

## Singapore

**HOLD** (previously ADD)

Consensus ratings\*: Buy 2 Hold 3 Sell 1

Current price:	S\$0.97
Target price:	S\$0.95
Previous target:	S\$0.95
Up/downside:	-2.1%
CGS-CIMB / Consensus:	-3.1%

Reuters:	SPHR.SI
Bloomberg:	SPHREIT SP
Market cap:	US\$2,004m
	S\$2,718m
Average daily turnover:	US\$1.51m
	S\$2.05m
Current shares o/s:	2,535m
Free float:	32.0%

\*Source: Bloomberg

**Key changes in this note**

➤ No change.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	1	-3	10.9
Relative (%)	-4.5	-12.5	2.9

Major shareholders	% held
Singapore Press Holdings	63.0
National Trade Union Congress	5.0
SPH REIT Management	3.2

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# SPH REIT

## Recovery priced in

- SPH REIT's 1HFY8/22 DPU of 2.68 Scts came in line at 50.8% of our FY22F.
- We expect better operating environment on easing Covid-19 restrictions.
- But market seems to have priced in a recovery. Downgrade from Add to Hold.

### SPH REIT delivered stronger 1HFY8/22 numbers

SPH REIT's 1HFY22 revenue grew 1.2% yoy to S\$141.6m and NPI rose 0.4% yoy to S\$105.3m. NPI grew more slowly than revenue due to the increase in electricity rates. 1HFY22 distributable income increased 10.8% yoy. Consequently, 1HFY22 DPU increased by 9.8% to 2.68 Scts, in line at 50.8% of our FY22 DPU forecast. The stronger revenue was driven by Singapore portfolio as its topline grew by 2.2% in 1HFY22, offsetting the weaker revenue from Australia portfolio (-2% yoy). Though Paragon (-7.3% in 1HFY22 vs. -8.3% in FY21) and Clementi Mall (-4% in 1HFY22 vs. -8.7% in FY21) continued to report negative rental reversions in 1HFY22, it improved from FY21. The Rail Mall continued to deliver strong rental reversion of +8.9% in 1HFY22 vs. +5.4% in FY21. Overall, Singapore portfolio delivered -6.4% rental reversion in 1HFY22 vs. -8.2% in FY21.

### Expect tenant sales to improve going forward

1HFY22 portfolio occupancy rate remained high at 98.4%. Paragon's tenant sales recovered strongly post the relaxation of dine-in restrictions from two to five pax to pre-Covid 19 level. However, it fell back to 60-70% of pre-Covid 19 level when Covid cases spiked in Feb 2022. On an overall basis, tenant sales in 1HFY22 increased 1% yoy. In Clementi Mall, tenant sales exceeded pre-Covid 19 level in Nov-Dec 2021 and remained resilient when cases spiked in Feb 22 although it declined to c.90% of pre-Covid level. Similar trend was observed for its Australian malls due to the fluctuation of Covid-19 cases. Despite the fluctuating tenant sales, we are of the view that tenant sales should improve on relaxed restriction measures and as consumers adapt to endemic Covid-19.

### Asset valuation improved on recovery

SPH REIT's gearing improved slightly from 30.3% in FY21 to 30.1% in 1HFY22, aided by higher asset valuations from Paragon (+1.1% vs. FY21), Clementi Mall (+0.6%) and Westfield Marion (+0.3%), underpinned by market recovery and stable cap rates. Its relatively low gearing provides ample flexibility for acquisitions.

### Downgrade from Add to Hold with an unchanged DDM-based TP

We expect rental pressure to ease this year as we see fewer Covid-19 restrictions in 2022 vs. 2021. Paragon is also a prime beneficiary of easing border measures. The REIT has one of the lowest gearing levels (30.1% in 2QFY22) among SREITs which gives it ample firepower for acquisitions. However, it is trading at 5.4% DPU yield, near its 5-year average of 5.3%. This is also lower than retail REITs' average yield of 5.6%. We think the market has priced in a recovery. Upside/downside risks: accretive acquisition/weaker-than-expected rental reversion/worse-than-expected impact from higher operating expenses.

### Financial Summary


	Aug-20A	Aug-21A	Aug-22F	Aug-23F	Aug-24F
Gross Property Revenue (S\$m)	241.5	277.2	285.5	285.4	289.2
Net Property Income (S\$m)	181.9	202.6	209.6	210.8	216.3
Net Profit (S\$m)	(65.5)	157.4	147.1	147.8	152.9
Distributable Profit (S\$m)	72.9	150.2	148.0	148.8	153.7
Core EPS (S\$)	0.042	0.056	0.053	0.052	0.054
Core EPS Growth	(16.1%)	31.3%	(5.6%)	(0.3%)	2.6%
FD Core P/E (x)	22.86	17.41	18.44	18.49	18.02
DPS (S\$)	0.026	0.054	0.053	0.053	0.054
Dividend Yield	2.72%	5.56%	5.44%	5.42%	5.56%
Asset Leverage	30.6%	30.4%	30.4%	30.5%	30.6%
BVPS (S\$)	0.91	0.91	0.90	0.89	0.89
P/BV (x)	1.07	1.07	1.07	1.08	1.09
Recurring ROE	4.58%	6.13%	5.80%	5.84%	6.04%
% Change In DPS Estimates			0%	0%	0%
CGS-CIMB/Consensus DPS (x)			0.96	0.94	0.95

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 1: Results comparison**

FYE Aug (S\$m)	1H FY22	1H FY21	yoy % chg	hoh % chg	yoy % chg	Prev FY22F	Comments
Revenue	141.6	140.0	1.2	3.2	14.8	285.5	The stronger results were driven by higher revenue from Singapore portfolio.
Property operating expenses	(36.4)	(35.1)	3.6	(7.8)	25.3	(75.8)	
<b>Net property income</b>	<b>105.3</b>	<b>104.9</b>	<b>0.4</b>	<b>7.7</b>	<b>11.4</b>	<b>209.6</b>	
<i>NPI margin (%)</i>	74.3%	74.9%				73.4%	
Manager's management fees	(10.4)	(10.4)	0.1	4.4	6.2	(23.4)	
Trust expenses	(1.4)	(1.2)				(2.6)	
Interest expense	(10.7)	(11.9)	(9.7)	(11.8)	(27.1)	(24.2)	
Interest & invt inc	0.2	0.1	-	81.7	(88.7)	0.3	
Others	(2.9)	(3.3)	-	-	-	-	
Total return before exceptional i	80.1	78.1	2.6	10.3	26.5	159.7	
Exceptionals & revaln	32.7	(8.1)	na	na	na	-	
<b>Total return before tax</b>	<b>112.8</b>	<b>69.9</b>	<b>61.2</b>	<b>35.0</b>	<b>355.9</b>	<b>159.7</b>	
Tax	(0.8)	(0.2)	na	na	na	(10.2)	
Tax rate (%)	0.7%	0.3%				6.4%	
Minority interests	-	-	na	na	na	149.6	
<b>Total return after tax</b>	<b>112.0</b>	<b>69.7</b>	<b>60.6</b>	<b>36.0</b>	<b>337.5</b>	<b>299.1</b>	
Distr profit*	75.1	67.8	10.8	(8.8)	106.1	148.0	
Core net profit	79.3	77.8	1.8	11.0	29.8	299.1	
DPU (cts)	2.68	2.44	9.8	(9.5)	98.5	5.27	In line. 1HFY22 DPU represented 50.8% of our full year forecast.

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

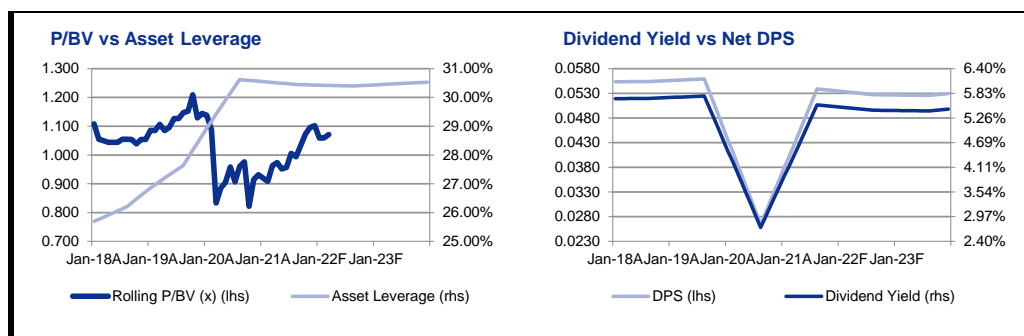
ESG in a nutshell		Refinitiv ESG Scores						
			C ESG Score	A+ ESG Controversies Score	C ESG Combined Score	B- ESG Environment Pillar Score	C- ESG Social Pillar Score	D+ ESG Government Pillar Score
<p>SPH REIT scored C for its combined ESG score by Refinitiv in FY20, with the score split into Environment: B- (weightage 37.57%); Social: C- (weightage 30.23%); and Governance: D+ (weightage 32.20%). It scored A+ for Controversies. Despite its weaker Governance score, we note that SPH REIT has stepped up its sustainability efforts by reporting its sustainability report in accordance with Global Reporting Initiative Standards in FY20. Among the sustainability targets that it hopes to achieve in FY21 are: i) zero cases of non-compliance of laws and regulations; ii) maintain zero incidences resulting in stakeholders' permanent disability or fatality; iii) maintain at least 18% reduction in like-for-like electricity intensity, and 30% reduction in greenhouse gas and water intensity by 2025; and iv) have at least two CSR events held at the malls. The Clementi Mall and Paragon have also achieved the Building and Construction Authority's Green Mark Certification since FY18.</p>								
<b>Keep your eye on</b>	<p>SPH REIT's Governance score is weaker than its peers, weighed down by lack of detailed disclosures and implementation, such as board individual re-election, executive individual compensation, board specific skills.</p>							
<b>ESG highlights</b>	<p>Based on Refinitiv's ranking, SPH REIT ranked 77 out of 96 companies in Singapore, and 25 out of 27 REITs in Singapore. SPH REIT's ESG performance is comparable to its peers, with an average performance for its Environmental and Social pillars. Its Governance pillar lags behind peers.</p>							
<b>Trends</b>	<p>Refinitiv ranked SPH REIT's Resource Use as one of the REIT's top 3 best performing categories, with the other two being Workforce and Product Responsibility. This is exhibited in the REIT's reduced electricity consumption and intensity by 26%, greenhouse gas emissions and intensity by 34%, and water consumption and intensity by 31% vs. FY15. Furthermore, The Clementi Mall and Paragon have also achieved the Building and Construction Authority's Green Mark Certification since FY18.</p>							
		SOURCES: CGS-CIMB RESEARCH, REFINITIV						

**Figure 2: Sector comparison**

SREIT	Bloomberg Ticker	Rec.	Price (LC)	Target	Mkt Cap (US \$m)	Last reported asset leverage	Last stated NAV	Price / Stated NAV	FY22F Yield	FY23 Yield	FY24F Yield
			as at 31 Mar 22	Price (LC) (DDM-based)							
<b>Hospitality</b>											
Ascott Residence Trust	ART SP	Add	1.12	1.21	\$2,711	37.1%	1.19	0.94	4.4%	5.7%	6.5%
CDL Hospitality Trust	CDREIT SP	Add	1.30	1.30	\$1,180	39.1%	1.29	1.01	3.8%	5.3%	6.2%
Far East Hospitality Trust	FEHT SP	Add	0.64	0.75	\$926	38.3%	0.83	0.76	4.2%	5.4%	6.3%
Frasers Hospitality Trust	FHT SP	NR	0.45	NA	\$658	37.7%	0.65	0.68	4.6%	5.0%	5.1%
<b>Simple Average</b>						<b>38.1%</b>	<b>0.85</b>	<b>4.3%</b>	<b>5.3%</b>	<b>6.0%</b>	
<b>Industrial</b>											
AIMS AMP	AAREIT SP	NR	1.40	NA	\$756	33.6%	1.34	1.04	6.4%	6.7%	6.9%
Ascendas REIT	AREIT SP	Add	2.95	3.20	\$9,131	35.9%	2.31	1.28	5.6%	5.8%	6.0%
ARA LOGOS Logistics Trust	ALLT SP	Add	0.85	0.92	\$905	39.5%	0.67	1.26	6.0%	6.1%	6.3%
ESR-REIT	EREIT SP	Add	0.43	0.50	\$1,270	40.0%	0.40	1.07	7.3%	7.4%	7.5%
Frasers Logistics & Commercial Trust	FLT SP	Add	1.48	1.56	\$4,028	34.3%	1.24	1.19	5.5%	5.4%	5.5%
Keppel DC REIT	KDCREIT SP	Add	2.27	2.70	\$2,874	34.6%	1.34	1.69	4.7%	4.7%	4.8%
Mapletree Industrial Trust	MINT SP	Add	2.70	3.08	\$5,328	39.9%	1.80	1.50	4.8%	5.2%	5.3%
Mapletree Logistics Trust	MLT SP	Add	1.86	2.10	\$6,559	34.7%	1.37	1.36	4.6%	4.7%	4.7%
Sabana Shariah	SSREIT SP	NR	0.44	NA	\$346	33.4%	0.51	0.86	na	na	na
<b>Simple Average</b>						<b>36.2%</b>	<b>1.38</b>	<b>5.6%</b>	<b>5.8%</b>	<b>5.9%</b>	
<b>Office</b>											
Keppel REIT	KREIT SP	Add	1.23	1.29	\$3,367	38.4%	1.29	0.95	4.7%	4.8%	4.9%
OUE Commercial REIT	OUECT SP	Hold	0.42	0.45	\$1,688	38.7%	0.57	0.74	6.5%	6.5%	6.5%
Suntec REIT	SUN SP	Add	1.77	1.79	\$3,742	43.7%	2.11	0.84	6.1%	6.2%	6.0%
<b>Simple Average</b>						<b>40.3%</b>	<b>0.84</b>	<b>5.8%</b>	<b>5.9%</b>	<b>5.8%</b>	
<b>Retail</b>											
CapitaLand Integrated Commercial	CICT SP	Add	2.28	2.57	\$11,132	37.2%	2.06	1.11	4.8%	4.9%	5.1%
Frasers Centrepoint Trust	FCT SP	Add	2.44	2.73	\$3,061	34.5%	2.30	1.06	5.1%	5.2%	5.3%
Lendlease Global Commercial REIT	LREIT SP	Add	0.77	0.95	\$1,187	33.5%	0.81	0.95	6.2%	6.8%	6.9%
Mapletree Commercial Trust	MCT SP	Add	1.89	2.18	\$4,631	34.2%	1.72	1.10	5.0%	5.2%	5.3%
SPH REIT	SPHREIT SP	Hold	0.97	0.95	\$2,004	30.1%	0.92	1.05	5.4%	5.4%	5.6%
Starhill Global REIT	SGREIT SP	Add	0.61	0.71	\$998	36.1%	0.80	0.76	6.9%	7.2%	7.2%
<b>Simple Average</b>						<b>34.3%</b>	<b>1.00</b>	<b>5.6%</b>	<b>5.8%</b>	<b>5.9%</b>	
<b>Overseas-centric</b>											
CapitaLand China Trust	CLCT SP	NR	1.18	NA	\$1,467	34.7%	1.55	0.76	7.4%	8.2%	8.6%
Elite Commercial REIT	ELITE SP	Add	0.65	0.76	\$405	42.1%	0.63	1.02	7.8%	8.3%	8.4%
Mapletree North Asia Commercial Trust	MAGIC SP	Add	1.22	1.13	\$3,173	42.1%	1.27	0.96	5.7%	6.5%	6.3%
Manulife US REIT	MUST SP	Add	0.67	0.89	\$1,173	42.8%	0.67	0.99	8.6%	9.2%	9.5%
Sasseur REIT	SASSR SP	Add	0.85	1.06	\$761	26.1%	0.99	0.85	8.7%	9.1%	9.4%
<b>Simple Average</b>						<b>38.4%</b>	<b>0.92</b>	<b>0.08</b>	<b>0.08</b>	<b>0.08</b>	<b>0.08</b>
<b>Healthcare</b>											
Parkway Life REIT	PREIT SP	Add	4.81	5.05	\$2,146	37.0%	1.95	2.47	2.9%	3.0%	3.0%
<b>Simple Average</b>						<b>36.0%</b>	<b>2.47</b>	<b>2.9%</b>	<b>3.0%</b>	<b>3.0%</b>	
<b>Simple average for SIN</b>						<b>36.9%</b>	<b>1.08</b>	<b>5.7%</b>	<b>6.1%</b>	<b>6.3%</b>	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, BLOOMBERG

## BY THE NUMBERS



### Profit & Loss

(\$m)	Aug-20A	Aug-21A	Aug-22F	Aug-23F	Aug-24F
Rental Revenues	241.5	277.2	285.5	285.4	289.2
Other Revenues					
<b>Gross Property Revenue</b>	<b>241.5</b>	<b>277.2</b>	<b>285.5</b>	<b>285.4</b>	<b>289.2</b>
Total Property Expenses	(59.5)	(74.6)	(75.8)	(74.7)	(72.9)
<b>Net Property Income</b>	<b>181.9</b>	<b>202.6</b>	<b>209.6</b>	<b>210.8</b>	<b>216.3</b>
General And Admin. Expenses					
Management Fees	(21.4)	(23.4)	(23.4)	(23.5)	(23.5)
Trustee's Fees	(0.6)	0.0	(0.6)	(0.6)	(0.6)
Other Operating Expenses	(9.8)	(2.0)	(2.0)	(2.0)	(2.0)
<b>EBITDA</b>	<b>150.2</b>	<b>177.2</b>	<b>183.6</b>	<b>184.7</b>	<b>190.1</b>
Depreciation And Amortisation					
<b>EBIT</b>	<b>150.2</b>	<b>177.2</b>	<b>183.6</b>	<b>184.7</b>	<b>190.1</b>
Net Interest Income	(31.1)	(23.8)	(23.9)	(24.1)	(24.3)
Associates' Profit					
Other Income/(Expenses)					
Exceptional Items	(179.0)	2.9	0.0	0.0	0.0
<b>Pre-tax Profit</b>	<b>(60.0)</b>	<b>156.3</b>	<b>159.7</b>	<b>160.6</b>	<b>165.8</b>
Taxation	(4.0)	(1.4)	(10.2)	(10.3)	(10.5)
Minority Interests	(1.5)	2.4	(2.5)	(2.5)	(2.5)
Preferred Dividends					
<b>Net Profit</b>	<b>(65.5)</b>	<b>157.4</b>	<b>147.1</b>	<b>147.8</b>	<b>152.9</b>
<b>Distributable Profit</b>	<b>72.9</b>	<b>150.2</b>	<b>148.0</b>	<b>148.8</b>	<b>153.7</b>

### Cash Flow

(\$m)	Aug-20A	Aug-21A	Aug-22F	Aug-23F	Aug-24F
<b>Pre-tax Profit</b>	<b>(60.0)</b>	<b>156.3</b>	<b>159.7</b>	<b>160.6</b>	<b>165.8</b>
Depreciation And Non-cash Adj.	31.1	23.8	23.9	24.1	24.3
Change In Working Capital	(10.3)	11.6	25.1	(0.0)	1.5
Tax Paid	3.1	(0.9)	(10.2)	(10.3)	(10.5)
Others	205.4	10.9	9.5	9.5	9.4
<b>Cashflow From Operations</b>	<b>169.4</b>	<b>201.6</b>	<b>208.1</b>	<b>183.8</b>	<b>190.5</b>
Capex	(9.0)	(13.0)	(9.1)	(10.0)	(10.0)
Net Investments And Sale Of FA	(627.6)	0.0	0.0	0.0	0.0
Other Investing Cashflow	1.8	0.2	0.3	0.3	0.3
<b>Cash Flow From Investing</b>	<b>(634.8)</b>	<b>(12.8)</b>	<b>(8.8)</b>	<b>(9.7)</b>	<b>(9.7)</b>
Debt Raised/(repaid)	184.5	0.0	9.1	10.0	10.0
Equity Raised/(Repaid)	164.5	0.0	0.0	0.0	0.0
Dividends Paid	(95.7)	(121.1)	(148.0)	(148.8)	(153.7)
Cash Interest And Others	(47.2)	(37.2)	(36.5)	(36.7)	(36.9)
<b>Cash Flow From Financing</b>	<b>206.0</b>	<b>(158.3)</b>	<b>(175.4)</b>	<b>(175.5)</b>	<b>(180.6)</b>
Total Cash Generated	(259.4)	30.5	23.9	(1.3)	0.3
Free Cashflow To Firm	(463.6)	189.0	199.5	174.5	181.2
Free Cashflow To Equity	(312.1)	165.0	184.5	160.1	166.6

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

**Balance Sheet**

(S\$m)	Aug-20A	Aug-21A	Aug-22F	Aug-23F	Aug-24F
Total Investments	4,125	4,123	4,132	4,142	4,152
Intangible Assets	0	0	0	0	0
Other Long-term Assets	1	1	1	1	0
Total Non-current Assets	4,126	4,124	4,133	4,143	4,153
Total Cash And Equivalents	82	112	146	154	165
Inventories					
Trade Debtors					
Other Current Assets	33	11	6	6	6
<b>Total Current Assets</b>	<b>115</b>	<b>123</b>	<b>151</b>	<b>160</b>	<b>171</b>
Trade Creditors	80	61	76	76	77
Short-term Debt	215	155	155	155	155
Other Current Liabilities	1	1	1	1	1
<b>Total Current Liabilities</b>	<b>296</b>	<b>217</b>	<b>232</b>	<b>232</b>	<b>233</b>
Long-term Borrowings	1,084	1,138	1,147	1,157	1,167
Other Long-term Liabilities	47	44	56	64	73
Total Non-current Liabilities	1,130	1,182	1,203	1,221	1,240
Shareholders' Equity	2,503	2,535	2,534	2,532	2,530
Minority Interests	13	15	17	20	22
Preferred Shareholders Funds	298	298	298	298	298
<b>Total Equity</b>	<b>2,815</b>	<b>2,848</b>	<b>2,849</b>	<b>2,850</b>	<b>2,851</b>

**Key Ratios**

	Aug-20A	Aug-21A	Aug-22F	Aug-23F	Aug-24F
Gross Property Revenue Growth	5.6%	14.8%	3.0%	(0.0%)	1.3%
NPI Growth	1.2%	11.4%	3.5%	0.5%	2.6%
Net Property Income Margin	75.4%	73.1%	73.4%	73.8%	74.8%
DPS Growth	(53%)	104%	(2%)	(0%)	2%
Gross Interest Cover	4.56	7.39	7.59	7.57	7.72
Effective Tax Rate	0.00%	0.89%	6.36%	6.40%	6.30%
Net Dividend Payout Ratio	NA	95%	101%	101%	101%
Current Ratio	0.39	0.57	0.65	0.69	0.73
Quick Ratio	0.39	0.57	0.65	0.69	0.73
Cash Ratio	0.28	0.51	0.63	0.67	0.71
Return On Average Assets	(1.60%)	3.71%	3.45%	3.44%	3.54%

**Key Drivers**

	Aug-20A	Aug-21A	Aug-22F	Aug-23F	Aug-24F
Rental reversion	1.1	(9.6)	(4.2)	(2.7)	1.1
Occupancy rate	97.8	98.9	99.1	99.1	99.1

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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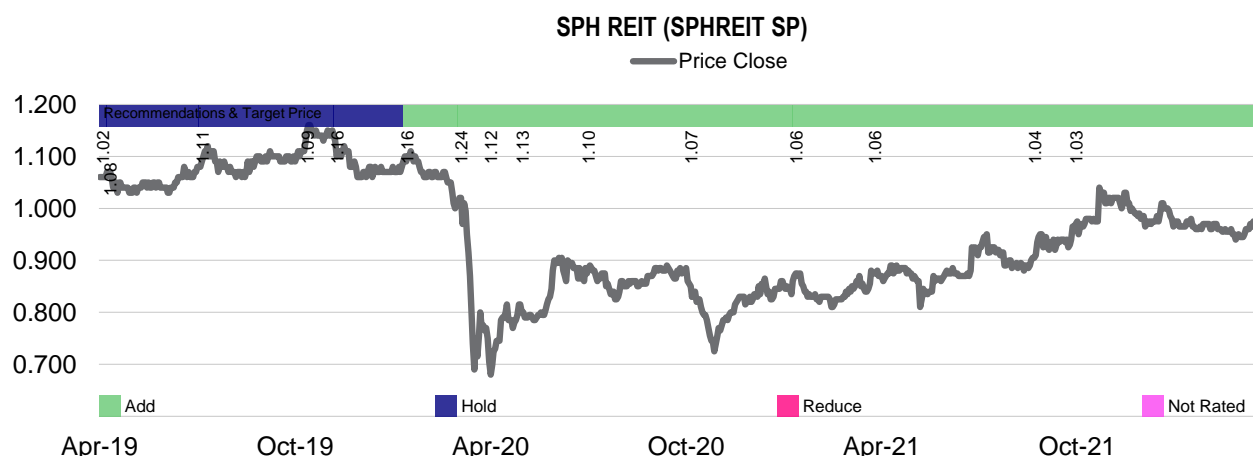
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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2021		
619 companies under coverage for quarter ended on 31 December 2021		
	Rating Distribution (%)	Investment Banking clients (%)
Add	71.1%	1.5%
Hold	21.8%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

