1,785</b>	<b>2,231</b>	<b>2,714</b>	<b>3,237</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>819</b>	<b>1,785</b>	<b>2,231</b>	<b>2,714</b>	<b>3,237</b>
<b>Taxation</b>	<b>(195)</b>	<b>(426)</b>	<b>(533)</b>	<b>(648)</b>	<b>(773)</b>
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>624</b>	<b>1,358</b>	<b>1,698</b>	<b>2,066</b>	<b>2,463</b>
Minority Interests	(25)	(82)	(103)	(125)	(149)
Pref. & Special Div	0	0	0	0	0
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax	(8)	0	0	0	0
<b>Net Profit</b>	<b>591</b>	<b>1,276</b>	<b>1,596</b>	<b>1,941</b>	<b>2,314</b>
Recurring Net Profit	591	1,276	1,596	1,941	2,314
<b>Fully Diluted Recurring Net Profit</b>	<b>591</b>	<b>1,276</b>	<b>1,596</b>	<b>1,941</b>	<b>2,314</b>

**Cash Flow**

(Rmbm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>EBITDA</b>	<b>747</b>	<b>1,673</b>	<b>2,153</b>	<b>2,617</b>	<b>3,141</b>
Cash Flow from Inv. & Assoc.					
Change In Working Capital	270	(1,628)	1,024	(481)	1,009
Straight Line Adjustment					
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	97	281	336	444	543
Other Operating Cashflow	36	(36)	(76)	(106)	(132)
Net Interest (Paid)/Received	0	(7)	(4)	(2)	(2)
Tax Paid	(132)	(341)	(427)	(519)	(619)
<b>Cashflow From Operations</b>	<b>1,018</b>	<b>(58)</b>	<b>3,006</b>	<b>1,954</b>	<b>3,941</b>
Capex	0	0	0	0	0
Disposals Of FAs/subsidiaries					
Disposals of Investment Properties					
Acq. Of Subsidiaries/investments	0	(1,347)	(450)	(450)	(450)
Other Investing Cashflow	(1,371)	(2,341)	(699)	(693)	(711)
<b>Cash Flow From Investing</b>	<b>(1,371)</b>	<b>(3,688)</b>	<b>(1,149)</b>	<b>(1,143)</b>	<b>(1,161)</b>
Debt Raised/(repaid)	0	0	0	0	0
Proceeds From Issue Of Shares	7,592	(78)	0	0	0
Shares Repurchased					
Dividends Paid	(2)	(180)	(382)	(480)	(585)
Preferred Dividends					
Other Financing Cashflow	1,039	0	0	0	0
<b>Cash Flow From Financing</b>	<b>8,629</b>	<b>(258)</b>	<b>(382)</b>	<b>(480)</b>	<b>(585)</b>

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	9,379	5,378	6,854	7,185	9,380
Properties Under Development					
Total Debtors	1,249	4,192	3,531	5,012	5,115
Inventories	41	58	75	98	127
Total Other Current Assets	341	591	709	851	1,021
<b>Total Current Assets</b>	<b>11,009</b>	<b>10,219</b>	<b>11,170</b>	<b>13,146</b>	<b>15,643</b>
Fixed Assets	104	254	962	1,599	2,172
<b>Total Investments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Intangible Assets	1,318	2,111	2,561	3,011	3,461
Total Other Non-Current Assets	529	884	906	933	968
<b>Total Non-current Assets</b>	<b>1,950</b>	<b>3,249</b>	<b>4,428</b>	<b>5,543</b>	<b>6,600</b>
Short-term Debt	0	0	0	0	0
Current Portion of Long-Term Debt					
Total Creditors	2,804	4,221	5,084	6,640	8,361
Other Current Liabilities	151	324	405	507	633
<b>Total Current Liabilities</b>	<b>2,956</b>	<b>4,546</b>	<b>5,489</b>	<b>7,147</b>	<b>8,994</b>
Total Long-term Debt	0	0	0	0	0
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	272	250	325	422	549
<b>Total Non-current Liabilities</b>	<b>272</b>	<b>250</b>	<b>325</b>	<b>422</b>	<b>549</b>
Total Provisions	0	0	0	0	0
<b>Total Liabilities</b>	<b>3,228</b>	<b>4,795</b>	<b>5,814</b>	<b>7,569</b>	<b>9,543</b>
<b>Shareholders' Equity</b>	<b>9,680</b>	<b>8,502</b>	<b>9,715</b>	<b>11,176</b>	<b>12,905</b>
Minority Interests	51	171	69	(56)	(205)
<b>Total Equity</b>	<b>9,731</b>	<b>8,673</b>	<b>9,784</b>	<b>11,120</b>	<b>12,700</b>

**Key Ratios**

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	63.6%	70.9%	29.7%	23.5%	20.3%
Operating EBITDA Growth	135%	124%	29%	22%	20%
Operating EBITDA Margin	16.2%	21.2%	21.0%	20.7%	20.6%
Net Cash Per Share (Rmb)	3.02	1.74	2.23	2.33	3.05
BVPS (Rmb)	3.12	2.76	3.16	3.63	4.19
Gross Interest Cover	356	238	614	1,492	1,791
Effective Tax Rate	23.8%	23.9%	23.9%	23.9%	23.9%
Net Dividend Payout Ratio	30.4%	29.9%	30.1%	30.1%	30.1%
Accounts Receivables Days	64.6	112.3	124.0	112.3	112.6
Inventory Days	6.74	3.33	3.41	3.56	3.85
Accounts Payables Days	147.4	146.8	143.5	132.4	134.7
ROIC (%)	(98%)	201%	46%	60%	54%
ROCE (%)	14.9%	19.8%	24.5%	26.3%	27.6%
Return On Average Assets	7.5%	9.7%	11.5%	11.9%	12.0%

**Key Drivers**

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
GFA under management (m sq m)	135.1	214.7	282.5	344.1	405.1
GPM - property management (%)	21.6%	25.7%	25.7%	25.6%	25.5%
GPM - VAS to non-property owners (%)	35.6%	35.6%	33.3%	32.1%	31.8%
GPM - community VAS (%)	46.3%	45.6%	43.0%	40.7%	39.1%
GPM - overall (%)	27.6%	31.5%	30.3%	29.8%	29.6%
SG&A expense ratio (%)	11.5%	10.3%	9.3%	9.1%	9.0%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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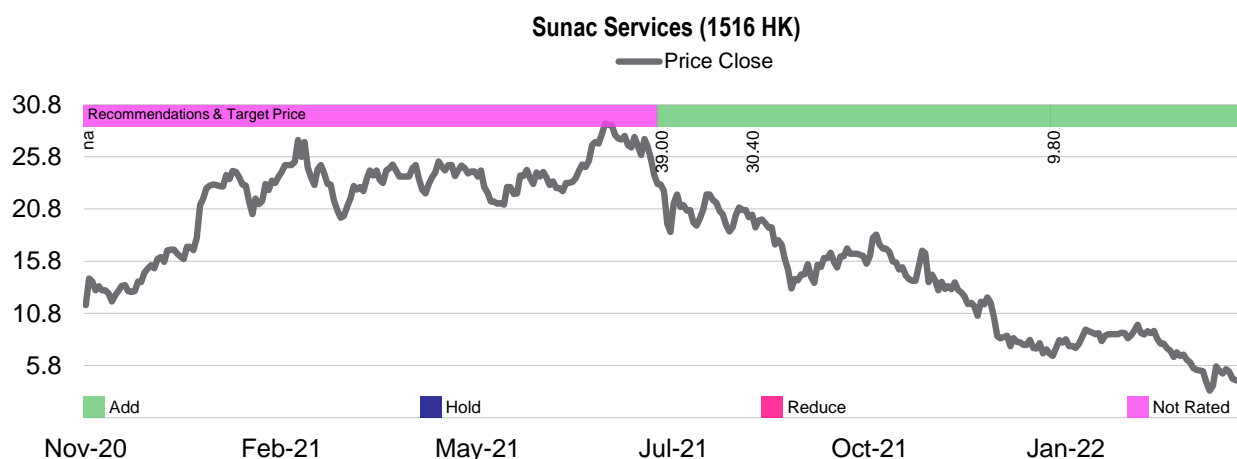
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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2021		
619 companies under coverage for quarter ended on 31 December 2021		
	Rating Distribution (%)	Investment Banking clients (%)
Add	71.1%	1.5%
Hold	21.8%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

