

Hong Kong

ADD (no change)

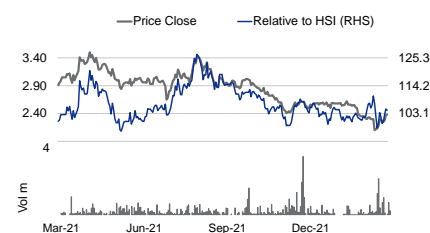
Consensus ratings*: Buy 3 Hold 0 Sell 0

Current price:	HK\$2.38
Target price:	HK\$3.91
Previous target:	HK\$4.75
Up/downside:	64.3%
CGS-CIMB / Consensus:	na
Reuters:	2283.HK
Bloomberg:	2283 HK
Market cap:	US\$253.4m
	HK\$1,983m
Average daily turnover:	US\$0.06m
	HK\$0.50m
Current shares o/s:	833.3m
Free float:	47.1%

*Source: Bloomberg

Key changes in this note

- FY22F/23F revenue decreased by 5.0%/0.9%
- FY22F/23F GPM decreased by 4.7%/3.9%
- FY22F/23F EPS decreased by 19.3%/12.6%



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	1.3	-5.9	-18.2
Relative (%)	4.8	-0.9	4.4

Major shareholders

	% held
LI Pui Leung (Chairman) and other	52.9
FIL Limited	7.1

Analyst

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TK Group (Holdings) Limited

Lower margin for new EV customers

- 2H21 net profit stayed flattish yoy due to GPM erosion from supply chain constraints, higher material costs and logistics costs.
- Plastics component to remain resilient on strong smart home/wearable. Mold fabrication to suffer from short-term low profitability on EV customer win.
- Maintain Add. TP falls to HK\$3.91 on c.19%/13% EPS cuts in FY22F/23F. TK Group trades at c.6x FY22F P/E, which reflects its slow EPS growth of 10%.

2H21 net profit stayed flat at HK\$167m due to sharp decline in GPM

TK Group's 2H21 net profit stayed flattish at HK\$167m (-0.7% yoy) on 6% revenue growth due to the ongoing negative impact from Covid-19. 2H21 revenue increased by c.6% to HK\$1.38bn, driven by strong performance in plastic components manufacturing (+19% yoy) but offset by the decrease in mold fabrication (-21% yoy). 2H21 GPM significantly dropped by 4.8% yoy pts to 23.6%, due to supply chain disruption, order postponement and increase in material prices and logistics costs. FY21 net profit grew by 35% yoy to HK\$282m and formed 92% of our forecast due to lower-than-expected GPM and orders postponed from automotive customers.

Mold fabrication diversifies to Chinese EV makers

FY21 mold fabrication revenue merely increased 1% yoy (+35% yoy in 1H21, -21% in 2H21), mainly due to a sharp decline in orders from automakers, on the back of chip shortage and lockdowns for some auto manufacturers. FY21 mold fabrication GPM fell 0.2% pt to 27.1% (+1.7% yoy in 1H21, -2.5% pts yoy in 2H21) due to a low utilisation rate in FY22F due to decreased demand from automakers in Europe. The company has won new projects from Chinese EV makers and expects strong growth from this segment in FY22F/23F. However, we estimate mold fabrication GPM to decline 1.0% pts yoy to 26% in FY22F due to lower margins on the initial orders from Chinese EV makers.

Plastics components segment led by smart home and wearables

FY21 plastics components revenue rose 27% yoy, driven by electric atomisers (+326% yoy), smart home (+51% yoy) and wearable devices (+27% yoy). FY21 GPM dropped by 3.3% pts yoy to 22.2%, due to the increase in material prices. We expect plastics components revenue to decline to 13% yoy growth in FY22F, led by Amazon and Google smart home products (+20% yoy), wearable devices (+14% yoy), on strong order flow from OtterBox and Jabra, and stable growth in medical and healthcare products (+15% yoy). We expect c.2% pts GPM improvement in FY22F on stabilised material costs and stronger contribution from high-margin products such as electric atomiser and smart home products.

Reiterate Add; TP lowered to HK\$3.91

We cut our FY22F/23F EPS by c.19%/13% as we expect mold fabrication to suffer from low profitability due to customer diversification. We maintain Add on TK Group as we believe net profit will accelerate from 13% in FY22F to 29% in FY23F, underpinned by GPM improvement and strong revenue growth in mold fabrication. Our TP is cut to HK\$3.91 as we roll over to FY23F and cut EPS, now pegged to 8x P/E (previously 10x), to reflect slower EPS growth in FY22F. Share price catalysts are strong revenue growth in smart home/wearables and stable GPM outlook. Risk: sustained GPM pressure.

Financial Summary

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (HK\$m)	2,033	2,404	2,646	3,192	3,831
Operating EBITDA (HK\$m)	352.2	388.3	474.5	594.6	711.4
Net Profit (HK\$m)	209.7	282.4	319.4	411.9	530.8
Normalised EPS (HK\$)	0.25	0.34	0.38	0.49	0.64
Normalised EPS Growth	(30.3%)	34.7%	12.7%	29.0%	28.9%
FD Normalised P/E (x)	9.43	7.00	6.21	4.81	3.74
DPS (HK\$)	0.10	0.14	0.15	0.22	0.29
Dividend Yield	4.2%	5.9%	6.4%	9.3%	12.0%
EV/EBITDA (x)	3.33	2.82	2.14	1.30	0.71
P/FCFE (x)	4.01	9.20	9.10	4.94	4.11
Net Gearing	(56.4%)	(53.3%)	(51.3%)	(58.0%)	(63.5%)
P/BV (x)	1.42	1.22	1.07	0.96	0.86
ROE	16.2%	18.7%	18.4%	21.1%	24.3%
% Change In Normalised EPS Estimates			(19.3%)	(12.6%)	
Normalised EPS/consensus EPS (x)			0.85	0.94	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Lower margin for new EV customers

Figure 1: Results comparison

FYE 31 Dec (HK\$ m)	2HFY21	2HFY20	yoy % chg	hoh % chg	2HFY21 Cum	2HFY20 Cum	yoy % chg	Prev. FY21F	Comments
Revenue	1,384	1,304	6.7	35.5	2,404	2,033	18.2	2,381	2H21 revenue rose 6% yoy, driven by plastic components manufacturing (+19.2% yoy) and mold fabrication (-20.6% yoy).
Operating costs	(1,151)	(1,043)	10.4	33.0	(2,016)	(1,681)	19.9	(1,919)	
EBITDA	233	261	(11.0)	49.4	388	352	10.3	462	
EBITDA margin (%)	16.8	20.0			16.1	17.3		19.4	2H21 GPM dropped 4.8% pts yoy to 23.6% due to supply chain interruption and rising raw material prices.
Deprn & amort.	(69)	(74)	(6.9)	(9.1)	(145)	(145)	-	(155)	
EBIT	163	187	(12.6)	105.5	243	207	17.5	307	
Interest expense	(3)	(4)	(32.4)	(20.0)	(6)	(10)	(36.2)	(12)	
Interest & invt inc	36	10	276.3	(30.3)	87	43	102.9	63	
Associates' contrib	(1)	1	N/M	N/M	1	1	N/M	2	
Exceptionals	-	-	N/M	N/M	-	-	N/M	-	
Pretax profit	195	194	0.8	50.7	325	241	34.9	360	
Tax	(28)	(25)	10.5	95.8	(42)	(31)	36.6	(52)	
Tax rate (%)	14.3	13.0						14.4	
Minority interests	-	-	N/M	N/M	-	-	N/M	-	
Net profit	167	168	(0.7)	45.1	282	210	34.7	308	2H21 net profit decreased 0.7% yoy to HK\$167m.
Core net profit	167	168	(0.7)	45.1	282	210	34.7	308	FY21 net profit rose 35% yoy to HK\$282, which formed 92% of our forecast.
EPS (HK\$ cts)	20.06	20.25	(0.9)	44.6	33.89	25.16	34.7	36.93	The key discrepancy came from slower-than-expected GPM.
Core EPS (HK\$ cts)	20.06	20.25	(0.9)	44.6	33.89	25.16	34.7	36.93	

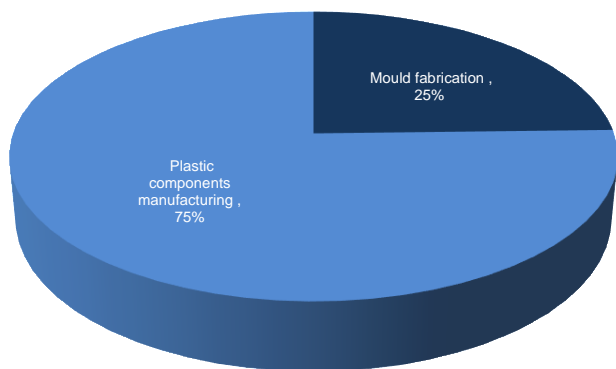
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 2: Revenue breakdown by downstream industry (FY18 to FY24F)

FYE Dec	Dec-18A	Dec-19A	Dec-20A	1H21	2H21	Dec-21A	Dec-22F	Dec-23F	Dec-24F
High-growth downstream industry (HK\$m)									
Mobile phone and wearable devices	562	694	720	280	524	804	884	1,044	1,231
Medical and health care	306	306	431	189	223	412	473	544	626
Smart home	256	359	203	120	187	307	368	442	530
Other downstream industry (HK\$m)									
Automotive	398	385	409	245	207	452	371	445	534
Telecommunication equipment	497	327	100	79	91	170	187	206	227
Digital devices	46	45	32	8	9	18	12	9	6
Household electrical appliances	116	73	22	29	38	67	75	78	82
Total revenue	2,299	2,311	2,033	1,021	1,384	2,404	2,646	3,192	3,831
High-growth downstream industry (yoy)									
Mobile phone and wearable devices	52%	24%	4%	31%	3%	12%	10%	18%	18%
Medical and health care	3%	0%	41%	34%	-23%	-5%	15%	15%	15%
Smart home	25%	40%	-43%	67%	42%	51%	20%	20%	20%
Other downstream industry (yoy %)									
Automotive	3%	-3%	6%	51%	-16%	11%	-18%	20%	20%
Telecommunication equipment	38%	-34%	-69%	55%	86%	70%	10%	10%	10%
Digital devices	-34%	-2%	-29%	-55%	-30%	-45%	-30%	-30%	-30%
Household electrical appliances	57%	-37%	-70%	63%	795%	203%	12%	5%	5%
Total revenue	24%	1%	-12%	40%	6%	18%	10%	21%	20%

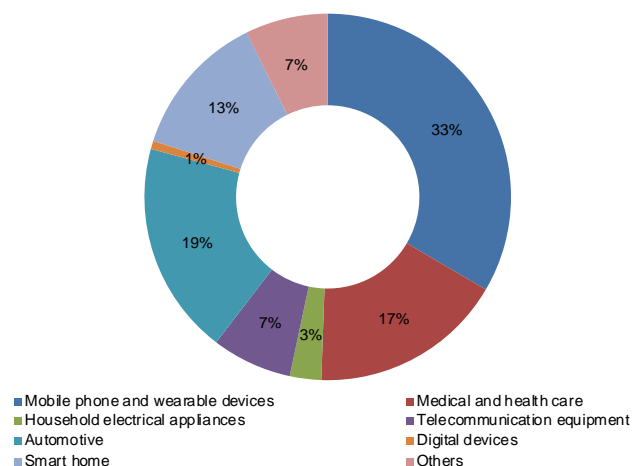
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 3: Revenue breakdown, by business category (FY21)



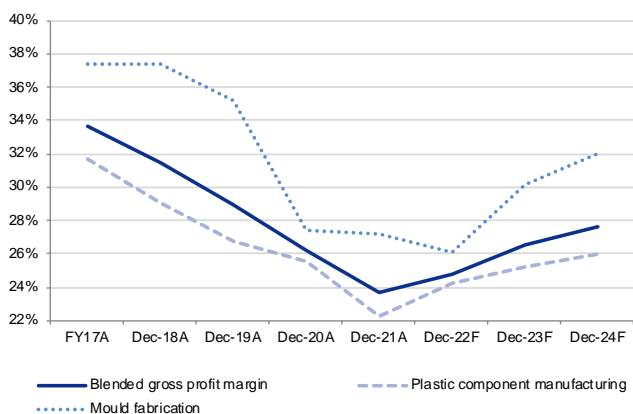
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 4: Revenue breakdown, by downstream industry (FY21)



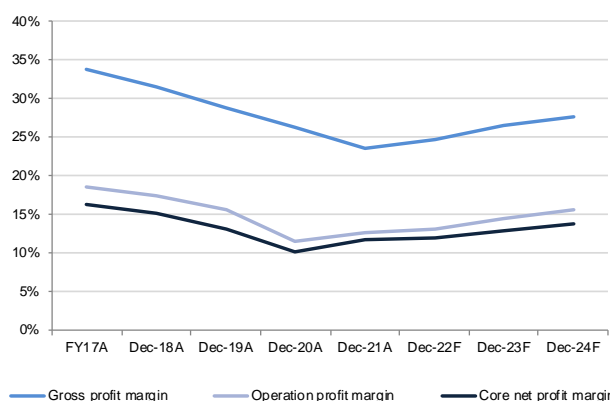
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 5: Gross margin trend in plastic components manufacturing and mold fabrication (FY17 to FY24F)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 6: Margin trends (FY17 to FY24F)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 7: Earnings revisions

FYE Dec (HK\$ m)	Dec-21A	Dec-22F			Dec-23F			Dec-24F		
		Old	New	% chg	Old	New	% chg	Old	New	% chg
Revenue	2,404	2,785	2,646	-5.0%	3,220	3,192	-0.9%	n.a.	3,831	n.a.
Gross profit	569	820	654	-20.2%	979	846	-13.6%	n.a.	1,057	n.a.
Gross profit margin	23.7%	29.4%	24.7%	-4.7% pts	30.4%	26.5%	-3.9% pts	n.a.	27.6%	n.a.
EBITDA	451	590	518	-12.3%	663	625	-5.7%	n.a.	751	n.a.
Net profit	282	396	319	-19.3%	471	412	-12.6%	n.a.	531	n.a.
EPS	0.34	0.48	0.38	-19.3%	0.57	0.49	-12.6%	n.a.	0.64	n.a.

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 8: Peer Comparison

Company	Bloomberg Ticker	Recom.	Price	Target Price	Market Cap	Core P/E (x)			P/BV (x)		Recurring ROE (%)		EV/EBITDA (x)		Dividend Yield (%)	
			(local curr)	(local curr)	(US\$ m)	CY2021F	CY2022F	CY2023F	CY2021F	CY2022F	CY2021F	CY2022F	CY2021F	CY2022F	CY2021F	CY2022F
Mould and plastic components manufacturers (Hong Kong listed)																
Haitian International	1882 HK	Not Rated	20.35	N/A	4,148	9.2	9.1	8.2	1.8	1.5	19.9%	17.1%	4.5	4.7	4.4%	4.5%
TK Group	2283 HK	Add	2.37	3.91	252	7.0	6.2	4.8	1.2	1.1	18.7%	18.4%	2.8	2.1	5.9%	6.4%
Tongda Group	698 HK	Hold	0.164	0.275	204	3.1	3.1	2.5	0.1	0.1	5.6%	6.5%	2.4	1.9	4.8%	4.8%
Average						6.4	6.1	5.2	1.0	0.9	14.7%	14.0%	3.2	2.9	5.0%	5.2%
Handset components - Casings / EMS																
BYD Electronic	285 HK	Not Rated	17.10	N/A	4,921	10.1	7.5	5.9	1.3	1.1	12.9%	15.1%	5.8	4.3	1.0%	1.2%
Shenzhen Everwin	300115 CH	Not Rated	9.81	N/A	1,850	N/A	14.4	7.3	N/A	1.7	N/A	13.2%	N/A	7.1	N/A	1.3%
Catcher Technology	2474 TT	Not Rated	145.50	N/A	3,689	13.9	11.3	10.5	0.8	0.7	5.5%	6.0%	0.3	0.2	N/A	7.0%
Foxconn Technology	2354 TT	Not Rated	62.70	N/A	3,082	N/A	12.0	10.3	N/A	0.7	N/A	6.1%	N/A	3.8	N/A	4.2%
Hon Hai Precision	2317 TT	Not Rated	105.50	N/A	50,818	N/A	9.9	8.9	N/A	1.0	N/A	10.0%	N/A	6.2	N/A	5.1%
Wistron Corporation	3231 TT	Not Rated	29.80	N/A	3,006	8.0	9.3	8.1	1.1	1.0	14.0%	11.4%	7.6	6.5	7.6%	7.4%
Flextronics	FLEX US	Not Rated	17.29	N/A	8,024	15.1	9.2	8.7	2.6	2.4	19.6%	26.0%	6.4	6.1	N/A	0.0%
Jabil	JBL US	Not Rated	61.17	N/A	8,777	13.5	8.4	7.9	4.2	3.6	35.3%	43.5%	5.1	4.4	0.5%	0.5%
Average						12.1	10.3	8.5	2.0	1.5	17.4%	16.4%	5.0	4.8	3.0%	3.3%

SOURCES: CGS-CIMB RESEARCH, BLOOMBERG (29 MAR 2022)



ESG in a nutshell

In 2020, TK Group has built up foundation for its ESG plan, such as established the ESG Management Committee, surveyed ESG concern from the Board, identified sustainability risks, formulated policies for environmental performance, etc. TK Group has become increasingly aware of the importance of fulfilling its sustainability goals and promoting corporate social responsibilities to meet the expectation from the company's stakeholder, the government, and the general public.

In our view, TK Group is not involved in any environmentally-detrimental industry practices and takes the effort to minimise the environmental impact of its operations.

Keep your eye on

TK Group established ESG Management Committee to take care stakeholders' concern.

Implications

TK Group's newly established ESG Management Committee aims to monitor the Group's performance in sustainability systematically and to report to the Board of the progress made in achieving sustainability goals on a regular basis. It is chaired by the Chairman of the Group and included representatives from different departments to set up corresponding strategies in different areas of sustainability.

ESG highlights

TK Group commissioned a third-party institution to help identify the sustainability risk of its industry.

Implications

TK Group has identified six important aspects in managing its sustainability plan, including exhaust emissions, climate change, health and safety, employee management, technology innovation, and business ethics.

Trends

TK Group's energy consumption and carbon emission decreased; hazardous waste increased.

Implications

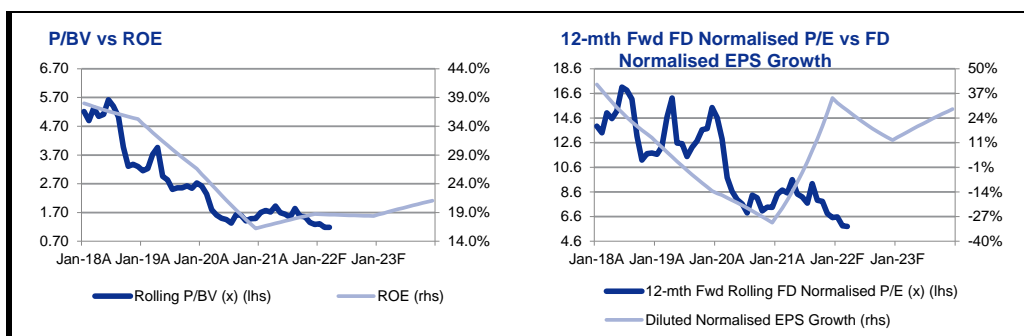
TK Group's total energy consumption (Mwh equivalent) was 69,085.3, dropped 7% yoy. Total energy intensity (Mwh equivalent/million HKD revenue) increased from 32.3 in FY19 to 34.0 in FY20.

Total carbon emissions were 42,305.9 tonnes, decreased 8% yoy. Total greenhouse gas emission density (revenue per million Hong Kong dollars) increased from 19.9 in FY19 to 20.8 in FY20.

Total hazardous waste increased 35.3% yoy and total non-hazardous waste was not materially different from that of FY19.

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORT

BY THE NUMBERS



Profit & Loss

(HK\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Net Revenues	2,033	2,404	2,646	3,192	3,831
Gross Profit	533	569	654	846	1,057
Operating EBITDA	352	388	475	595	711
Depreciation And Amortisation	(145)	(145)	(170)	(164)	(147)
Operating EBIT	207	243	305	430	565
Financial Income/(Expense)	5	18	18	20	25
Pretax Income/(Loss) from Assoc.	1	1	3	3	3
Non-Operating Income/(Expense)	28	63	43	31	31
Profit Before Tax (pre-EI)	241	325	369	484	624
Exceptional Items	0	0	0	0	0
Pre-tax Profit	241	325	369	484	624
Taxation	(31)	(42)	(49)	(72)	(93)
Exceptional Income - post-tax					
Profit After Tax	210	282	319	412	531
Minority Interests	0	0	0	0	0
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Preference Dividends (Australia)					
Net Profit	210	282	319	412	531
Normalised Net Profit	210	282	319	412	531
Fully Diluted Normalised Profit	210	282	319	412	531

Cash Flow

(HK\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
EBITDA	352.2	388.3	474.5	594.6	711.4
Cash Flow from Inv. & Assoc.					
Change In Working Capital	110.4	(201.9)	(92.0)	(121.7)	(143.1)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	98.2	44.8	25.1	10.9	6.4
Net Interest (Paid)/Received	5.0	18.1	18.1	19.9	24.9
Tax Paid	(47.7)	(30.9)	(42.1)	(49.5)	(72.1)
Cashflow From Operations	518.1	218.4	383.7	454.2	527.6
Capex	(62.1)	(85.0)	(200.0)	(100.0)	(100.0)
Disposals Of FAs/subsidiaries	1.7	0.0	0.0	0.0	0.0
Acq. Of Subsidiaries/investments	(16.4)	0.0	0.0	0.0	0.0
Other Investing Cashflow	12.2	24.5	24.5	26.4	31.9
Cash Flow From Investing	(64.7)	(60.5)	(175.5)	(73.6)	(68.1)
Debt Raised/(repaid)	40.3	56.9	9.8	21.0	22.5
Proceeds From Issue Of Shares	0.0	0.0	0.0	0.0	0.0
Shares Repurchased	0.0	0.0	0.0	0.0	0.0
Dividends Paid	(91.7)	(83.3)	(116.7)	(127.8)	(185.4)
Preferred Dividends					
Other Financing Cashflow	(69.8)	(6.4)	(6.4)	(6.6)	(7.0)
Cash Flow From Financing	(121.2)	(32.8)	(113.3)	(113.3)	(169.8)
Total Cash Generated	332.2	125.2	94.9	267.4	289.7
Free Cashflow To Equity	493.7	214.9	218.0	401.7	482.0
Free Cashflow To Firm	463.4	164.3	214.6	387.2	466.4

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

(HK\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Cash And Equivalents	1,069	1,203	1,298	1,566	1,855
Total Debtors	321	417	493	595	714
Inventories	447	496	546	643	760
Total Other Current Assets	11	11	0	0	0
Total Current Assets	1,848	2,127	2,337	2,803	3,329
Fixed Assets	650	640	670	606	559
Total Investments	16	16	16	16	16
Intangible Assets	24	32	32	32	32
Total Other Non-Current Assets	34	37	37	37	37
Total Non-current Assets	724	724	755	690	644
Short-term Debt	224	194	204	225	248
Current Portion of Long-Term Debt					
Total Creditors	456	399	433	510	603
Other Current Liabilities	333	370	325	391	480
Total Current Liabilities	1,013	964	963	1,127	1,331
Total Long-term Debt	58	145	145	145	145
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	66	85	93	113	135
Total Non-current Liabilities	124	230	238	257	280
Total Provisions	41	36	39	47	57
Total Liabilities	1,178	1,229	1,240	1,432	1,668
Shareholders' Equity	1,395	1,622	1,852	2,062	2,304
Minority Interests	0	0	0	0	0
Total Equity	1,395	1,622	1,852	2,062	2,304

Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	(12.0%)	18.2%	10.1%	20.6%	20.0%
Operating EBITDA Growth	(22.1%)	10.3%	22.2%	25.3%	19.7%
Operating EBITDA Margin	17.3%	16.1%	17.9%	18.6%	18.6%
Net Cash Per Share (HK\$)	0.94	1.04	1.14	1.43	1.76
BVPS (HK\$)	1.67	1.95	2.22	2.47	2.77
Gross Interest Cover	20.70	38.10	47.84	65.60	81.16
Effective Tax Rate	12.8%	13.0%	13.4%	14.9%	14.9%
Net Dividend Payout Ratio	39.7%	41.3%	40.0%	45.0%	45.0%
Accounts Receivables Days	62.33	56.01	62.76	62.19	62.50
Inventory Days	102.9	93.7	95.4	92.5	92.5
Accounts Payables Days	105.9	85.1	76.3	73.4	73.5
ROIC (%)	24.2%	34.8%	35.4%	42.2%	55.9%
ROCE (%)	13.9%	14.4%	15.6%	19.4%	22.8%
Return On Average Assets	8.4%	9.7%	10.1%	11.9%	13.6%

Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Mould fabrication rev growth (yoy change %)	18.5%	0.8%	3.0%	17.0%	20.0%
Plastic comp mfg rev growth (yoy change %)	-22.5%	27.4%	13.0%	22.0%	20.0%
Mould fabrication GPM (%)	27.4%	27.1%	26.1%	30.1%	32.0%
Plastic comp mfg GPM (%)	25.6%	22.2%	24.2%	25.2%	26.0%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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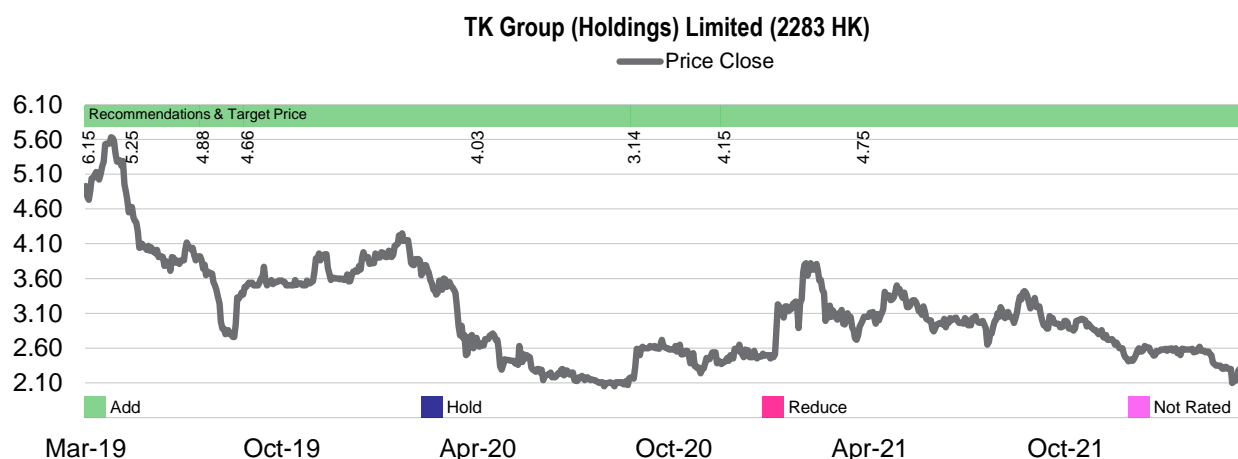
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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2021		
619 companies under coverage for quarter ended on 31 December 2021		
	Rating Distribution (%)	Investment Banking clients (%)
Add	71.1%	1.5%
Hold	21.8%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

