

## Hong Kong

**HOLD** (previously REDUCE)

Consensus ratings\*: Buy 5 Hold 2 Sell 5

Current price:	HK\$0.63
Target price:	HK\$0.68
Previous target:	HK\$0.72
Up/downside:	7.9%
CGS-CIMB / Consensus:	23.6%
Reuters:	1628.HK
Bloomberg:	1628 HK
Market cap:	US\$525.9m
	HK\$4,123m
Average daily turnover:	US\$1.21m
	HK\$10.01m
Current shares o/s:	6,544m
Free float:	30.6%

\*Source: Bloomberg

**Key changes in this note**

- FY22F EPS decreased by 59%.
- FY23F EPS decreased by 45%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	48.2	-16	-71.4
Relative (%)	45	-5.3	-45.3

Major shareholders	% held
Lam Lung On (Chairman)	59.5
Overseas Chinese Town	9.9

**Analyst(s)**

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# Yuzhou Group

## Weak sales and liquidity largely reflected

- Yuzhou's FY21 core net profit was only Rmb242m with gross profit margin of 15%.
- We expect FY22F contracted sales to decline by 47% yoy to Rmb55bn in view of weak sales in 1Q22, but expect some recovery from 2Q22.
- We think its upcoming proposal of a debt restructuring plan should provide some relief to equity investors. Upgrade to Hold with a lower TP of HK\$0.68.

**FY21 results: core net profit Rmb242m**

Yuzhou's core net profit was Rmb242m in FY21, lower than our estimate of Rmb1.1bn, due to lower-than-expected gross profit margin (GPM) of 15% at the consolidated level (18% at JV/associates level) and recognition of impairment loss on properties under development of Rmb390m. It did not declare final DPS; we do not expect it to pay dividends for FY22F-23F in view of its upcoming debt restructuring plan.

**We expect 47% decline in FY22F contracted sales**

Yuzhou's gross contracted sales were flat yoy at Rmb105bn in FY21. It has halted land acquisition since Jul 21 with a weak start in sales for FY22F (Rmb11.4bn sales in 1Q22). We estimate that even with some recovery in sales momentum for the rest of 2022 due to relaxation of policies at the city level, it would only achieve contracted sales of Rmb55bn in FY22F (i.e. a 47% yoy decline).

**Appointed external advisors to better deal with offshore creditors**

On 1 Apr, Yuzhou engaged three external advisors to facilitate engagement with offshore creditors. We expect the company to roll out an offshore debt restructuring plan in about one month, in which it might solicit the creditors' consent to defer the payment of bond interest for a period. Once this materialises, Yuzhou can focus more on driving contracted sales and cash collection. However, until any improvement in its liquidity is seen, we think Yuzhou will continue to avoid new land acquisition.

**Gross profit margin to come under pressure through FY23F**

Its unbooked sales grew 75% yoy to Rmb40bn at end-FY21F, supporting a flattish topline in FY22-23F from Rmb27bn in FY21. As a result of property sales ASP pressure since 2H21, we estimate a further dip in recognised property sales GPM in FY22F to 13%, before recovery in FY23F to 15%. This leads to our EPS cuts of 59%/45% in FY22F/23F, reflecting new net profit margins (NPM) of 2%/3% in FY22F/23F, respectively.

**Upgrade to Hold with a lower TP of HK\$0.68**

We cut Yuzhou's NAV/share by 38% to HK\$2.25 but narrow our target discount to 70% (80% previously), reflecting a depleting land bank with our lower ASP assumptions and expectation of a restructuring plan that should provide some relief to equity investors. We therefore upgrade Yuzhou to Hold from Reduce with a lower TP of HK\$0.68. Key upside risks include better-than-expected contracted sales and relaxation of the use of sales proceeds locked in escrow accounts of onshore banks. Demand for early repayment by creditors is a key downside risk.

**Financial Summary**

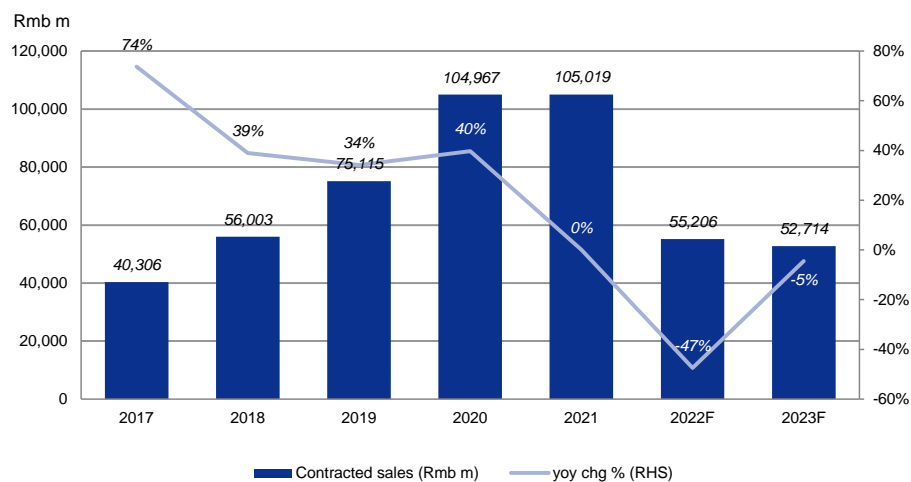
	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Net Revenues (Rmbm)	10,412	27,071	28,353	29,757	32,056
Operating EBITDA (Rmbm)	33	2,220	2,163	2,708	3,318
Net Profit (Rmbm)	634	242	515	733	1,067
Core EPS (Rmb)	0.12	0.04	0.08	0.11	0.16
Core EPS Growth	(83%)	(68%)	108%	42%	45%
FD Core P/E (x)	4.40	12.91	6.50	4.56	3.14
DPS (Rmb)	0.30	0.05	0.00	0.00	0.02
Dividend Yield	58.9%	9.3%	0.0%	0.0%	3.5%
EV/EBITDA (x)	1,254	26	27	21	17
P/FCFE (x)	NA	NA	4.59	20.41	4.91
Net Gearing	85.8%	94.4%	90.1%	86.9%	82.1%
P/BV (x)	0.12	0.13	0.13	0.12	0.12
ROE	2.67%	0.96%	1.95%	2.72%	3.82%
% Change In Core EPS Estimates			(58.8%)	(44.9%)	
CGS-CIMB/Consensus EPS (x)			0.23	0.31	1.48

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 1: Yuzhou FY21 results summary**

Rmb m	2020	2021	yoy chg	2021F	Var %
<b>Revenue</b>	<b>10,412</b>	<b>27,071</b>	<b>160%</b>	<b>20,823</b>	<b>30%</b>
Cost of sales	(9,193)	(23,011)	150%	(17,283)	33%
<b>Gross profit</b>	<b>1,219</b>	<b>4,061</b>	<b>233%</b>	<b>3,540</b>	<b>15%</b>
Selling and marketing costs	(428)	(692)	62%		
Administrative expenses	(804)	(834)	4%		
Other income and gains	139	164	18%		
Other operating expenses	(93)	(479)	417%		
<b>Operating profit</b>	<b>33</b>	<b>2,220</b>	<b>6549%</b>		
Finance cost	416	(41)	-110%		
JCE and associate	230	289	25%		
<b>Profit before tax</b>	<b>680</b>	<b>2,467</b>	<b>263%</b>		
Taxation	178	(1,700)	-1055%		
MI and perpetual capital securities (PCS)	(224)	(525)	135%		
<b>Core net profit</b>	<b>634</b>	<b>242</b>	<b>-62%</b>	<b>1,078</b>	<b>-78%</b>
One-off items	(630)	516	-182%		
Reported net profit	5	758	16145%		
1H DPS (HK\$)	0.120	0.053	-56%	0.000	0%
2H DPS (HK\$)	0.215	0.000	-100%	0.000	n.a.
<b>FY DPS (HK\$)</b>	<b>0.335</b>	<b>0.053</b>	<b>-84%</b>	<b>0.053</b>	<b>0%</b>
<b>Ratios</b>			<b>% pt chg</b>		<b>% pt var</b>
Gross margin	11.7%	15.0%	3.3%	17.0%	-2.0%
Sales & marketing costs/revenue	4.1%	2.6%	-1.6%		
Administrative expense/revenue	7.7%	3.1%	-4.6%		
Operating margin	0.3%	8.2%	7.9%		
Core net margin	6.1%	0.9%	-5.2%	5%	-4.3%
Net gearing - PCS as debt	97%	104%	7%		
Net gearing - PCS as equity	86%	94%	9%	76%	18%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 2: Yuzhou's contracted sales based on our forecasts**


SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 3: Summary of NAV and TP changes**

HK\$	Old	New	Chg
NAV	3.60	2.25	-38%
Target discount	80%	70%	-10%
Target price	0.72	0.68	-6%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 4: NAV breakdown (end-FY22F)**

	Rmb m	Rmb/shr	% of GAV
Development properties (DP)	37,320	5.70	71%
IP and hotels	15,027	2.30	29%
<b>Gross asset value (GAV)</b>	<b>52,347</b>	<b>8.00</b>	<b>100%</b>
Less: net debt	(40,145)	(6.13)	
<b>Net asset value (NAV)</b>	<b>12,202</b>	<b>1.86</b>	
<b>NAV (HK\$)</b>		<b>2.25</b>	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 5: Earnings revisions**

Rmb m	2022F			2023F			2024F
	Old	New	% chg	Old	New	% chg	New
Core net profit	1,249	515	-59%	1,332	733	-45%	1,067
EPS (Rmb)	0.19	0.08	-59%	0.20	0.11	-45%	0.16

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

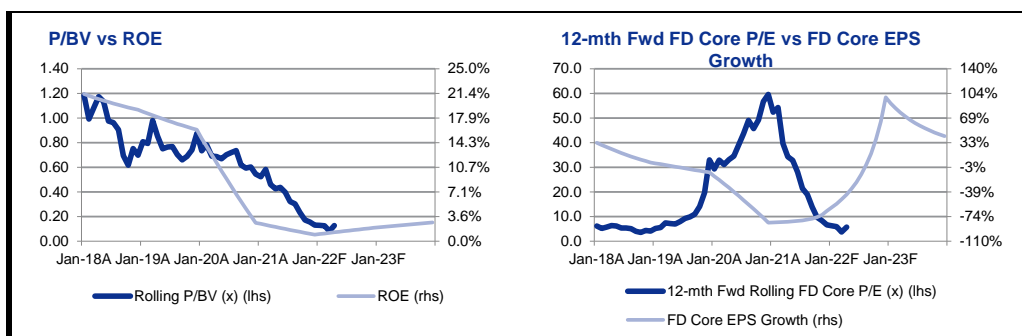
**Figure 6: China property valuation summary**

Company	Bloomberg Ticker	Share price		TP	Rating	Mkt cap (US\$ m)	NAV/sh (HK\$)	Disc. to NAV (%)	Upside (%)	P/E (x)				P/BV(x)			Yield (%)			Net Gearing (%)		
		(HK\$)	(HK\$)							2020	2021F	2022F	2023F	2020	2021F	2022F	2020	2021F	2022F	2020	2021F	2022F
COLI	688 HK	26.10	28.20	ADD		37,349	31.3	17	8	6.1	6.4	6.0	5.5	0.7	0.7	0.6	5.6	5.7	6.0	31	31	25
CR Land	1109 HK	38.10	48.20	ADD		35,842	52.3	27	27	9.1	8.3	7.5	6.9	1.1	1.0	0.9	4.0	4.5	4.9	29	24	18
China Vanke - H	2202 HK	20.25	24.10	ADD		37,986	40.2	50	19	4.5	7.6	6.7	6.2	0.9	0.8	0.8	7.6	5.9	5.2	18	30	37
China Vanke - A	000002 CH	20.74	22.50	ADD		37,951	34.2	39	8	5.7	9.6	8.4	7.8	1.1	1.0	1.0	6.0	4.7	4.2	18	30	37
CIFI	884 HK	4.64	6.00	ADD		5,461	12.1	62	29	3.8	4.3	4.6	4.4	0.8	0.8	0.7	9.0	4.2	5.5	64	63	57
Country Garden	2007 HK	6.18	7.90	ADD		19,579	14.4	57	28	3.4	4.1	4.5	4.5	0.6	0.6	0.5	8.9	6.1	3.6	56	45	44
Greentown China	3900 HK	15.50	16.20	ADD		5,170	23.7	35	5	19.1	10.7	8.7	7.9	1.0	0.9	0.8	2.8	3.7	3.9	64	52	52
Guangzhou R&F	2777 HK	3.18	3.60	HOLD		1,613	12.0	74	13	2.1	NA	9.9	6.7	0.1	0.1	0.1	37.7	3.9	0.0	130	123	93
Longfor	960 HK	42.00	49.50	ADD		33,443	55.0	24	18	10.7	9.0	8.4	7.6	1.9	1.7	1.5	4.2	5.0	5.3	46	47	45
Shimao Group	813 HK	4.42	6.20	HOLD		2,141	26.0	83	40	1.0	1.1	1.1	1.1	0.1	0.1	0.1	42.9	16.6	8.9	50	49	44
Sunac	1918 HK	4.58	11.60	REDUCE		3,184	37.4	88	153	0.6	0.7	0.8	0.7	0.1	0.1	0.1	44.4	0.0	0.0	96	84	73
<b>Yuzhou Group</b>	<b>1628 HK</b>	<b>0.63</b>	<b>0.68</b>	<b>HOLD</b>		<b>559</b>	<b>2.3</b>	<b>72</b>	<b>8</b>	<b>4.3</b>	<b>13.5</b>	<b>6.5</b>	<b>4.6</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>54.7</b>	<b>8.3</b>	<b>0.0</b>	<b>86</b>	<b>94</b>	<b>90</b>
Zhongliang	2772 HK	2.17	2.50	HOLD		1,042	10.0	78	15	1.7	2.1	2.0	1.9	0.6	0.5	0.4	23.8	8.7	0.0	65	35	44
<b>Greater Bay Area (GBA) plays</b>																						
Agile	3383 HK	4.16	4.70	HOLD		2,194	11.2	63	13	1.6	2.0	2.5	2.4	0.2	0.2	0.2	27.8	12.2	0.0	61	51	45
China Aoyuan	3883 HK	1.18	1.10	REDUCE		446	5.6	79	(7)	0.5	2.0	2.6	3.1	0.1	0.1	0.1	86.0	0.0	0.0	83	81	77
KWG Group	1813 HK	3.22	7.10	ADD		1,457	14.1	77	120	1.3	2.1	1.9	1.8	0.2	0.2	0.2	35.6	18.0	7.9	62	77	66
Logan Group	3380 HK	2.57	3.50	ADD		2,119	11.8	78	36	1.0	1.2	1.4	1.2	0.3	0.3	0.2	42.0	20.9	0.0	61	82	71
Times China	1233 HK	3.12	4.40	ADD		925	14.5	78	41	1.0	1.5	1.5	1.4	0.3	0.3	0.2	30.3	3.3	3.5	68	79	56
<b>GBA average</b>								<b>75</b>	<b>41</b>	<b>1.1</b>	<b>1.8</b>	<b>2.0</b>	<b>2.0</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>44.3</b>	<b>10.9</b>	<b>2.3</b>	<b>67</b>	<b>74</b>	<b>63</b>
<b>Small and mid-cap average</b>								<b>71</b>	<b>29</b>	<b>3.4</b>	<b>4.1</b>	<b>3.9</b>	<b>3.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>35.7</b>	<b>9.1</b>	<b>2.7</b>	<b>72</b>	<b>71</b>	<b>63</b>
<b>Overall average</b>								<b>60</b>	<b>32</b>	<b>4.3</b>	<b>5.1</b>	<b>4.7</b>	<b>4.2</b>	<b>0.6</b>	<b>0.5</b>	<b>0.5</b>	<b>26.3</b>	<b>7.3</b>	<b>3.3</b>	<b>61</b>	<b>60</b>	<b>54</b>

Share price data as of 11 April 2022; \* A-share data stated in Rmb

SOURCES: CGS-CIMB RESEARCH, BLOOMBERG, COMPANY REPORTS

## BY THE NUMBERS



### Profit & Loss

(Rmbm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>Total Net Revenues</b>	<b>10,412</b>	<b>27,071</b>	<b>28,353</b>	<b>29,757</b>	<b>32,056</b>
<b>Gross Profit</b>	<b>1,219</b>	<b>4,061</b>	<b>3,824</b>	<b>4,586</b>	<b>5,481</b>
<b>Operating EBITDA</b>	<b>33</b>	<b>2,220</b>	<b>2,163</b>	<b>2,708</b>	<b>3,318</b>
Depreciation And Amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>33</b>	<b>2,220</b>	<b>2,163</b>	<b>2,708</b>	<b>3,318</b>
Financial Income/(Expense)	416	(41)	(154)	(144)	(133)
Pretax Income/(Loss) from Assoc.	230	289	275	302	302
Non-Operating Income/(Expense)	0	0	0	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>680</b>	<b>2,467</b>	<b>2,284</b>	<b>2,866</b>	<b>3,487</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>680</b>	<b>2,467</b>	<b>2,284</b>	<b>2,866</b>	<b>3,487</b>
<b>Taxation</b>	<b>178</b>	<b>(1,700)</b>	<b>(1,006)</b>	<b>(1,375)</b>	<b>(1,681)</b>
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>858</b>	<b>767</b>	<b>1,278</b>	<b>1,491</b>	<b>1,806</b>
Minority Interests	(224)	(525)	(763)	(758)	(739)
Pref. & Special Div	0	0	0	0	0
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>634</b>	<b>242</b>	<b>515</b>	<b>733</b>	<b>1,067</b>
Recurring Net Profit	634	242	515	733	1,067
<b>Fully Diluted Recurring Net Profit</b>	<b>634</b>	<b>242</b>	<b>515</b>	<b>733</b>	<b>1,067</b>

### Cash Flow

(Rmbm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>EBITDA</b>	<b>33</b>	<b>2,220</b>	<b>2,163</b>	<b>2,708</b>	<b>3,318</b>
Cash Flow from Inv. & Assoc.	230	289	275	302	302
Change In Working Capital	258	(10,151)	6,109	5,412	6,307
Straight Line Adjustment					
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	(864)	(903)	(924)	(976)	(1,000)
Net Interest (Paid)/Received	(4,630)	(4,277)	(5,238)	(5,219)	(5,062)
Tax Paid	(948)	(1,360)	(805)	(1,100)	(1,345)
<b>Cashflow From Operations</b>	<b>(5,919)</b>	<b>(14,182)</b>	<b>1,580</b>	<b>1,127</b>	<b>2,519</b>
Capex	0	0	0	0	0
Disposals Of FAs/subsidiaries	2,740	0	0	0	0
Disposals of Investment Properties					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(11,577)	7,504	(750)	(863)	(1,737)
<b>Cash Flow From Investing</b>	<b>(8,837)</b>	<b>7,504</b>	<b>(750)</b>	<b>(863)</b>	<b>(1,737)</b>
Debt Raised/(repaid)	8,528	0	(100)	(100)	(100)
Proceeds From Issue Of Shares	0	0	0	0	0
Shares Repurchased					
Dividends Paid	(710)	(1,403)	0	0	(31)
Preferred Dividends					
Other Financing Cashflow	2,519	(1,128)	0	0	0
<b>Cash Flow From Financing</b>	<b>10,337</b>	<b>(2,531)</b>	<b>(100)</b>	<b>(100)</b>	<b>(131)</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	34,469	17,520	18,249	18,413	19,064
Properties Under Development					
Total Debtors	38,021	47,122	53,492	59,775	66,546
Inventories	72,459	75,226	68,685	62,889	57,604
Total Other Current Assets	2,285	2,299	2,299	2,367	2,439
<b>Total Current Assets</b>	<b>147,233</b>	<b>142,167</b>	<b>142,725</b>	<b>143,445</b>	<b>145,653</b>
Fixed Assets	17,918	18,970	18,970	19,082	19,319
<b>Total Investments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Intangible Assets	0	0	0	0	0
Total Other Non-Current Assets	13,047	13,244	13,447	13,669	13,905
<b>Total Non-current Assets</b>	<b>30,965</b>	<b>32,214</b>	<b>32,416</b>	<b>32,752</b>	<b>33,224</b>
Short-term Debt	18,884	13,999	13,949	13,899	13,849
Current Portion of Long-Term Debt					
Total Creditors	49,265	27,593	29,249	31,004	32,864
Other Current Liabilities	26,867	44,796	42,952	41,088	40,379
<b>Total Current Liabilities</b>	<b>95,016</b>	<b>86,388</b>	<b>86,149</b>	<b>85,991</b>	<b>87,092</b>
Total Long-term Debt	45,016	42,584	42,534	42,484	42,434
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	0	0	0	0	0
<b>Total Non-current Liabilities</b>	<b>45,016</b>	<b>42,584</b>	<b>42,534</b>	<b>42,484</b>	<b>42,434</b>
Total Provisions	3,864	4,015	4,015	4,015	4,015
<b>Total Liabilities</b>	<b>143,895</b>	<b>132,986</b>	<b>132,698</b>	<b>132,489</b>	<b>133,541</b>
<b>Shareholders' Equity</b>	<b>24,629</b>	<b>26,116</b>	<b>26,631</b>	<b>27,364</b>	<b>28,475</b>
Minority Interests	9,673	15,279	15,813	16,343	16,861
<b>Total Equity</b>	<b>34,303</b>	<b>41,395</b>	<b>42,443</b>	<b>43,707</b>	<b>45,336</b>

### Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	(55%)	160%	5%	5%	8%
Operating EBITDA Growth	(99%)	6549%	(3%)	25%	22%
Operating EBITDA Margin	0.3%	8.2%	7.6%	9.1%	10.3%
Net Cash Per Share (Rmb)	(5.17)	(5.97)	(5.84)	(5.80)	(5.69)
BVPS (Rmb)	4.33	3.99	4.07	4.18	4.35
Gross Interest Cover	0.01	0.49	0.40	0.50	0.63
Effective Tax Rate	0.0%	57.4%	28.2%	30.1%	30.6%
Net Dividend Payout Ratio	168%	30%	NA	NA	6%
Accounts Receivables Days	1,175	574	648	695	721
Inventory Days	2,422	1,171	1,071	954	830
Accounts Payables Days	1,794	610	423	437	440
ROIC (%)	0.05%	2.46%	1.92%	2.40%	2.90%
ROCE (%)	0.61%	2.41%	2.28%	2.80%	3.34%
Return On Average Assets	0.54%	0.83%	1.09%	1.33%	1.57%

### Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Contracted sales (Rmb m)	104,967.0	105,019.0	55,206.4	52,714.4	59,407.5
Overall gross margin (%)	11.7%	15.0%	13.5%	15.4%	17.1%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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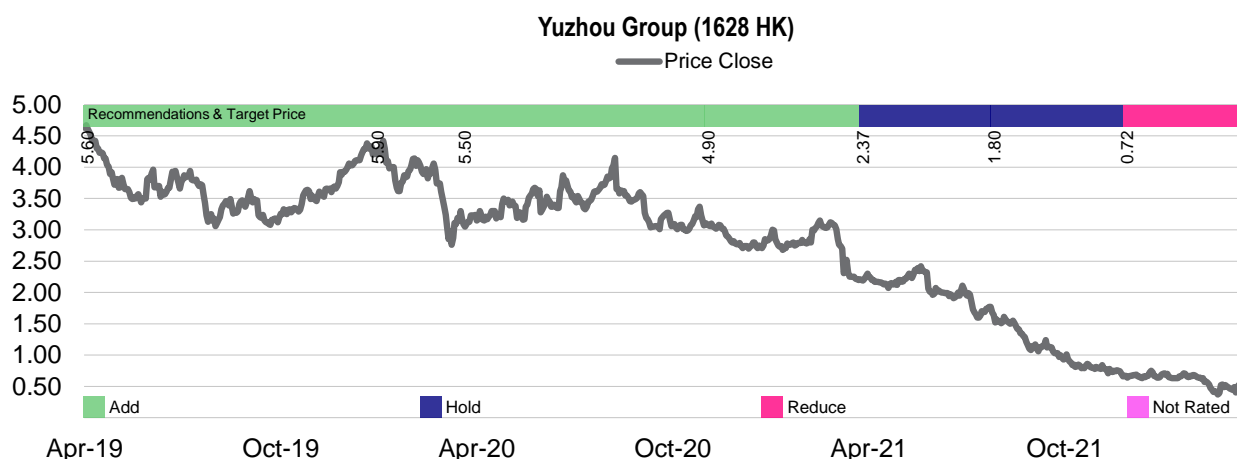
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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2021		
619 companies under coverage for quarter ended on 31 December 2021		
	Rating Distribution (%)	Investment Banking clients (%)
Add	71.1%	1.5%
Hold	21.8%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

