

Malaysia

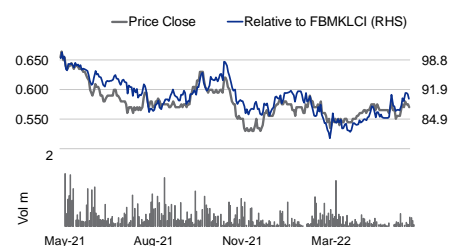
ADD (no change)

Consensus ratings*: Buy 2 Hold 1 Sell 0

Current price:	RM0.57
Target price:	RM0.81
Previous target:	RM0.76
Up/downside:	42.1%
CGS-CIMB / Consensus:	19.1%
Reuters:	CCKH.KL
Bloomberg:	CCK MK
Market cap:	US\$80.95m
	RM355.9m
Average daily turnover:	US\$0.02m
	RM0.08m
Current shares o/s:	630.7m
Free float:	54.2%
*Source: Bloomberg	

Key changes in this note

- FY22-24F EPS raised by 5.7-6.7%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	0.9	1.8	-15.6
Relative (%)	4.4	5	-13.3

Major shareholders

	% held
Central Coldstorage Sarawak Sdn.	22.1
S.K. Tiong Enterprise Sdn. Bhd.	16.5
Chong Nyuk Kiong Enterprise Sdn.	7.2

Analyst(s)



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CCK Consolidated Holdings

Retail division is CCK's shining star

- 1Q22 core net profit of RM11.2m (+81.0% yoy) was above estimates, due to higher-than-expected results from retail division and Indonesia operations.
- Despite higher feed cost prices impacting poultry division, we expect growing contribution from retail segment to offset this impact going forward.
- Reiterate Add, with a higher TP of RM0.81 (13x CY23F P/E).

1Q22 core net profit rose 81.0% yoy; beat expectations

1Q22 revenue rose 20.6% yoy to RM197.4m, thanks to higher contribution from all divisions. 1Q22 EBITDA margins also rose to 9.4% (+2.2% pts yoy), as greater economies of scale (higher sales in retail division) more than offset higher feed cost in poultry division. Accordingly, 1Q22 core net profit rose 81.0% yoy to RM11.2m; at 35% of our and 37% of Bloomberg consensus' FY22F estimates, this is above expectations on higher-than-expected contributions from retail division and Indonesia operations.

Better qoq results due to festivities and pick-up in HORECA sales

On a qoq basis, 1Q22 revenue and net profit rose by 5.2% and 86.8%, respectively. This was mainly due to CNY festivities as well as a pick-up in economic activities, post easing of Covid-19 lockdown measures. Also, 1Q22 EBITDA margins rose 2.5% pts qoq to 9.4%, thanks to: i) higher contribution from retail segment (better margins), ii) cost control measures, and iii) an increase in poultry prices to pass on higher feed costs.

Any weakness in poultry segment to be offset by retail division

We expect further weakness in the poultry division going forward, owing to: i) higher feed cost prices, ii) weaker ringgit vs US\$ (leading to higher input costs), and iii) lower demand for poultry products (surge in selling prices). Yet, what sets CCK Consolidated Holdings apart from other poultry players is its retail division (72 outlets across East Malaysia), which we believe can help offset any decline in poultry segment contribution, thanks to a pick-up in demand, especially from the HORECA segment with the reopening of the economy. We raise our FY22-24F EPS to account for higher retail and Indonesia contributions.

Plans to enter shrimp processing business in Indonesia

CCK recently announced a proposal to acquire PT Bonanza, an Indonesian company involved in shrimp processing, for RM33.8m (US\$8m), which works out to 8.7x CY20 P/E, based on PT Bonanza's FY20 net profit of RM3.9m (9MFY21: RM2.9m). We are neutral on this deal — while we like the business synergies and earnings accretion of this deal, this is a related-party transaction, and we are also concerned about the earnings volatility of PT Bonanza's prawn business.

Reiterate Add, with a higher TP of RM0.81

In tandem with our EPS hikes, our TP rises to RM0.81 (13x CY23F P/E, 5-year mean), while we reiterate Add. Besides its attractive valuation (9.2x CY23F P/E, 29% discount to its 5-year mean), we like CCK for: i) the defensive nature of its retail business, ii) its captive market in East Malaysia, and iii) the inelastic demand for poultry goods in Malaysia.

Financial Summary

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (RMm)	656.0	685.6	770.1	843.0	903.4
Operating EBITDA (RMm)	65.25	50.47	66.69	74.77	79.25
Net Profit (RMm)	38.29	25.62	33.76	38.96	41.68
Core EPS (RM)	0.060	0.039	0.054	0.062	0.066
Core EPS Growth	13.4%	(34.4%)	36.6%	15.4%	7.0%
FD Core P/E (x)	9.55	14.55	10.65	9.23	8.63
DPS (RM)	0.018	0.013	0.017	0.019	0.021
Dividend Yield	3.07%	2.19%	2.98%	3.33%	3.68%
EV/EBITDA (x)	4.82	6.08	4.41	3.75	3.32
P/FCFE (x)	13.17	30.92	20.70	14.68	12.29
Net Gearing	(5.2%)	(5.6%)	(8.8%)	(11.8%)	(15.2%)
P/BV (x)	1.19	1.14	1.05	0.97	0.90
ROE	13.1%	8.0%	10.3%	10.9%	10.8%
% Change In Core EPS Estimates			5.68%	5.80%	6.72%
CGS-CIMB/Consensus EPS (x)			1.14	1.12	1.07

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 1: Results comparison

FYE Dec	1Q	1Q	yoy %	4Q	qoq %	Prev.	Comments
(RM m)	FY22	FY21	chg	FY21	chg	FY22F	
Revenue	197.4	163.7	20.6	187.7	5.2	758.0	1Q22: Higher yoy thanks to a recovery in consumer demand from easing of lockdown measures, leading to a stronger contribution from retail and poultry segments
Operating costs	(178.9)	(151.9)	17.7	(174.8)	2.4	(696.4)	
EBITDA	18.6	11.7	58.3	12.9	43.7	61.6	
EBITDA margin (%)	9.4	7.2	2.2	6.9	2.5	8.1	1Q22: Higher economies of scale in retail division aided in mitigating higher feed cost
Depn & amort.	(5.1)	(4.6)	9.5	(5.2)	(2.5)	(21.4)	
EBIT	13.5	7.1	89.9	7.7	74.8	40.2	
Interest expense	(0.9)	(0.5)	66.2	(1.4)	(39.5)	(2.9)	Net cash of RM13.3m as at end-1Q22
Interest & invt inc	0.0	0.1	(15.7)	0.6	(93.1)	0.4	
Associates' contrib	1.9	1.4	37.3	0.9	113.1	3.9	Higher raw material prices via Gold Coin Sarawak Sdn Bhd
Joint venture contrib	-	-	-	-	-	-	
Exceptionals	(0.1)	(0.1)	(42.7)	1.2	-	-	
Pretax profit	14.5	7.9	83.8	9.0	61.6	41.5	
Tax	(3.4)	(1.8)	84.1	(1.8)	86.7	(9.6)	
Tax rate (%)	23.3	23.2	0.0	20.1	3.1	(23.1)	Lower than statutory tax rate due to tax losses incurred by certain subsidiary companies
Minority interests	-	-	-	-	-	-	
Net profit	11.1	6.1	83.7	7.2	55.3	31.9	Above expectations
Core net profit	11.2	6.2	81.0	6.0	86.8	31.9	35% of our and 37% of Bloomberg's FY22F net profit estimates
EPS (sen)	1.8	1.0	83.7	1.1	55.3	5.1	
Core EPS (sen)	1.8	1.0	81.0	1.0	86.8	5.1	Based on 630.7m outstanding shares

SOURCES: CGS-CIMB, COMPANY REPORTS

Figure 2: Segmental revenue and profit

Segmental revenue						
FYE Dec	1Q	1Q	4Q	yoy %	qoq %	Comments
(RM m)	FY22	FY21	FY21	chg	chg	
Poultry	80.4	69.9	68.3	15.0	17.7	1Q22: Stronger yoy thanks to the reopening of HORECA segment and improved consumer sentiment
Prawn	9.0	8.9	11.0	0.8	(18.3)	Thanks to higher domestic sales, offsetting the decrease in export sales (due to supply chain disruption)
Food Service	4.3	1.9	1.7	122.9	145.5	Thanks to the reopening of government schools in Sarawak.
Retail	191.1	154.9	183.8	23.4	4.0	1Q22: Opening of 4 new outlets compared to 1Q21 as well as commencement of new factory and logistics centre in Pontianak, Indonesia
Corporate	0.1	0.1	0.1	31.5	33.0	
Eliminations	(87.5)	(72.0)	(77.2)	21.5	13.2	
Total revenue	197.4	163.7	187.7	20.6	5.2	

Segmental profit (EBIT ex. Interest income & unallocated expenses)

FYE Dec	1Q	1Q	4Q	yoy %	qoq %	Comments
(RM m)	FY22	FY21	FY21	chg	chg	
Poultry	1.4	(2.2)	(0.9)	nm	nm	Thanks to higher sales volumes, selling price hikes and effective cost control
Prawn	0.2	0.3	0.3	(14.4)	(28.5)	
Food Service	0.5	0.1	(0.1)	446.5	nm	
Retail	11.8	9.1	10.4	30.6	14.4	1Q22: Stronger contribution from new outlets and Indonesia operations
Corporate	(0.5)	(0.2)	(0.2)	110.6	145.1	
Eliminations	-	-	-	-	-	
Total EBIT	13.5	7.0	9.5	91.6	41.6	

SOURCES: CGS-CIMB, COMPANY REPORTS

Figure 3: Earnings revision

RM m	2021A			FY22F			FY23F			FY24F		
	Old	New	%chg	Old	New	%chg	Old	New	%chg	Old	New	%chg
Revenue	686	758	770	1.6%	827	843	1.9%	901	903	0.3%		
EBITDA	50	62	67	8.2%	68	75	10.5%	76	79	(0.8%)		
Core pretax profit	31	41	43	3.7%	47	51	7.2%	50	54	8.1%		
Core net profit	25	32	34	5.7%	37	39	5.8%	39	42	6.7%		
Core EPS (sen)	4	5	5	5.7%	6	6	5.8%	6	7	6.7%		

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Re-rating catalyst and downside risks ►

Key potential re-rating catalyst: a sharp rise in demand for poultry goods, leading to a sharp rise in contributions from its retail and poultry segments.

Downside risks: a sharp increase in feed costs and weaker-than-expected poultry prices.

Figure 4: Sector comparison (CGS-CIMB's Malaysia consumer sector coverage)

Company	Bloomberg Ticker	Recom.	Share price (local curr)	Target Price (local curr)	Market Cap (US\$ m)	Core P/E (x)		3-year EPS CAGR (%)	P/BV (x)		Recurring ROE (%)		EV/EBITDA (x)		Dividend Yield (%)	
						CY22F	CY23F		CY22F	CY23F	CY22F	CY23F	CY22F	CY23F	CY22F	CY23F
Consumer Staples																
Nestle (Malaysia)	NESZ MK	Hold	134.40	135.00	7,172	53.2	43.1	11.1%	53.5	52.9	101.2%	123.5%	28.0	26.1	1.9%	2.3%
Fraser & Neave Holdings	FNH MK	Add	20.70	29.80	1,728	16.3	15.4	4.8%	2.4	2.2	15.2%	15.0%	9.0	8.3	3.3%	3.5%
QL Resources	QLG MK	Add	4.95	5.40	2,741	45.3	35.1	N/A	4.7	4.3	10.7%	12.7%	19.5	16.2	0.8%	1.0%
Power Root Bhd	PWRT MK	Hold	1.69	1.40	151	29.6	24.3	N/A	2.7	2.7	9.1%	11.0%	16.1	13.8	3.2%	3.9%
Kawan Food	KFB MK	Add	1.65	2.50	135	16.0	13.2	17.0%	1.5	1.4	9.8%	11.0%	8.2	6.8	2.1%	2.4%
MSM Malaysia Holdings	MSM MK	Reduce	0.87	0.93	139	14.2	7.9	43.0%	0.4	0.4	2.6%	4.7%	6.8	5.5	3.5%	6.3%
CCK Consolidated Holding	CCK MK	Add	0.57	0.81	81	10.6	9.2	14.1%	1.0	1.0	10.6%	10.9%	4.3	3.8	3.1%	3.3%
Weighted Subsector Average						44.8	36.2	8.0%	33.1	32.6	64.7%	78.3%	22.6	20.6	1.9%	2.3%
Consumer Discretionary																
7-Eleven Malaysia Holdings	SEM MK	Add	1.41	1.78	361	25.8	23.0	6.8%	14.7	11.7	64.4%	56.6%	5.3	4.7	2.3%	2.6%
Berjaya Food Berhad	BFD MK	Add	4.30	5.50	353	14.8	13.9	17.7%	3.8	3.5	27.4%	26.5%	4.5	4.0	4.8%	5.0%
Bonia Corporation	BON MK	Add	2.53	3.00	115	13.3	12.3	23.7%	1.3	1.2	9.9%	10.0%	5.4	5.1	3.0%	3.2%
DKSH Holdings (Malaysia)	DKSH MK	Add	4.49	6.20	161	7.5	7.3	7.3%	0.9	0.8	12.4%	11.4%	4.4	4.0	2.3%	2.2%
Lee Swee Kiat Group	LSKG MK	Add	0.74	1.63	27	8.8	5.8	27.2%	1.6	1.3	19.6%	25.0%	3.8	2.4	4.5%	6.8%
Mynews Holdings Berhad	MNHB MK	Reduce	0.63	0.50	98	na	37.5	25.9%	2.0	1.9	-6.5%	5.1%	10.3	5.8	0.1%	0.7%
Panasonic Manufacturing Malaysia Berhad	PMM MK	Hold	28.04	31.20	388	18.0	13.5	N/A	2.2	2.2	12.2%	16.4%	8.7	6.6	6.7%	7.1%
InNature Bhd	ATURE MK	Add	0.59	0.84	95	15.4	14.0	28.5%	2.8	2.7	18.9%	19.6%	7.2	6.1	4.5%	5.0%
Mr D.I.Y. Group (M) Bhd	MRDIY MK	Add	3.42	4.00	4,890	40.7	33.4	15.2%	14.8	11.8	41.6%	39.3%	21.5	18.2	1.1%	1.3%
Senheng New Retail Bhd	5305 MK	Add	0.70	1.00	239	13.6	12.1	12.9%	1.9	1.7	19.7%	14.8%	5.1	4.6	2.2%	2.5%
Weighted Subsector Average						33.9	28.6	14.3%	12.0	9.7	37.3%	35.3%	17.3	14.6	1.8%	2.0%
Weighted Average						40.9	33.5	10.2%	25.6	24.4	54.9%	63.0%	20.7	18.4	1.8%	2.2%
Simple Average						23.4	20.3	17.3%	8.3	7.7	25.3%	27.8%	11.0	9.3	2.8%	3.3%

SOURCES: CGS-CIMB, COMPANY REPORTS, BLOOMBERG



ESG in a nutshell

According to FTSE Russell's assessment based on a Jun 2021 results review, CCK is ranked in the bottom 25% by ESG Ratings among PLCs in FBM EMAS. CCK's sustainability efforts are spearheaded by its Sustainability Steering Committee, which is made up of heads of departments of its core functions, including human resources, finance, purchasing and retail operations. The committee reports directly to the group managing director and board of directors.

Keep your eye on

CCK currently only has four independent directors, out of a total of 10 board members. In addition, it has no female board member.

Implications

We are negative on this matter, as this is not in line with the guidelines of the Malaysian Code of Corporate Governance (MCCG), which suggests that a company's board of directors comprise at least 50% independent directors, and that at least 30% of its board members should be female.

ESG highlights

The three independent directors who sit on CCK's boards have each served more than nine years. According to CCK, it does not limit the tenure of its independent directors as long-serving independent directors can continue to be "independent in mind".

Implications

We are negative on this matter. According to the latest update to MCCG (in 2021), the tenure of independent directors should be shortened to nine years without any extension.

Trends

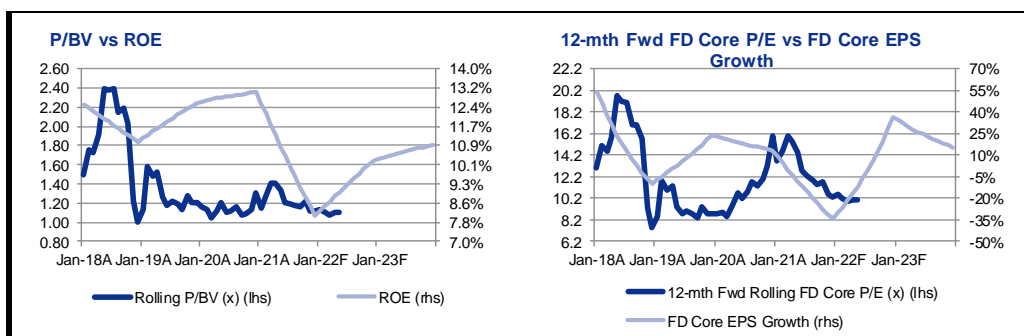
While CCK does highlight its efforts in the environment and social aspects of its businesses, it does not provide operational data, specifics and targets for us to analyse. The only information provided in CCK's FY21 annual report states that it has an environmental management system (EMS) in its main abattoir in Kuching, Sarawak. However, there was no mention whether there are similar systems in its poultry farms and other abattoirs.

Implications

Due to the lack of operating data, we have been unable to evaluate, compare and analyse the company's efforts to improve the social and environmental aspects of its businesses.

SOURCES: CGS-CIMB RESEARCH, REFINITIV

BY THE NUMBERS



Profit & Loss

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Net Revenues	656.0	685.6	770.1	843.0	903.4
Gross Profit	127.4	118.9	143.3	157.5	168.7
Operating EBITDA	65.3	50.5	66.7	74.8	79.3
Depreciation And Amortisation	(22.0)	(23.1)	(25.1)	(26.2)	(27.3)
Operating EBIT	43.2	27.4	41.6	48.6	52.0
Financial Income/(Expense)	(1.8)	(1.7)	(2.5)	(2.5)	(2.5)
Pretax Income/(Loss) from Assoc.	6.5	5.5	3.9	4.5	4.6
Non-Operating Income/(Expense)	0.0	0.0	0.0	0.0	0.0
Profit Before Tax (pre-EI)	47.9	31.2	43.0	50.6	54.1
Exceptional Items	0.8	1.1	0.0	0.0	0.0
Pre-tax Profit	48.7	32.3	43.0	50.6	54.1
Taxation	(10.4)	(6.7)	(9.3)	(11.6)	(12.5)
Exceptional Income - post-tax					
Profit After Tax	38.3	25.6	33.8	39.0	41.7
Minority Interests	0.0	0.0	0.0	0.0	0.0
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	38.3	25.6	33.8	39.0	41.7
Recurring Net Profit	37.7	24.7	33.8	39.0	41.7
Fully Diluted Recurring Net Profit	37.7	24.7	33.8	39.0	41.7

Cash Flow

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
EBITDA	65.25	50.47	66.69	74.77	79.25
Cash Flow from Inv. & Assoc.					
Change In Working Capital	6.78	(4.40)	(6.46)	(5.68)	(4.71)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense		1.40	0.00	0.00	0.00
Other Operating Cashflow	(0.26)	4.18	5.04	2.11	3.81
Net Interest (Paid)/Received	(1.78)	(1.73)	(2.46)	(2.46)	(2.46)
Tax Paid	(10.31)	(10.31)	(10.44)	(9.26)	(11.64)
Cashflow From Operations	59.68	39.61	52.36	59.49	64.26
Capex	(25.21)	(21.41)	(35.00)	(35.00)	(35.00)
Disposals Of FAs/subsidiaries	0.12	0.14	0.00	0.00	0.00
Acq. Of Subsidiaries/investments	0.00	0.00	0.00	0.00	0.00
Other Investing Cashflow	2.96	0.00	0.00	0.00	0.00
Cash Flow From Investing	(22.13)	(21.27)	(35.00)	(35.00)	(35.00)
Debt Raised/(repaid)	(10.24)	(6.72)	0.00	0.00	0.00
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(10.97)	(12.53)	(7.88)	(10.72)	(11.98)
Preferred Dividends					
Other Financing Cashflow	(0.11)	0.00	0.00	0.00	0.00
Cash Flow From Financing	(21.32)	(19.25)	(7.88)	(10.72)	(11.98)
Total Cash Generated	16.23	(0.91)	9.48	13.77	17.27
Free Cashflow To Equity	27.31	11.63	17.36	24.49	29.26
Free Cashflow To Firm	39.70	20.43	20.18	27.30	32.07

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Cash And Equivalents	59.1	57.8	73.6	87.3	104.6
Total Debtors	43.0	45.6	51.2	56.1	60.1
Inventories	55.5	57.2	63.2	69.1	74.1
Total Other Current Assets	17.5	16.4	16.4	16.4	16.4
Total Current Assets	175.1	177.0	204.4	229.0	255.2
Fixed Assets	203.0	204.6	213.9	222.7	230.4
Total Investments	29.7	35.2	35.2	35.2	35.2
Intangible Assets	0.4	0.4	0.4	0.4	0.4
Total Other Non-Current Assets	17.8	17.9	17.9	17.9	17.9
Total Non-current Assets	250.8	258.1	267.4	276.2	283.9
Short-term Debt	36.0	33.2	36.0	36.0	36.0
Current Portion of Long-Term Debt					
Total Creditors	44.8	49.2	54.4	59.5	63.8
Other Current Liabilities	7.1	7.0	7.0	7.0	7.0
Total Current Liabilities	88.0	89.4	97.5	102.6	106.9
Total Long-term Debt	7.5	7.1	7.5	7.5	7.5
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	29.4	24.3	24.3	24.3	24.3
Total Non-current Liabilities	36.9	31.4	31.8	31.8	31.8
Total Provisions	0.0	0.0	0.0	0.0	0.0
Total Liabilities	124.9	120.8	129.3	134.4	138.7
Shareholders' Equity	300.9	314.2	342.5	370.7	400.4
Minority Interests	0.1	0.1	0.1	0.1	0.1
Total Equity	301.0	314.2	342.6	370.8	400.5

Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	0.7%	4.5%	12.3%	9.5%	7.2%
Operating EBITDA Growth	3.2%	(22.7%)	32.1%	12.1%	6.0%
Operating EBITDA Margin	9.95%	7.36%	8.66%	8.87%	8.77%
Net Cash Per Share (RM)	0.025	0.028	0.048	0.069	0.097
BVPS (RM)	0.48	0.50	0.54	0.59	0.63
Gross Interest Cover	20.06	13.14	14.79	17.25	18.46
Effective Tax Rate	21.4%	20.8%	21.5%	23.0%	23.0%
Net Dividend Payout Ratio	23.0%	25.3%	24.9%	23.7%	24.5%
Accounts Receivables Days	26.18	23.58	22.95	23.24	23.54
Inventory Days	38.55	36.28	35.05	35.24	35.68
Accounts Payables Days	30.50	30.28	30.18	30.34	30.72
ROIC (%)	15.1%	9.6%	14.6%	16.1%	16.4%
ROCE (%)	N/A	N/A	N/A	N/A	N/A
Return On Average Assets	N/A	N/A	N/A	N/A	5660%

Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total eggs produced (thousand/day)	235.2	223.5	241.1	245.9	250.8
Birds per day	248.1	245.4	260.9	278.9	292.0
US\$/RM	4.2	4.1	4.1	4.1	4.1
No. of Outlets (Existing)	63.0	66.0	71.0	77.0	82.0

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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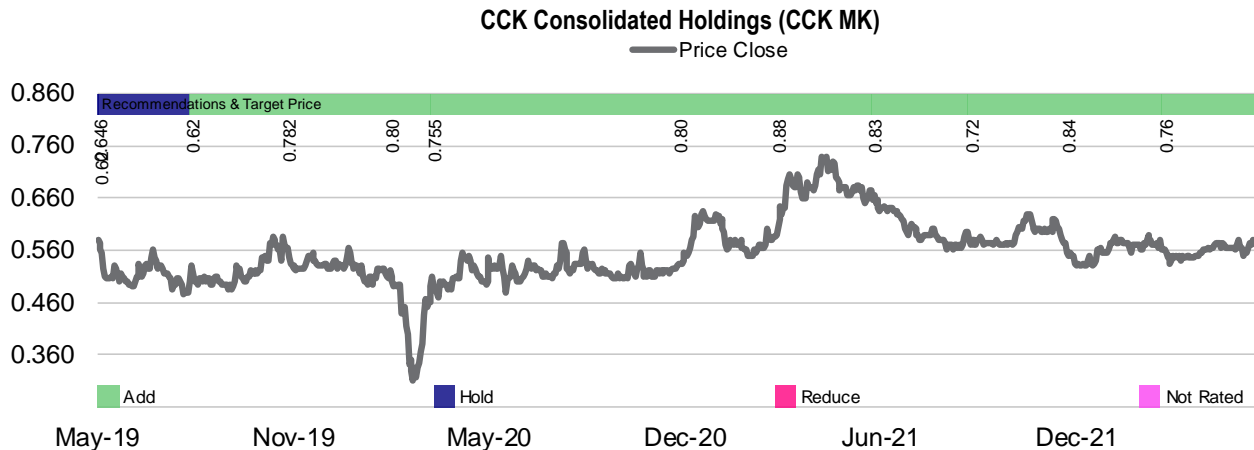
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Distribution of stock ratings and investment banking clients for quarter ended on 31 March 2022		
632 companies under coverage for quarter ended on 31 March 2022		
	Rating Distribution (%)	Investment Banking clients (%)
Add	70.3%	0.8%
Hold	22.0%	0.0%
Reduce	7.8%	0.2%

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.