

Malaysia

HOLD (no change)

Consensus ratings*: Buy 1 Hold 7 Sell 0

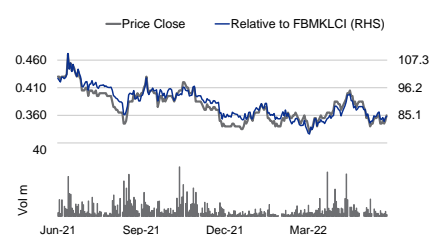
Current price:	RM0.36
Target price:	RM0.39
Previous target:	RM0.38
Up/downside:	8.3%
CGS-CIMB / Consensus:	3.5%

Reuters:	MYRS.KL
Bloomberg:	MRC MK
Market cap:	US\$367.5m
	RM1,608m
Average daily turnover:	US\$0.38m
	RM1.62m
Current shares o/s:	4,468m
Free float:	42.1%

*Source: Bloomberg

Key changes in this note

- FY22-24F EPS raised 16-35%.
- TP raised to RM0.39.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-6.5	1.4	-16.3
Relative (%)	-4.6	3.8	-15.4

Major shareholders	% held
EPF	33.5
Gapurna Sdn Bhd	16.7
Lembaga Tabung Haji	7.8

Analyst(s)



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Malaysian Resources Corp

LRT 3-led outperformance in 1QFY22

- 1QFY22 results were above expectations; core net profit surged 170% yoy.
- Overall performance was anchored by the LRT 3 project and stronger billings for property development. EBITDA margin slipped due to higher costs.
- Reiterate Hold rating with a slightly higher TP (60% discount to RNAV).

1QFY22 results above expectations; core net profit surged 170%

MRCB's 1QFY22 performance was anchored by a steep recovery in construction and property billings following the lifting of lockdown restrictions and full economic reopening, with core net profit coming in at 35-40% of our and consensus full-year forecasts. The results were above expectations as we had underestimated 1) the full impact of the consolidation of the LRT 3 project at 100% stake following the project's restructuring, 2) the stronger property billings on higher construction progress for Sentral Suites and TRIA 9 Seputeh, and 3) EBITDA margin, which came in at 7.9% in 1Q22 versus our full-year forecast of 5.4%. 1QFY22 revenue grew 256% yoy (-5.5% qoq) as the bulk of the recognition came from LRT 3 billings. EBITDA margin slipped 2.7% pts yoy (-11.1% pts qoq) to 7.9% due to higher operating cost and rising material prices. Overall core net profit of RM14m surged 170% yoy (+124% qoq) despite higher interest expense.

Construction and property billings improved substantially

Construction revenue soared 625% yoy on stronger billings and additional share of the LRT 3 project, which is 71% completed with RM4.2bn worth of outstanding contract value (completion in 2024). Construction EBIT reversed from RM1.6m operating loss in 1QFY21 (due to the pandemic and stop work order) to RM25.7m EBIT in 1QFY22 while it grew 11% qoq. Construction EBIT margin stood at 4%, with potential upside from the higher-margin RM380m Muara Sg. Pahang phase 3 contract (newly secured). Property development revenue climbed 41% yoy with stronger 61% yoy growth in EBIT on the recovery in billings and site productivity. Unbilled property sales stood at RM818.3m.

Strategies in FY22F

The group targets to finalise with the government plans for a potential waste-to-energy project and will be preparing to submit its tender (via a JV) for the RM31bn MRT 3 (tender submission in Aug). For property, it will focus on the development of the Ipoh Raya Integrated Park (683.3 acres), the group's first maiden integrated logistics hub, Vista Street (high-rise) in Gold Coast (A\$256m GDV) and Aotea Central Over Station Development in Auckland, New Zealand (NZ\$452m GDV).

Reiterate Hold rating and higher RM0.39 TP

We raise FY22-24F EPS by 16-35% on stronger billings, LRT 3 contribution and higher EBITDA margins. We retain our Hold rating with a slightly higher TP of RM0.39 as we update balance items (unchanged 60% discount to RNAV). Upside risk: larger job wins and stronger earnings. Downside risk: delays in potential new contract wins.

Financial Summary

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (RMm)	1,199	1,448	3,146	3,256	3,321
Operating EBITDA (RMm)	(164.9)	(53.1)	187.6	200.1	210.2
Net Profit (RMm)	(176.1)	15.0	52.8	61.1	67.6
Core EPS (RM)	(0.000)	0.003	0.012	0.014	0.015
Core EPS Growth	(102%)		249%	16%	11%
FD Core P/E (x)	NA	116.8	33.4	28.9	26.1
DPS (RM)	0.010	0.010	0.010	0.012	0.015
Dividend Yield	2.78%	2.78%	2.78%	3.33%	4.17%
EV/EBITDA (x)	NA	NA	13.30	12.42	11.75
P/FCFE (x)	10.84	13.03	9.60	9.05	8.63
Net Gearing	30.3%	29.8%	29.8%	30.1%	30.2%
P/BV (x)	0.35	0.36	0.36	0.37	0.37
ROE	(0.01%)	0.33%	1.18%	1.39%	1.56%
% Change In Core EPS Estimates			35.2%	32.9%	16.1%
CGS-CIMB/Consensus EPS (x)			1.31	0.98	0.76

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Clarifying news on potential restructuring ►

Recent news in the Edge Weekly highlighted that MRCB may be undergoing a restructuring exercise, with the Employees Provident Fund (EPF, its largest shareholder) taking the lead. According to the article, several plans are being explored, including a merger or even a privatisation, but these are at the exploratory stages. There is also the possibility, according to certain sources, that the EPF could opt to privatise MRCB together with Tan Sri Mohamad Salim Fateh Din (MRCB's executive vice-chairman) and subsequently undertake a corporate exercise. Other sources say that a merger deal may only entail MRCB's construction arm, leaving the company as a pure property player.

In yesterday's announcement in response to a query by Bursa Malaysia, the group clarified that:

- 1) None of the parties mentioned in the article have any transaction plans for MRCB and have not engaged any investment banks for such deals, as speculated in the article.
- 2) However, the group will continue to explore all potential opportunities and/or corporate proposals involving the group's businesses, in the best interest of the company and all shareholders.

Figure 1: Results comparison

FYE Dec (RM m)	1QFY22	1QFY21	yoy % chg	4QFY21	qoq % chg	Prev. FY22F	Comments
Revenue	810.7	226.7	257.6	858.1	(5.5)	1,491.9	1) Full consolidation of LRT 3 revenue in 1QFY22
Operating costs	(747.0)	(202.7)	268.6	(695.8)	7.4	(1,411.5)	2) Construction revenue surged 625% yoy
EBITDA	63.8	24.1	165	162.3	(60.7)	80.4	3) Property dev't revenue grew 41% yoy
EBITDA margin (%)	7.9	10.6	(26)	18.9	(58.4)	5.4	
Depn & amort.	(14.4)	(13.0)	10.9	(15.8)	(8.8)	(54.7)	
EBIT	49.3	11.0	347	146.5	(66.3)	37.3	
Interest expense	(23.2)	(18.2)	27.2	(27.5)	(15.5)	(49.5)	Total debt of RM2.1bn at end-Mar
Interest & invt inc	3.0	3.8	(21.4)	2.5	19.9	11.7	Cash of RM727m at end-Mar
Associates & JV	2.6	9.1	(70.9)	2.4	10.9	11.7	1QFY22 net gearing: 0.29x
Exceptionals			<i>nm</i>	133.6	<i>nm</i>	-	None
Pretax profit	31.8	5.7	456.0	123.9	(74.4)	42.4	
Tax	(17.8)	(1.8)	(7.0)	(49.5)	(64)	(12.7)	
Tax rate (%)	56.0	31.3	78.8	39.9	40	30.0	
Minority interests	0.1	1.3	(95.1)	0.8	(92)	9.4	
Net profit	14.0	5.2	169.8	75.2	(81.3)	39.1	1QFY22 core net profit made up 35-40% of our and
Core net profit	14.0	5.2	169.8	(58.4)	124.0	39.1	consensus full-year forecasts
EPS (sen)	0.3	0.1	158.3	1.7	(81.5)	0.9	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 2: Segmental breakdown (excluding associate and JV profit)

Revenue	1QFY22	1QFY21	YoY	4QFY21	QoQ	Comments
Property development	186.6	132.2	41%	152.7	22%	In line with recovery in billings and higher site productivity
Engineering, construction & environment	612.5	84.4	625%	696.5	-12%	Full consolidation of LRT 3 in 1QFY22: c.RM4.2bn in unbilled revenue until 2024
Facilities management & parking	9.5	8.9	6%	8.5	11%	Reflective of economic reopening post-lockdown
Investment holding and others	2.1	1.2	74%	0.3	511%	Lumpy recurring revenue
Total	810.7	226.7	258%	858.1	-6%	

EBIT	1QFY22	1QFY21	YoY	4QFY21	QoQ	
Property development	21.1	13.1	61%	135.8	-84%	68.3-68.7% construction progress for Sentral Suites and TRIA 9 Seputeh
Engineering, construction & environment	25.7	(1.6)	>100	10.9	135%	Largely from LRT 3 at 100% stake
Facilities management & parking	2.2	0.4	404%	(2.9)	-176%	Reflective of economic reopening post-lockdown
Investment holding and others	2.1	4.4	-53%	6.8	-70%	Profits tend to be lumpy
Total	51.0	16.3	212%	150.7	-66%	

EBIT margins	1QFY22	1QFY21	YoY	4QFY21	QoQ	
Property development	11%	10%	1%	89%	-78%	Margins are sustainable; higher material costs is still manageable
Engineering, construction & environment	4%	-2%	6%	2%	3%	Upside to margin from RM380m river rehabilitation job (est. 10% EBIT margin)
Facilities management & parking	23%	5%	18%	-34%	57%	Back to pre-pandemic levels
Investment holding and others	97%	361%	>100	1957%	>100	
Total	6%	7%	-1%	18%	-11%	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 3: Earnings revision

RM m	2021A	2022F			2023F			2024F		
		Old	New	%chg	Old	New	%chg	Old	New	%chg
Revenue	1,448	1,492	3,146	111%	1,544	3,256	111%	1,598	3,321	108%
EBITDA	53	80	188	133%	90	200	122%	108	210	95%
Core pretax profit	61	42	75	77%	52	87	68%	69	96	40%
Core net profit	15.0	39	53	35%	46	61	33%	58	68	16%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 4: RNAV

	Land bank		GDV	Stake	Value	Value
Ongoing property development	(Acres)	(m sq ft)	(RM m)	(%)	(RM psf)	(RM m)
Bukit Jalil KL Sports City	76.1	3.3	20,700.0	17%	350.0	197.2
Kwasa Sentral (Kwasa Damansara)	64.1	2.8	8,606.0	70%	200.0	390.9
Cyberjaya City	113.3	4.9	5,350.0	70%	110.0	380.0
KL Sentral - Lot F	5.7	0.2	2,993.0	100%	750.0	186.2
Semarak City - Setapak	27.4	1.2	2,977.0	100%	300.0	358.1
Penang Sentral - phases 3 & 7	16.7	0.7	2,100.0	70%	120.0	61.1
PJ Sentral - Nilaitera	7.8	0.3	1,656.0	100%	350.0	118.9
Lot 349, KL Sentral (service apartments)	4.9	0.2	1,413.0	100%	850.0	181.4
Q Sentral Office Tower	1.9	0.1	1,228.0	66%	900.0	49.2
Lot 94 Jalan Kia Peng	1.9	0.1	1,012.0	100%	500.0	41.4
9 Seputeh - Old Klang Road	8.0	0.3	795.0	100%	200.0	69.7
Pulai Johor	67.5	2.9	770.0	100%	35.0	102.9
PJ Sentral - Tower 1	0.0	0.0	700.0	100%	550.0	0.0
Penang Sentral - phases 1 & 2	6.0	0.3	590.0	100%	120.0	31.4
PJ Sentral - Tower 5	0.0	0.0	455.0	100%	550.0	0.0
PJ Sentral - Celcom Tower	2.3	0.1	428.0	100%	450.0	45.1
Suria Subang	3.2	0.1	401.0	100%	200.0	27.9
Seri Iskandar - phase 3	159.0	6.9	350.0	70%	10.0	48.5
Seri Iskandar - Phase 2	245.0	10.7	321.0	70%	5.0	37.4
Rahman Putra - phase 3	4.6	0.2	307.0	100%	20.0	4.0
Canegie - Melbourne	1.0	0.0	305.0	100%	450.0	19.6
Selbourne 2 - Shah Alam	2.4	0.1	198.0	100%	200.0	20.9
Rahman Putra - phase 2	4.1	0.2	175.0	100%	20.0	3.6
Rahman Putra - phase 1	5.5	0.2	84.0	100%	20.0	4.8
Total	828.4	36.1	53,914.0			2,380.1
				Stake		
Construction Net profit (FY23) at 15x P/E				100%		45.0
Sentral REIT (market capitalisation based on TP)				31%		332.3
Property investments (1Q22)						1,482.4
Associates & investments (1Q22)						750.7
Net working capital (1Q22)						1,236.9
Total borrowings (1Q22)						(2,094.4)
Total RNAV (RM m)						4,133.0
No. of shares (m)						4,412.0
New free warrants (10-years)						438.5
Proceeds from new warrants @RM1.25 strike price						548.1
FD no. of shares (m)						4,850.6
FD RNAV (RM m)						4,681.2
FD RNAV/share (RM)						0.97
Discount to RNAV (%)						60%
Target price (RM/share)						0.39

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



ESG in a nutshell

MRCB's sustainability framework revolves around building livable and resilient communities, caring for the environment, and driving sustainable growth. Its sustainability focus areas include: 1) Internal action, 2) Sustainable impact, 3) Risk and governance, 4) Corporate social responsibility, and 5) Stakeholder engagement. All its ESG-related initiatives are aligned to the United Nations Sustainability Development Goals (UN-SDGs).

Keep your eye on

- 1) Key targets of the group's 5-year sustainability roadmap include 1% yoy reduction in carbon intensity by 2022, 1% yoy reduction in energy, water and waste intensity by 2022, and net zero carbon by 2040. The roadmap is supervised by the group's Sustainability Management Committee (SMC).
- 2) The government potentially repackaging new public transport infrastructure projects as "green infrastructure" under the 12th Malaysia Plan (12MP). New urban and interstate rail projects include the MRT 3 (Circle Line) and the KL-JB High Speed Rail (HSR).

Implications

- 1) As an urban property developer with a niche in transit-oriented developments (TODs), the rollout of new rail public transport projects should bode well for MRCB, allowing it to expand its growth area in TODs – similar to KL Sentral.
- 2) Opportunities to increase its construction order book and to participate in new rail contract tenders should the MRT 3 and KL-JB HSR projects be implemented

ESG highlights

- 1) The group's transit-oriented developments (TODs), such as the MRT 2 and LRT 3, encourage the use of public transport, which reduces carbon emissions.
- 2) MRCB is a pioneer in Green Building developments; it received sustainability accreditation for various projects and has adopted various Green Building Certification criteria across all its developments.
- 3) Major sustainability ratings/certifications: Green Building Index (GBI), GreenRE, MyCrest, and BCA Green Mark.
- 4) Channelled RM1.4m of Covid-19-related donations to various government agencies, NGOs and the community in 2020

Implications

- 1) MRCB is the first contractor to achieve the 5-star Sustainable INFRASTAR rating by the Construction Industry Development Board (CIDB), which it received for the LRT 3 project.
- 2) It has selectively adopted Building Information Modelling (BIM) to reduce construction waste. It developed and deployed the MRCB Building System (MBS) which focuses on modular construction (aligned to six UN-SDGs).

Trends

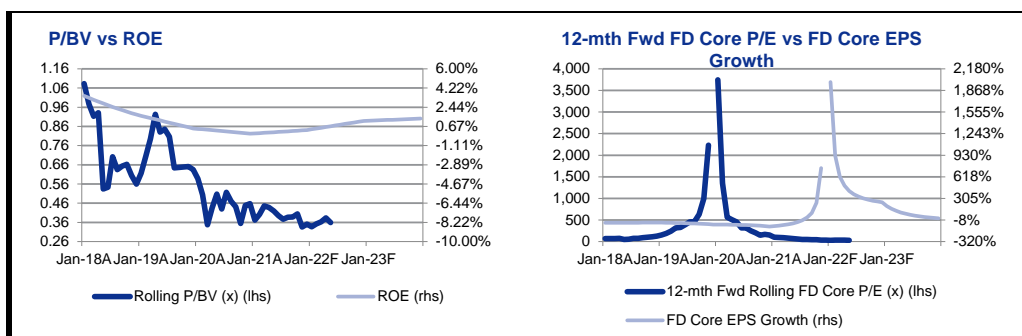
- 1) MRCB is a constituent of the FTSE4Good Bursa Malaysia Index. It achieved a 3-star grading band under FTSE Russell (at the Jun 2021 review), similar to 2020. It has been an FTSE4Good constituent since 2017.
- 2) MSCI ESG rating: BBB.
- 3) To enhance its sustainability initiatives and ESG profile, the group said it will over the longer-term continue to focus on core sustainability issues, i.e. high dependency on foreign labour, environmental risks, and energy/material wastage (shifts towards sustainable construction methods)

Implications

- Recognition of best practices in governance/ESG includes:
- 1) ISO 37001 – Anti-Bribery Management System
 - 2) Ranked 38th for Overall Good Corporate Governance Disclosures in the MSWG-ASEAN CG Scorecard
 - 3) Gold Award (2017/2018) recipient of the Australian Reporting Awards (ARA)
 - 4) Recipient of the ASEAN Class Award for the 2019 ASEAN Corporate Governance Scorecard Assessment
 - 5) Ranked 1st in Malaysian Institute of Corporate Governance's Transparency in Corporate Reporting in 2019.

SOURCES: CGS-CIMB RESEARCH, REFINITIV

BY THE NUMBERS



Profit & Loss

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Net Revenues	1,199	1,448	3,146	3,256	3,321
Gross Profit	1,199	1,448	3,146	3,256	3,321
Operating EBITDA	(165)	(53)	188	200	210
Depreciation And Amortisation	(60)	(54)	(55)	(55)	(56)
Operating EBIT	(225)	(107)	133	145	154
Financial Income/(Expense)	(39)	(79)	(82)	(83)	(84)
Pretax Income/(Loss) from Assoc.	20	31	12	12	13
Non-Operating Income/(Expense)	91	216	13	13	13
Profit Before Tax (pre-EI)	(153)	61	75	87	96
Exceptional Items	0	0	0	0	0
Pre-tax Profit	(153)	61	75	87	96
Taxation	(23)	(55)	(23)	(26)	(29)
Exceptional Income - post-tax					
Profit After Tax	(176)	7	53	61	67
Minority Interests	(0)	9	0	0	0
Preferred Dividends	0	0	0	0	0
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax		(1)			
Net Profit	(176)	15	53	61	68
Recurring Net Profit	(0)	15	53	61	68
Fully Diluted Recurring Net Profit	(0)	15	53	61	68

Cash Flow

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
EBITDA	(164.9)	(53.1)	187.6	200.1	210.2
Cash Flow from Invt. & Assoc.					
Change In Working Capital	53.0	67.4	67.4	67.4	67.4
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	389.0	(64.6)	(61.4)	(58.3)	(55.4)
Net Interest (Paid)/Received	(38.6)	(78.7)	(82.4)	(83.2)	(84.1)
Tax Paid	(23.0)	(54.6)	(22.5)	(26.0)	(28.9)
Cashflow From Operations	215.6	(183.6)	88.7	99.9	109.3
Capex	(86.1)	(177.6)	(50.0)	(50.0)	(50.0)
Disposals Of FAs/subsidiaries	50.1	0.0			
Acq. Of Subsidiaries/investments	0.0	(127.6)	0.0	0.0	0.0
Other Investing Cashflow	(97.7)	633.2	150.0	150.0	150.0
Cash Flow From Investing	(133.6)	328.0	100.0	100.0	100.0
Debt Raised/(repaid)	79.2	(9.6)	(4.8)	(4.7)	(4.7)
Proceeds From Issue Of Shares	0.0	0.0	0.0	0.0	0.0
Shares Repurchased	0.0	0.0	0.0	0.0	0.0
Dividends Paid	(65.7)	(19.7)	(44.7)	(53.6)	(67.0)
Preferred Dividends	0.0	0.0	0.0	0.0	0.0
Other Financing Cashflow	41.3	(66.1)	(59.5)	(66.4)	(52.4)
Cash Flow From Financing	54.8	(95.4)	(108.9)	(124.8)	(124.1)
Total Cash Generated	136.7	49.0	79.8	75.1	85.2
Free Cashflow To Equity	161.1	134.8	183.9	195.2	204.6
Free Cashflow To Firm	137.1	233.1	281.5	293.7	304.0

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	540	579	596	602	614
Total Debtors	1,271	2,050	1,979	1,912	1,849
Inventories	852	858	866	875	884
Total Other Current Assets	339	147	149	150	152
Total Current Assets	3,002	3,633	3,590	3,540	3,498
Fixed Assets	684	704	713	717	720
Total Investments	2,260	2,242	2,165	2,092	2,022
Intangible Assets	219	216	216	216	216
Total Other Non-Current Assets	2,188	2,390	2,367	2,345	2,322
Total Non-current Assets	5,350	5,552	5,461	5,369	5,280
Short-term Debt	639	479	475	470	465
Current Portion of Long-Term Debt	0	0	0	0	0
Total Creditors	997	1,794	1,758	1,723	1,689
Other Current Liabilities	39	161	161	161	161
Total Current Liabilities	1,675	2,434	2,394	2,355	2,316
Total Long-term Debt	1,294	1,453	1,453	1,453	1,453
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	718	684	657	630	605
Total Non-current Liabilities	2,012	2,137	2,109	2,083	2,058
Total Provisions	79	74	76	78	81
Total Liabilities	3,766	4,645	4,579	4,516	4,454
Shareholders' Equity	4,578	4,513	4,442	4,362	4,292
Minority Interests	11	28	29	31	32
Total Equity	4,589	4,540	4,471	4,393	4,324

Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	(9%)	21%	117%	3%	2%
Operating EBITDA Growth	1775%	(68%)	N/A	7%	5%
Operating EBITDA Margin	(13.7%)	(3.7%)	6.0%	6.1%	6.3%
Net Cash Per Share (RM)	(0.32)	(0.30)	(0.30)	(0.30)	(0.29)
BVPS (RM)	1.04	1.01	0.99	0.98	0.96
Gross Interest Cover	(4.08)	(1.21)	1.43	1.54	1.63
Effective Tax Rate	0.0%	89.0%	30.0%	30.0%	30.0%
Net Dividend Payout Ratio	NA	220%	63%	65%	73%
Accounts Receivables Days	224.9	252.9	159.1	146.0	136.4
Inventory Days	N/A	N/A	N/A	N/A	N/A
Accounts Payables Days	N/A	N/A	N/A	N/A	N/A
ROIC (%)	(4.81%)	(2.38%)	3.01%	3.31%	3.57%
ROCE (%)	(3.12%)	(1.48%)	2.20%	2.41%	2.60%
Return On Average Assets	(1.64%)	0.96%	1.48%	1.60%	1.71%

Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue growth (%)	-9.1%	20.8%	117.2%	3.5%	2.0%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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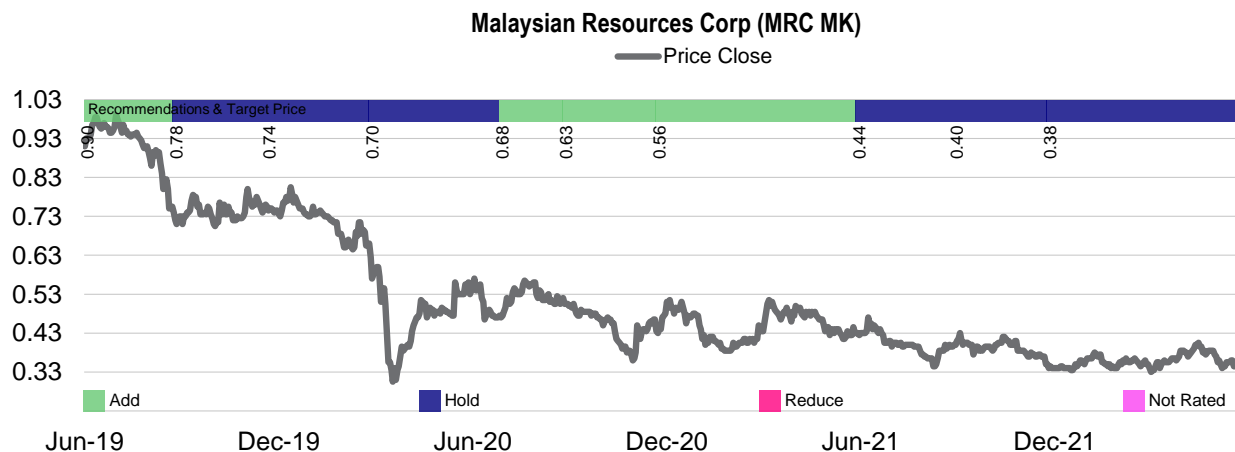
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Distribution of stock ratings and investment banking clients for quarter ended on 31 March 2022		
632 companies under coverage for quarter ended on 31 March 2022		
	Rating Distribution (%)	Investment Banking clients (%)
Add	70.3%	0.8%
Hold	22.0%	0.0%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