

## Singapore

**ADD** (no change)

Consensus ratings\*: Buy 11 Hold 0 Sell 1

Current price:	S\$6.49
Target price:	S\$7.20
Previous target:	S\$7.20
Up/downside:	10.9%
CGS-CIMB / Consensus:	5.2%
Reuters:	KPLM.SI
Bloomberg:	KEP SP
Market cap:	US\$8,631m
	S\$11,685m
Average daily turnover:	US\$19.68m
	S\$26.63m
Current shares o/s:	1,817m
Free float:	60.0%

\*Source: Bloomberg

**Key changes in this note**

► NIL



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	8.3	27	21.5
Relative (%)	2.1	16.9	13.6

Major shareholders	% held
Temasek Holdings	21.3

# Keppel Corporation

## Merger postponed, logistics monetised

- The finalisation of the definitive agreement to merge Keppel O&M and SMM will be postponed to 30 Apr 2022 (from 31 Mar 2022).
- KEP also successfully divested Keppel Logistics for a cash consideration of c.S\$80m. A small loss is expected from the deal.
- Reiterate Add and a TP of S\$7.20 on SOP valuations. Catalysts: expansion into renewables, S\$2bn-3bn of asset monetisation p.a., and accretive M&As.

### Progress, but merger agreement postponed; more details by 30 Apr

Keppel Corporation (KEP) and Sembcorp Marine (SMM) have made progress in the proposed merger between KEP Offshore & Marine and SMM (see our report dated 25 June 2022, *KEP to exit to create mega yard for SMM*). Both parties have been engaging in negotiations, mutual due diligence, and discussions on the transaction structure and exchange ratio. However, more time and deliberation will be required to finalise the definitive legal documentation; hence a revised deadline of 30 Apr 2022 has been set (previously 31 Mar 2022). KEP also updated that significant progress has been made on advancing the sale of KEP O&M's legacy rigs and associated receivables to a separate company (Asset Co) that would be majority owned by external investors. Asset Co transaction and the proposed merger will be inter-conditional and are being pursued concurrently. There is no guarantee that the definitive agreements will be executed.

### Divested Keppel Logistics for S\$80m

Separately, in line with its asset monetisation strategy, Keppel Telecommunications & Transportation (KEP T&T) is divesting its entire shareholding interest in Keppel Logistics (KLOG) to Geodis International SAS (GEODIS) for an aggregate cash consideration of c.\$80m, of which c.S\$70m would be payable in cash on completion and S\$10m would be placed in an escrow account to be released upon fulfilment of certain performance targets in 2022 and 2023. KLOG's net asset and enterprise value as at end-2021 was c.S\$72.6m and S\$150m, respectively. KEP will recognise a small loss for this transaction. Completion of the divestment is scheduled for 2Q22F. Earnings contribution from KLOG is immaterial to KEP's EPS, and the divestment is part of KEP's Vision 2030 plans to be more focused.

### Share buyback up to 5% (from 2%)

KEP has also proposed to increase its share buyback limit to 5% (from 2%) in its AGM. Note that, in Jan 22, it announced a committed S\$500m share buyback (up to 2% of its issued shares). We see the increase as KEP's commitment and management's response to the discounted valuations. Catalyst for share price outperformance is a faster-than-projected pace of asset recycling, and the proposed merger with SMM at favourable terms. Downside risks include slower-than-expected macro outlook, and unfavourable outcome of the SMM merger.

**Analyst(s)**

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**Financial Summary**

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (S\$m)	6,574	8,625	8,788	8,587	8,296
Operating EBITDA (S\$m)	422	1,304	1,481	1,415	1,322
Net Profit (S\$m)	(506)	1,023	859	824	803
Core EPS (S\$)	(0.28)	0.56	0.47	0.45	0.44
Core EPS Growth	(172%)		(16%)	(4%)	(3%)
FD Core P/E (x)	NA	11.54	13.73	14.32	14.70
DPS (S\$)	0.10	0.33	0.26	0.27	0.26
Dividend Yield	1.54%	5.08%	4.01%	4.19%	4.08%
EV/EBITDA (x)	51.63	15.35	14.33	14.76	15.53
P/FCFE (x)	11	2,627	NA	9	9
Net Gearing	85.7%	63.0%	70.1%	65.4%	60.9%
P/BV (x)	1.10	0.98	0.95	0.92	0.90
ROE	(4.61%)	8.98%	7.02%	6.53%	6.21%
CGS-CIMB/Consensus EPS (x)			0.98	0.88	0.86

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS


## Recap of the proposed merger

In Jun 2021, KEP announced two non-binding MOUs to exit from the offshore & marine (O&M) segment. First, it plans to sell the stranded rigs in Rig Co and Dev Co to Asset Co. The estimated book value and receivables for these assets are c.S\$3.8bn (assets: S\$2.9bn, receivables: c.S\$930m). In return, KEP will receive credit notes for the assets sold and a 20% stake in Asset Co. Temasek-owned Kyanite Investment Holdings will seek external investors for the remaining 80% in Asset Co and raise funds to finish the uncompleted assets (previously guided by KEP to be c.S\$500m). Secondly, KEP will transfer the remaining yard assets/liabilities (Op Co) to SMM, forming a new combined entity (CE). The value of Op Co will be determined using DCF basis. The consideration will comprise up to S\$500m in cash and KEP's stake in CE. KEP will then distribute the stake in CE as dividend in specie to KEP's shareholders.

Figure 1: Peer comparison

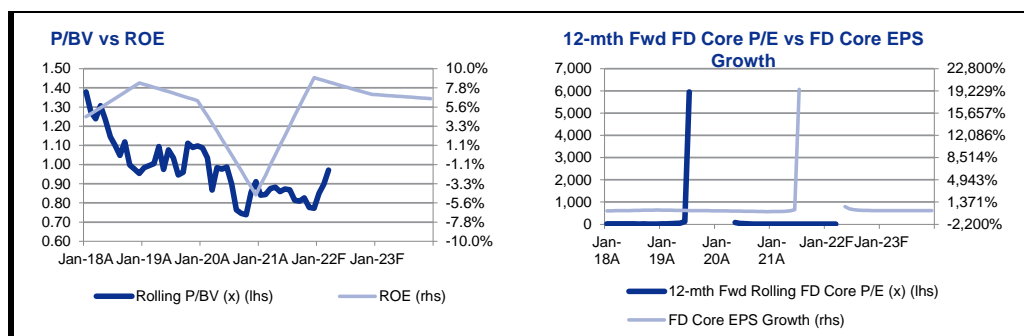
Company	Bbg Ticker	Recom.	Price (lcl curr)	Target Price (lcl curr)	Market Cap (US\$ m)	P/E (x)			2-year EPS CAGR (%)	P/BV (x)		Recurring ROE (%)	Dividend Yield (%)
						CY22F	CY23F	CY24F		CY22F	CY23F	CY22F	CY22F
Keppel Corporation	KEP SP	Add	6.49	7.20	8,631	13.7	14.3	14.7	-10.5%	0.95	0.92	7.0%	4.0%
Sembcorp Marine	SMM SP	Hold	0.10	0.09	2,295	na	na	na	na	0.86	0.89	-13.0%	0.0%
<b>Singapore offshore - big cap simple average</b>						<b>13.7</b>	<b>14.3</b>	<b>14.7</b>	<b>-10.5%</b>	<b>0.90</b>	<b>0.90</b>	<b>-3.0%</b>	<b>2.0%</b>
COSCO SHIPPING International S	COS SP	NR	0.26	na	414	na	na	na	na	na	na	na	na
Yangzijiang Shipbuilding	YZJSGD SP	Add	1.54	1.78	4,451	8.1	6.1	6.2	12.1%	0.72	0.66	9.2%	3.3%
<b>Chinese Shipbuilder simple average</b>						<b>8.1</b>	<b>6.1</b>	<b>6.2</b>	<b>12.1%</b>	<b>0.72</b>	<b>0.66</b>	<b>9.2%</b>	<b>3.3%</b>
SATS Ltd	SATS SP	Add	4.36	4.77	3,613	51.4	24.0	na	272.8%	3.13	3.05	6.1%	2.1%
Sembcorp Industries	SCI SP	Add	2.71	2.96	3,564	11.3	9.8	9.3	32.3%	1.17	1.04	10.9%	2.7%
ST Engineering	STE SP	Add	4.14	4.70	9,534	21.5	18.3	16.7	10.8%	5.14	4.74	24.4%	3.9%
SIA Engineering	SIE SP	Add	2.49	2.92	2,064	41.1	36.8	na	20.4%	1.70	1.72	4.2%	3.2%
<b>Industrial conglomerate simple average</b>						<b>31.3</b>	<b>22.2</b>	<b>13.0</b>	<b>84.1%</b>	<b>2.78</b>	<b>2.64</b>	<b>11.4%</b>	<b>3.0%</b>
CSE Global	CSE SP	Add	0.48	0.57	180	12.2	9.9	8.8	26.9%	1.24	1.18	10.4%	5.8%
Ezion Holdings Ltd	EZI SP	NR	0.04	na	160	na	na	na	na	na	na	na	na
Mermaid Maritime PCL	MMT SP	NR	0.08	na	81	na	na	na	na	na	na	na	na
MTQ Corp Ltd	MTQ SP	NR	0.24	na	38	na	na	na	na	na	na	na	na
<b>Singapore OSV owner simple average</b>						<b>12.2</b>	<b>9.9</b>	<b>8.8</b>	<b>26.9%</b>	<b>1.24</b>	<b>1.18</b>	<b>10.4%</b>	<b>5.8%</b>
Bumi Armada	BAB MK	Add	0.42	0.55	583	4.2	4.2	4.4	-6.4%	0.54	0.48	13.7%	0.0%
Velesto Energy Berhad	VEB MK	Hold	0.11	0.14	205	24.4	13.8	14.1	na	0.37	0.36	1.5%	0.0%
Yinson Holdings	YNS MK	Add	4.55	7.91	1,152	11.3	5.9	6.5	62.3%	1.15	0.98	10.2%	1.3%
Coastal Contracts Bhd	COCO MK	NR	1.81	na	230	9.3	9.1	na	26.1%	na	na	8.3%	na
Dialog Group Bhd	DLG MK	NR	2.71	na	3,650	25.8	23.7	na	8.6%	2.95	2.73	12.0%	1.4%
Malaysia Marine and Heavy Engi	MMHE MK	NR	0.39	na	148	na	39.0	14.4	na	0.36	0.36	1.8%	0.0%
Petronas Dagangan Bhd	PETD MK	NR	20.50	na	4,905	28.2	25.7	24.0	22.4%	3.72	3.70	12.6%	3.3%
Uzma Bhd	UZMA MK	NR	0.46	na	38	8.4	6.0	na	35.3%	0.31	0.29	4.0%	na
Wah Seong Corp Bhd	YNS MK	NR	0.72	na	137	9.0	7.5	5.3	na	0.75	0.70	9.5%	0.0%
<b>Malaysia offshore simple average</b>						<b>15.1</b>	<b>15.0</b>	<b>11.5</b>	<b>24.7%</b>	<b>1.27</b>	<b>1.20</b>	<b>8.2%</b>	<b>0.9%</b>

SOURCES: CGS-CIMB, COMPANY REPORTS, BLOOMBERG

ESG in a nutshell		Refinitiv ESG Scores							
				B+	A-	B+	B+	B-	A-
		ESG Score	ESG Controversies Score	ESG Combined Score	ESG Environment Pillar Score	ESG Social Pillar Score	ESG Government Pillar Score		
<p>KEP scored AAA by MSCI ESG since 2020 and is a leader among the top 8% of global industrial conglomerates in the MSCI All Country World Index. It scores B+ for its ESG combined score by Refinitiv in 2020 and is ranked 14 among the 91 corporates covered by Refinitiv in Singapore.</p> <p>As part of Keppel’s Vision 2030, sustainability is a core strategy for its growth, with four groups of business focus — Energy &amp; Environment, Urban Development, Connectivity, and Asset Management. It is also apparent that the group has applied the lens of sustainability to the group’s strategic review, asset recycling plans and divestments of logistics and offshore &amp; marine businesses in recent years.</p>									
<p><b>Keep your eye on</b></p> <p>Corporate governance is key. Since the settlement of fines with criminal authorities in the US, Brazil, and Singapore in end-2017, KEP’s ESG Controversies score has gradually improved from D+ in 2016 to A- in 2020.</p> <p>Note that in Oct-2020, there were still negative news flows pertaining to Keppel FELS former employees by the Singapore Corrupt Practices Investigation Bureau (CPIB). KEP noted that the employee was dismissed in 2019 for breaching KEP’s code of conduct.</p>	<p><b>Implications</b></p> <p>The corruption investigation was a key share price overhang, in addition to weak oil price in 2015-2017. KEP has dealt firmly with the issue. In 2019, KEP O&amp;M became one of the first companies in Singapore to achieve global certification for the ISO 37001 Anti-Bribery Management System, reflecting KEP’s zero tolerance for corruption.</p> <p>We think it takes time to restore full confidence in the group. With the pending divestment of its offshore &amp; marine business, the group’s investment into new areas of growth, building on the sustainability trend, could eventually rebuild its corporate governance standard.</p>								
<p><b>ESG highlights</b></p> <p>KEP clearly articulates its 2030 vision businesses strategy to address some of the macro ESG trends via the four business areas. Notably, its Energy &amp; Environment strategy addresses the <b>energy transition and climate change trend</b> with infrastructure solutions, such as waste-to-energy and district cooling plants. The decision to halt production of oil rigs and its impending divestment of its offshore &amp; marine division and sale of stranded rigs fit the trend of investors moving away from fossil fuels.</p> <p>In 2020, KEP started to introduce a shadow carbon price in the evaluation of all major investments to better understand the carbon footprint of its business activities.</p> <p>KEP also has a target to grow its portfolio of renewable energy assets to 7 GW by 2030. It is developing a 500MW greenfield solar farm in Australia, starting 2022.</p>	<p><b>Implications</b></p> <p>We expect the exit of offshore &amp; marine to improve appetite from investors with high “E” expectations. We have not factored in the capex and earnings contribution for renewable energy assets.</p>								
<p><b>Trends</b></p> <p>KEP’s MSCI ESG rating improved from AA rating in 2018-2019 to AAA in 2020 and retained since then. Its Refinitiv ESG combined score also improved from C in 2017 to B+ in 2020, mainly because of absence of overhang from the Brazilian issue above.</p>	<p><b>Implications</b></p> <p>Pending the successful exit from its offshore &amp; marine business, we expect to see further re-rating in KEP’s overall ESG scores.</p>								

SOURCES: CGS-CIMB RESEARCH, REFINITIV

## BY THE NUMBERS



### Profit & Loss

(\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>Total Net Revenues</b>	<b>6,574</b>	<b>8,625</b>	<b>8,788</b>	<b>8,587</b>	<b>8,296</b>
<b>Gross Profit</b>	<b>863</b>	<b>906</b>	<b>1,154</b>	<b>1,127</b>	<b>1,089</b>
<b>Operating EBITDA</b>	<b>422</b>	<b>1,304</b>	<b>1,481</b>	<b>1,415</b>	<b>1,322</b>
Depreciation And Amortisation	(414)	(406)	(432)	(416)	(392)
<b>Operating EBIT</b>	<b>8</b>	<b>898</b>	<b>1,048</b>	<b>999</b>	<b>930</b>
Financial Income/(Expense)	(130)	(141)	(140)	(127)	(114)
Pretax Income/(Loss) from Assoc.	(162)	467	328	282	279
Non-Operating Income/(Expense)	29	111	62	64	66
<b>Profit Before Tax (pre-EI)</b>	<b>(255)</b>	<b>1,335</b>	<b>1,298</b>	<b>1,218</b>	<b>1,161</b>
Exceptional Items	0	0	0	0	0
<b>Pre-tax Profit</b>	<b>(255)</b>	<b>1,335</b>	<b>1,298</b>	<b>1,218</b>	<b>1,161</b>
Taxation	(253)	(325)	(415)	(361)	(331)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>(508)</b>	<b>1,010</b>	<b>883</b>	<b>857</b>	<b>830</b>
Minority Interests	2	13	(24)	(33)	(27)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>(506)</b>	<b>1,023</b>	<b>859</b>	<b>824</b>	<b>803</b>
Recurring Net Profit	(506)	1,023	859	824	803
<b>Fully Diluted Recurring Net Profit</b>	<b>(506)</b>	<b>1,023</b>	<b>859</b>	<b>824</b>	<b>803</b>

### Cash Flow

(\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
EBITDA	422	1,304	1,481	1,415	1,322
Cash Flow from Invt. & Assoc.					
Change In Working Capital	534	(187)	(1,431)	121	175
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	(378)	(608)	357	284	284
Other Operating Cashflow	0	0	62	64	66
Net Interest (Paid)/Received	(253)	(157)	(140)	(127)	(114)
Tax Paid	(177)	(260)	(415)	(361)	(331)
<b>Cashflow From Operations</b>	<b>147</b>	<b>93</b>	<b>(87)</b>	<b>1,396</b>	<b>1,401</b>
Capex	(488)	(538)	(538)	(538)	(538)
Disposals Of FAs/subsidiaries	332	1,146	0	0	0
Acq. Of Subsidiaries/investments	(0)	(28)	0	0	0
Other Investing Cashflow					
<b>Cash Flow From Investing</b>	<b>(156)</b>	<b>580</b>	<b>(538)</b>	<b>(538)</b>	<b>(538)</b>
Debt Raised/(repaid)	1,081	(668)	400	400	400
Proceeds From Issue Of Shares	0	398	0	0	0
Shares Repurchased					
Dividends Paid	(273)	(346)	(473)	(494)	(482)
Preferred Dividends					
Other Financing Cashflow					
<b>Cash Flow From Financing</b>	<b>808</b>	<b>(615)</b>	<b>(73)</b>	<b>(94)</b>	<b>(82)</b>
Total Cash Generated	799	57	(698)	763	781
<b>Free Cashflow To Equity</b>	<b>1,072</b>	<b>4</b>	<b>(225)</b>	<b>1,257</b>	<b>1,263</b>
<b>Free Cashflow To Firm</b>	<b>376</b>	<b>923</b>	<b>(372)</b>	<b>1,097</b>	<b>1,091</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

(\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Cash And Equivalents	2,480	3,617	2,845	3,608	4,390
Total Debtors	2,531	2,169	3,515	3,435	3,319
Inventories	7,617	7,774	9,667	9,446	9,126
Total Other Current Assets	1,761	1,287	1,287	1,287	1,287
<b>Total Current Assets</b>	<b>14,389</b>	<b>14,846</b>	<b>17,315</b>	<b>17,776</b>	<b>18,121</b>
Fixed Assets	2,716	2,044	1,866	1,705	1,567
Total Investments	0	0	0	0	0
Intangible Assets	1,609	1,589	1,589	1,589	1,589
Total Other Non-Current Assets	13,393	13,844	14,172	14,454	14,732
<b>Total Non-current Assets</b>	<b>17,717</b>	<b>17,477</b>	<b>17,628</b>	<b>17,748</b>	<b>17,889</b>
Short-term Debt	4,433	4,659	4,659	4,659	4,659
Current Portion of Long-Term Debt					
Total Creditors	4,604	5,099	5,273	5,152	4,978
Other Current Liabilities	3,050	2,200	3,835	3,774	3,687
<b>Total Current Liabilities</b>	<b>12,086</b>	<b>11,958</b>	<b>13,767</b>	<b>13,586</b>	<b>13,324</b>
Total Long-term Debt	7,607	6,796	7,196	7,596	7,996
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	1,257	1,127	1,127	1,127	1,127
<b>Total Non-current Liabilities</b>	<b>8,863</b>	<b>7,923</b>	<b>8,323</b>	<b>8,723</b>	<b>9,123</b>
Total Provisions	0	0	0	0	0
<b>Total Liabilities</b>	<b>20,950</b>	<b>19,882</b>	<b>22,090</b>	<b>22,309</b>	<b>22,447</b>
Shareholders' Equity	10,728	12,057	12,443	12,773	13,094
Minority Interests	427	385	409	442	468
<b>Total Equity</b>	<b>11,156</b>	<b>12,441</b>	<b>12,852</b>	<b>13,214</b>	<b>13,562</b>

### Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	(13.3%)	31.2%	1.9%	(2.3%)	(3.4%)
Operating EBITDA Growth	(66%)	209%	14%	(4%)	(7%)
Operating EBITDA Margin	6.4%	15.1%	16.9%	16.5%	15.9%
Net Cash Per Share (S\$)	(5.26)	(4.31)	(4.96)	(4.76)	(4.55)
BVPS (S\$)	5.90	6.63	6.85	7.03	7.20
Gross Interest Cover	0.03	3.58	4.13	4.16	4.08
Effective Tax Rate	0.0%	24.3%	31.9%	29.7%	28.5%
Net Dividend Payout Ratio	NA	58.7%	55.0%	60.0%	60.0%
Accounts Receivables Days	147.0	99.4	118.0	147.7	149.0
Inventory Days	533.7	363.9	416.9	467.6	471.6
Accounts Payables Days	295.0	229.4	247.9	255.0	257.2
ROIC (%)	0.04%	4.09%	4.90%	4.35%	4.05%
ROCE (%)	0.87%	4.75%	5.03%	4.69%	4.29%
Return On Average Assets	(1.19%)	3.57%	3.04%	2.79%	2.64%

### Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue growth (%)	-29.1%	28.0%	-7.7%	15.3%	-100.0%
EBIT margin (%)	11.6%	0.1%	10.4%	11.9%	11.6%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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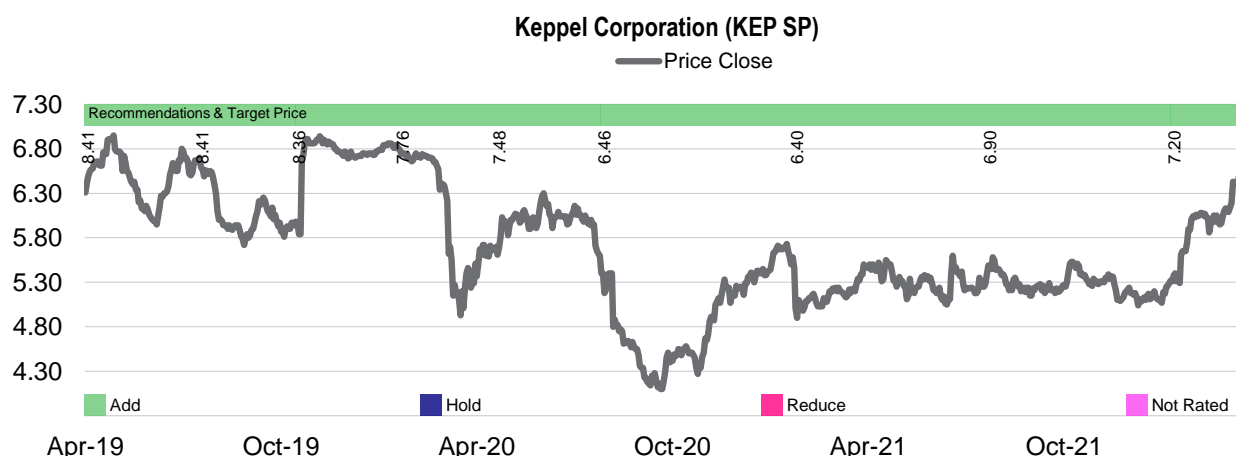
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Spitzer Chart for stock being researched ( 2 year data )



**Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2021, Anti-Corruption 2021**

**ADVANC** – Excellent, Certified, **AMATA** – Excellent, Certified, **ANAN** – Excellent, n/a, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Excellent, n/a, **AWC** – Excellent, Declared, **AU** – Good, n/a, **BAM** – Very Good, Certified, **BAY** – Excellent, Certified, **BBL** – Excellent, Certified, **BCH** – Very Good, Certified, **BCP** - Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Excellent, n/a, **BEAUTY** – Good, n/a, **BEM** – Excellent, n/a **BH** - Good, n/a, **BJC** – Very Good, n/a, **BLA** – Very Good, Certified, **BTS** - Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – n/a, n/a, **CENTEL** – Excellent, Certified, **CHAYO** – Very Good, n/a, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COM7** – Excellent, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** - Excellent, Certified, **CPNREIT** – n/a, n/a, **CRC** – Excellent, Declared, **DELTA** - Excellent, Certified, **DDD** – Excellent, n/a, **DIF** – n/a, n/a, **DOHOME** – Very Good, Declared, **DREIT** – n/a, n/a, **DTAC** – Excellent, Certified, **ECL** – Excellent, Certified, **EGCO** - Excellent, Certified, **EPG** – Excellent, Certified, **ERW** – Very Good, Certified, **GFPT** - Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Excellent, n/a, **HANA** - Excellent, Certified, **HMPRO** - Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, Declared, **INTUCH** - Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** - Excellent, Certified, **JASIF** – n/a, n/a, **JKN** – n/a, Certified, **JMT** – Very Good, n/a, **KBANK** - Excellent, Certified, **KCE** - Excellent, Certified, **KEX** – Very Good, Declared, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** - Excellent, Certified, **KTC** – Excellent, Certified, **LH** - Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MAKRO** – Excellent, Certified, **MC** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** - Excellent, Certified, **MTC** – Excellent, Certified, **NETBAY** – Very Good, n/a, **NRF** – Very Good, Declared, **OR** – Excellent, n/a, **ORI** – Excellent, Certified, **OSP** – Excellent, n/a, **PLANB** – Excellent, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, Declared, **PSH** – Excellent, Certified, **PTT** - Excellent, Certified, **PTTEP** - Excellent, n/a, **PTTGC** - Excellent, Certified, **QH** – Excellent, Certified, **RAM** – n/a, n/a, **RBF** – Very Good, n/a, **RS** – Excellent, Declared, **RSP** – Good, n/a, **S** – Excellent, n/a, **SAK** – Very Good, Declared, **SAPPE** – Very Good, Certified, **SAWAD** – Very Good, n/a, **SCB** - Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – Excellent, Declared, **SECURE** – n/a, n/a, **SHR** – Excellent, n/a, **SIRI** – Excellent, Certified, **SPA** – Very Good, n/a, **SPALI** - Excellent, Certified, **SPRC** – Excellent, Certified, **SSP** - Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIDLOR** – n/a, Certified **TISCO** - Excellent, Certified, **TKN** – Very Good, n/a, **TOP** - Excellent, Certified, **TRUE** – Excellent, Certified, **TTB** - Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Certified, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – n/a, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

- CG Score 2021 from Thai Institute of Directors Association (IOD)

- Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 5, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.

Recommendation Framework	
<b>Stock Ratings</b>	Definition:
Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.
<i>The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.</i>	
<b>Sector Ratings</b>	Definition:
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.
<b>Country Ratings</b>	Definition:
Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

