

## Singapore

**HOLD** (no change)

Consensus ratings\*: Buy 1 Hold 7 Sell 1

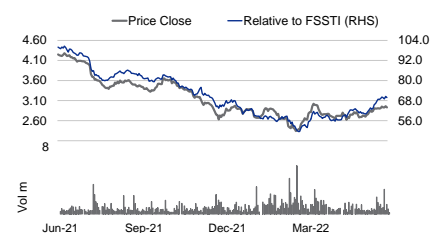
Current price:	US\$2.93
Target price:	US\$2.70
Previous target:	US\$2.90
Up/downside:	-7.8%
CGS-CIMB / Consensus:	-6.4%

Reuters:	DFIR.SI
Bloomberg:	DFI SP
Market cap:	US\$3,965m
Average daily turnover:	US\$2.32m
Current shares o/s:	1,353m
Free float:	22.2%

\*Source: Bloomberg

**Key changes in this note**

- FY22-24F EPS lowered by 1.1-52.6%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	6.5	13.1	-31.4
Relative (%)	10.3	21.2	-30.6

Major shareholders	% held
Jardine Matheson Holdings	77.6
Aberdeen Asset Managers	3.4
First Sentier Investors (Hong Kong)	1.8

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# DFI Retail Group

## FY22F a year of investment

- Divergence in HK and China's Covid strategy could pose a challenge to near-term border reopening between the two, delaying H&B segment recovery.
- We expect weaker margins for DFI in FY22F in view of macro challenges and further investments in e-commerce.
- Yonghui's potential turnaround looks unlikely to offset the weaker core operations; we expect DFI to see profit decline in FY22F. Reiterate Hold.

### Bumpy recovery as hurdles to HK-China border reopening remain

While we think that the worst is likely over for Hong Kong retail sales with 1) easing Covid-related restrictions since late-Apr 22, and 2) roll out of HK\$10,000 consumption voucher scheme, we continue to see a bumpy path to recovery for DFI. Given HK and Mainland China's current divergence in Covid strategy, we see significant challenges to borders reopening in the near-term. We further delay our recovery expectations for DFI's Health and Beauty segment (biggest earnings contributor for DFI pre-Covid), as we think it is unlikely to see a meaningful return of Chinese tourists in FY22F.

### Margins to be hurt by macro challenges and e-comm investments

Meanwhile, DFI's other operating segments are impacted by various macro challenges, including higher pandemic-related costs, supply chain constraints, and higher utility expenses etc. Such elevated costs have offset revenue gains from segments including Grocery Retail and Home Furnishing in 1Q22, and we expect this to further weigh on margins in the remainder of FY22F. DFI also intends to further invest in e-commerce capabilities (*yuu-to-me* in Hong Kong, *Cart* in Singapore) as part of its transformation roadmap; we expect sales and marketing expenses to be elevated in the medium term to drive such initiatives. We now forecast DFI's operating margin to see further compression of 1.1% pts yoy in FY22F, lowering operating profit by 32% yoy.

### Stronger associates' contribution not enough to turn the tide

A bright spot is the potential turnaround in associate Yonghui's (601933 CH, Add, TP: Rmb6.20, CP: Rmb4.06) in FY22F, given reduced subsidy levels for community group purchase platforms, which has improved competitive environment. Our China consumer analyst forecasts Yonghui to return to profitability in FY22F (Rmb251m net profit, vs. FY21's Rmb3.9bn net loss). However, DFI accounts for Yonghui's contributions with a quarter lag – it will be recognising its share in Yonghui's 4Q21 net loss of Rmb1.8bn in its FY22F financials. We hence forecast DFI's net profit to fall 17% yoy in FY22F.

### Retain Hold with a lower TP of US\$2.70

We retain our Hold call in view of the continued challenging operating environment. We cut our FY22-24F EPS by 1.1-52.6% to bake in lower revenue and margin assumptions. With lower EPS, our TP is lowered to US\$2.70, still based on 16.0x CY23F P/E (2 s.d. below DFI's 5-year historical mean). Upside risks include more clarity on HK-China border reopening plans, or stronger sales recovery driven by store productivity gains. Downside risks include higher than expected losses on e-commerce venture.

**Financial Summary**

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (US\$m)	10,269	9,015	9,130	9,888	10,372
Operating EBITDA (US\$m)	582.4	471.8	374.9	428.4	460.3
Net Profit (US\$m)	271.0	102.9	87.2	226.8	271.6
Core EPS (US\$)	0.20	0.08	0.06	0.17	0.20
Core EPS Growth	(14%)	(62%)	(17%)	160%	20%
FD Core P/E (x)	14.38	37.89	45.44	17.48	14.59
DPS (US\$)	0.17	0.10	0.06	0.15	0.18
Dividend Yield	5.63%	3.24%	1.98%	5.15%	6.17%
EV/EBITDA (x)	4.36	5.60	7.24	6.17	5.62
P/FCFE (x)	4.35	4.68	5.87	4.30	4.22
Net Gearing	61.1%	66.6%	73.1%	69.4%	67.2%
P/BV (x)	3.00	3.13	3.11	3.05	2.99
ROE	21.8%	8.1%	6.9%	17.6%	20.7%
% Change In Core EPS Estimates			(52.6%)	(9.0%)	(1.1%)
CGS-CIMB/Consensus EPS (x)			0.59	0.92	0.89

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



## FY22F a year of investment

### Segment performance overview ▶

**Grocery retail:** Despite stronger segment sales in 1Q22 overall due to elevated demand for groceries in North Asia (supported by strong pantry-stocking behaviour on the back of tight mobility restrictions imposed in Hong Kong). Grocery revenue in Southeast Asia was weaker yoy due to 1) easing mobility restrictions in core markets, 2) store renovations in Singapore, and 3) supply chain disruptions in Malaysia. Overall segment profitability was flat yoy in 1Q22, with strong Hong Kong performance offset by higher store expenses and utility costs. With Covid-related restrictions in Hong Kong easing since late Apr 22, we expect sequential tapering of elevated demand for grocery retail. Grocery retail sales in Southeast Asia will also see tough comparison base in 2Q given Covid-lockdowns relating to Delta variant imposed last year.

**Convenience store:** 1Q22 convenience store sales and profitability were adversely impacted by Covid-related restrictions in both Hong Kong and China. We expect continued challenges in 2Q22F.

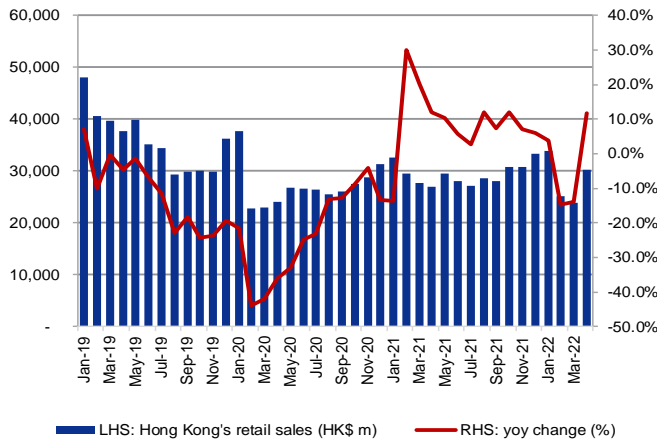
**Health and beauty:** H&B recorded strong sales growth in 1Q22, driven by improved store performance in both Hong Kong and Southeast Asia. Nevertheless, continued closure of HK-China border continues to be the main hindrance for segment recovery to pre-Covid levels.

**Home furnishings:** Segment same-store-sales in 1Q22 declined yoy due to lower outlet footfall in Hong Kong and limited store operating capacity in Indonesia. Despite higher revenue in 1Q22 (due to newly-opened stores and e-commerce contribution), segment profitability was flattish due to Covid-19 challenges and supply chain constraints. We expect current macro challenges and China lockdowns to further impact IKEA's supply chain, which could further affect segment performance in upcoming quarters.

**Restaurants (Maxim's):** Maxim's (50%-owned) profitability was adversely affected by dine-in restrictions imposed in Hong Kong and China in 1Q22. We expect sequential improvements from 2Q22F onwards as Hong Kong's strict social distancing measures were progressively relaxed from late-April onwards.

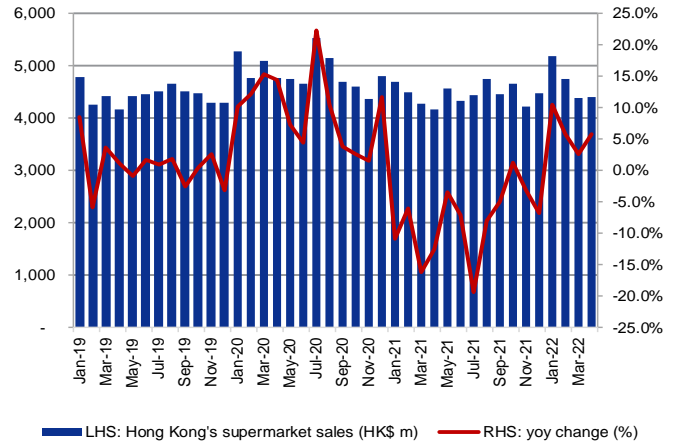
**Yonghui:** Yonghui's (601933 CH, Add, TP: Rmb6.20) 4Q21 losses were wider than our China consumer analyst Lei Yang's expectations, mainly due to a higher-than-expected distribution expense ratio during the quarter. However, Yonghui saw a significant turnaround in 1Q22 to profitability (1Q22 net profit: Rmb502m), due to reduced subsidy levels for community group purchase platforms since 2H21, which improved the competitive environment for Yonghui. While our consumer analyst thinks that Yonghui could be negatively impacted by the Omicron situation in China in 2Q22F, she forecasts Yonghui to report overall net profit of Rmb251m in FY22F, a significant turnaround compared to its FY21's Rmb3.9bn net loss. \*\*DFI typically accounts for Yonghui's earnings (under associate contribution) by a quarter lag. This means that DFI's FY22F financials will include Yonghui's earnings from Oct 2021 to Sep 2022.\*\*

**Figure 1: Hong Kong's retail sales were impacted by tight mobility restrictions in 1Q22, recovering in Apr 22 as restrictions eased**



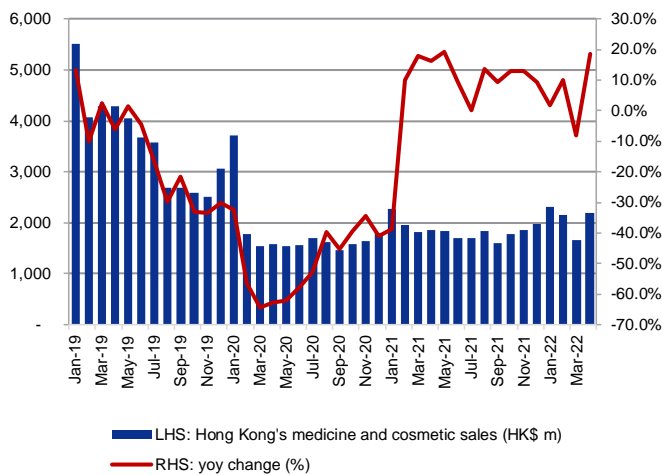
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 2: Hong Kong's supermarket sales were elevated in Jan-Apr 22 due to higher pantry-stocking behaviour**



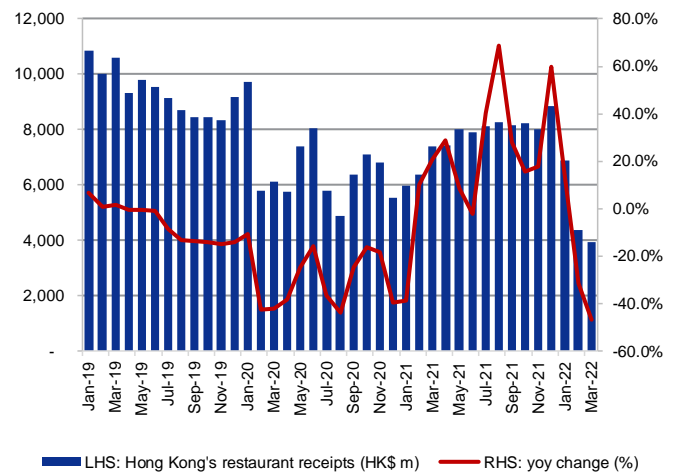
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 3: Medicine and cosmetic sales in Hong Kong recovered in Apr 22, but are still far from 1H19 levels**



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 4: Hong Kong's restaurant receipts were adversely impacted by tight dine-in restrictions imposed**




SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

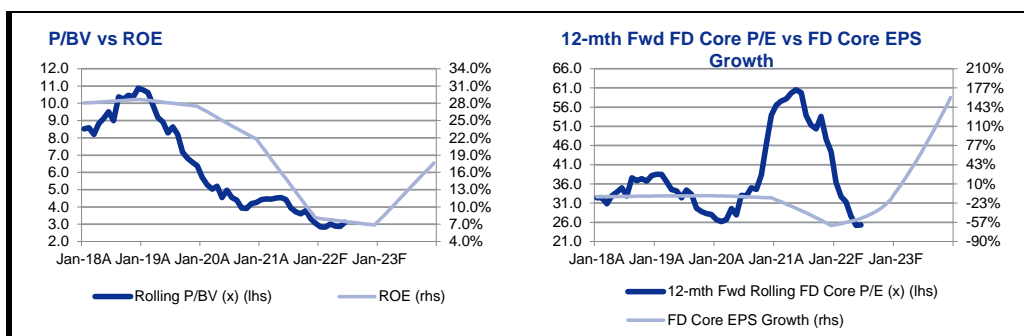
**Figure 5: Earnings revision table**

FYE Dec (US\$m)	New			Old			% change		
	FY22F	FY23F	FY24F	FY22F	FY23F	FY24F	FY22F	FY23F	FY24F
Grocery retail	4,120.1	4,175.1	4213.3	4,120.1	4,175.1	4,213.3	0.0%	0.0%	0.0%
Convenience stores	2,198.1	2,228.0	2359.1	2,244.4	2,379.9	2,520.0	-2.1%	-6.4%	-6.4%
Health and beauty	1,961.4	2,567.4	2833.8	1,925.8	2,094.1	2,269.4	1.9%	22.6%	24.9%
Home and furnishings	849.9	917.2	965.7	899.9	1,081.4	1,166.9	-5.6%	-15.2%	-17.2%
<b>Total revenue</b>	<b>9,129.7</b>	<b>9,887.8</b>	<b>10371.9</b>	<b>9,190.3</b>	<b>9,730.6</b>	<b>10,169.5</b>	<b>-0.7%</b>	<b>1.6%</b>	<b>2.0%</b>
Grocery retail	131.8	142.0	147.5	156.6	158.7	160.1	-15.8%	-10.5%	-7.9%
Convenience stores	44.0	55.7	66.1	58.4	65.4	73.1	-24.7%	-14.9%	-9.6%
Health and beauty	64.7	97.6	113.4	73.2	90.0	104.4	-11.5%	8.3%	8.6%
Home furnishings	44.6	52.3	57.0	50.4	62.7	68.8	-11.5%	-16.6%	-17.2%
Support costs	(164.3)	(178.0)	(186.7)	(105.7)	(126.5)	(137.3)	55.5%	40.7%	36.0%
Others	90.0	90.0	90.0	100.0	100.0	100.0	-10.0%	-10.0%	-10.0%
<b>Underlying EBIT</b>	<b>210.8</b>	<b>259.5</b>	<b>287.2</b>	<b>332.8</b>	<b>350.4</b>	<b>369.1</b>	<b>-36.7%</b>	<b>-25.9%</b>	<b>-22.2%</b>
EBIT margin (%)	2.3%	2.6%	2.8%	3.6%	3.6%	3.6%			
JV and associates	9.9	114.2	138.9	18.4	70.7	82.5	-46.1%	61.5%	68.4%
Reported net profit	87.2	226.8	271.6	184.1	249.2	274.6	-52.6%	-9.0%	-1.1%
<b>Core net profit</b>	<b>87.2</b>	<b>226.8</b>	<b>271.6</b>	<b>184.1</b>	<b>249.2</b>	<b>274.6</b>	<b>-52.6%</b>	<b>-9.0%</b>	<b>-1.1%</b>
Core EPS (US\$)	6.4	16.8	20.1	13.6	18.4	20.3	-52.6%	-9.0%	-1.1%

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

ESG in a nutshell		Refinitiv ESG Scores							
				D+ ESG Score	A+ ESG Controversies Score	D+ ESG Combined Score	D ESG Environment Pillar Score	C- ESG Social Pillar Score	D- ESG Government Pillar Score
		<p>We see room for Dairy Farm to improve on its ESG initiatives. Since 2016, the group has maintained a D/D+ score for Refinitiv's ESG rating, lagging behind its SGX-listed peer Sheng Siong, which achieved an ESG score of C for 2021. Dairy Farm is undergoing a significant multi-year transformation to address a series of business challenges – it wants to help both its customers and team members (People); improve its supply chain by reducing food waste, lowering plastic usage and sourcing ethically (Products); improve its energy efficiency, and recognise the growing concerns over climate change (Planet). However, it has not set any firm ESG targets. We have not applied any premium/discount for ESG in our fundamental valuations thus far and will continue to track Dairy Farm's progress in executing its transformation plan.</p>							
<p><b>Keep your eye on</b></p> <p>Dairy Farm is undergoing a significant multi-year transformation to address a series of business challenges – it wants to help both its customers and team members (People); improve its supply chain by reducing food waste, lowering plastic usage and sourcing ethically (Products); improve its energy efficiency, and recognise the growing concerns over climate change (Planet).</p>	<p><b>Implications</b></p> <p>While we are positive on Dairy Farm's transformation plan, the company does not reveal much on the specifics or the targets it aims to achieve on any ESG-related matters. We view this negatively as we will not be able to track the progress made by the company on these matters.</p>								
<p><b>ESG highlights</b></p> <p>While the company shares certain details on its ESG, it does not reveal key specifics or the targets it aims to achieve on any ESG-related matters.</p>	<p><b>Implications</b></p> <p>We see room for Dairy Farm to improve its ESG practices. As the group continues implementing its five-year sustainability development plan, we hope that more emphasis will be placed on strengthening the disclosure of its initiatives. Such a move could improve investors' perception of the group, in our view.</p>								
<p><b>Trends</b></p> <p>While Dairy Farm has quantified some of the progress it has made in environmental protection and community support, we are unable to put the numbers into perspective given the scant details provided. Some progress included "reduction of energy consumption in Hong Kong, Singapore and Malaysia by 16m kWh, equal to reducing CO2 emissions by over 8m kg", as stated in its 2020 annual report.</p>	<p><b>Implications</b></p> <p>While we believe that some positive progress has been made, the disclosures provided are insufficient for us to put the numbers into perspective. We have not applied any premium/discount for ESG in our fundamental valuations thus far and will continue to track Dairy Farm's progress in executing its five-year sustainability transformation plan.</p>								

SOURCES: CGS-CIMB RESEARCH, REFINITIV

**BY THE NUMBERS**

**Profit & Loss**

(US\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>Total Net Revenues</b>	<b>10,699</b>	<b>9,251</b>	<b>9,330</b>	<b>10,088</b>	<b>10,572</b>
<b>Gross Profit</b>	<b>3,621</b>	<b>3,105</b>	<b>3,050</b>	<b>3,314</b>	<b>3,471</b>
<b>Operating EBITDA</b>	<b>582</b>	<b>472</b>	<b>375</b>	<b>428</b>	<b>460</b>
Depreciation And Amortisation	(194)	(161)	(164)	(169)	(173)
<b>Operating EBIT</b>	<b>388</b>	<b>311</b>	<b>211</b>	<b>260</b>	<b>287</b>
Financial Income/(Expense)	(143)	(119)	(118)	(118)	(118)
Pretax Income/(Loss) from Assoc.	85	(42)	10	114	139
Non-Operating Income/(Expense)	0	0	0	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>330</b>	<b>150</b>	<b>103</b>	<b>256</b>	<b>308</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>330</b>	<b>150</b>	<b>103</b>	<b>256</b>	<b>308</b>
Taxation	(74)	(59)	(26)	(39)	(47)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>257</b>	<b>91</b>	<b>77</b>	<b>217</b>	<b>262</b>
Minority Interests	15	12	10	10	10
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>271</b>	<b>103</b>	<b>87</b>	<b>227</b>	<b>272</b>
Recurring Net Profit	276	105	87	227	272
<b>Fully Diluted Recurring Net Profit</b>	<b>276</b>	<b>105</b>	<b>87</b>	<b>227</b>	<b>272</b>

**Cash Flow**

(US\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>EBITDA</b>	<b>582</b>	<b>472</b>	<b>375</b>	<b>428</b>	<b>460</b>
Cash Flow from Inv. & Assoc.	68	46	8	91	111
Change In Working Capital	(102)	(10)	(42)	79	53
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	773	661	678	678	678
Other Operating Cashflow					
Net Interest (Paid)/Received	(143)	(116)	(118)	(118)	(118)
Tax Paid	(110)	(110)	(26)	(39)	(47)
<b>Cashflow From Operations</b>	<b>1,067</b>	<b>942</b>	<b>876</b>	<b>1,121</b>	<b>1,139</b>
Capex	(266)	(219)	(200)	(200)	(200)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments	(21)	0	0	0	0
Other Investing Cashflow	201	94	0	0	0
<b>Cash Flow From Investing</b>	<b>(86)</b>	<b>(125)</b>	<b>(200)</b>	<b>(200)</b>	<b>(200)</b>
Debt Raised/(repaid)	(71)	29	0	0	0
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(264)	(196)	(79)	(204)	(244)
Preferred Dividends					
Other Financing Cashflow	(708)	(674)	(678)	(678)	(678)
<b>Cash Flow From Financing</b>	<b>(1,043)</b>	<b>(841)</b>	<b>(757)</b>	<b>(883)</b>	<b>(923)</b>
Total Cash Generated	(62)	(24)	(81)	38	16
<b>Free Cashflow To Equity</b>	<b>910</b>	<b>846</b>	<b>676</b>	<b>921</b>	<b>939</b>
<b>Free Cashflow To Firm</b>	<b>1,127</b>	<b>935</b>	<b>796</b>	<b>1,041</b>	<b>1,059</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

**Balance Sheet**

(US\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Cash And Equivalents	278	210	129	167	183
Total Debtors	304	232	265	287	301
Inventories	779	782	774	835	875
Total Other Current Assets	83	101	101	101	101
<b>Total Current Assets</b>	<b>1,443</b>	<b>1,325</b>	<b>1,269</b>	<b>1,390</b>	<b>1,460</b>
Fixed Assets	772	803	839	870	897
Total Investments	2,263	2,189	2,191	2,214	2,242
Intangible Assets	421	412	412	412	412
Total Other Non-Current Assets	3,002	2,876	2,876	2,876	2,876
<b>Total Non-current Assets</b>	<b>6,457</b>	<b>6,280</b>	<b>6,318</b>	<b>6,372</b>	<b>6,426</b>
Short-term Debt	852	744	744	744	744
Current Portion of Long-Term Debt					
Total Creditors	2,061	2,081	2,065	2,227	2,335
Other Current Liabilities	813	716	716	716	716
<b>Total Current Liabilities</b>	<b>3,725</b>	<b>3,541</b>	<b>3,524</b>	<b>3,686</b>	<b>3,794</b>
Total Long-term Debt	242	311	311	311	311
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	2,597	2,486	2,486	2,486	2,486
<b>Total Non-current Liabilities</b>	<b>2,840</b>	<b>2,797</b>	<b>2,797</b>	<b>2,797</b>	<b>2,797</b>
Total Provisions	0	0	0	0	0
<b>Total Liabilities</b>	<b>6,565</b>	<b>6,338</b>	<b>6,321</b>	<b>6,483</b>	<b>6,591</b>
Shareholders' Equity	1,322	1,267	1,276	1,299	1,326
Minority Interests	14	0	(10)	(20)	(30)
<b>Total Equity</b>	<b>1,336</b>	<b>1,267</b>	<b>1,266</b>	<b>1,279</b>	<b>1,296</b>

**Key Ratios**

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	(8.3%)	(12.2%)	1.3%	8.3%	4.9%
Operating EBITDA Growth	(5.0%)	(19.0%)	(20.5%)	14.3%	7.4%
Operating EBITDA Margin	5.67%	5.23%	4.11%	4.33%	4.44%
Net Cash Per Share (US\$)	(0.60)	(0.62)	(0.68)	(0.66)	(0.64)
BVPS (US\$)	0.98	0.94	0.94	0.96	0.98
Gross Interest Cover	2.67	2.60	1.76	2.16	2.39
Effective Tax Rate	22.3%	39.2%	24.8%	15.2%	15.1%
Net Dividend Payout Ratio	82%	191%	90%	90%	90%
Accounts Receivables Days	10.42	10.84	9.94	10.19	10.38
Inventory Days	43.30	46.34	45.22	43.36	44.08
Accounts Payables Days	113.1	123.0	120.5	115.6	117.6
ROIC (%)	11.0%	7.6%	6.6%	8.9%	10.0%
ROCE (%)	16.3%	13.1%	9.2%	11.2%	12.3%
Return On Average Assets	4.52%	2.11%	2.18%	4.13%	4.62%

**Key Drivers**

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Sales growth	(0.1)	(0.1)	0.0	0.1	0.0
Number of own stores	5,032.0	5,037.0	5,176.0	5,313.0	5,433.0
EBIT growth (%)	-8.8%	-19.9%	-32.2%	23.1%	10.6%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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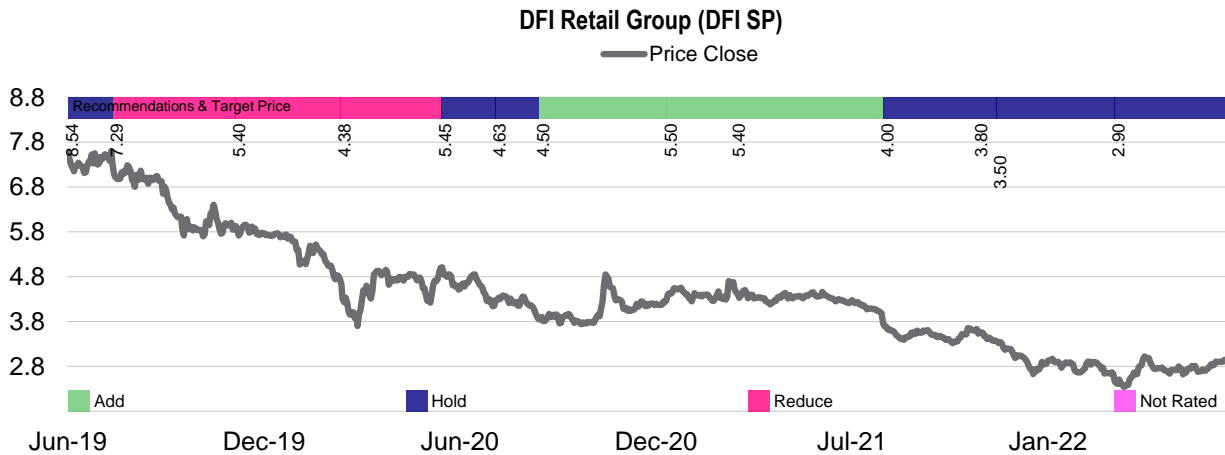
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Distribution of stock ratings and investment banking clients for quarter ended on 31 March 2022		
632 companies under coverage for quarter ended on 31 March 2022		
	Rating Distribution (%)	Investment Banking clients (%)
Add	70.3%	0.8%
Hold	22.0%	0.0%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