

Malaysia

ADD (no change)

Consensus ratings*: Buy 10 Hold 1 Sell 1

Current price:	RM24.40
Target price:	RM27.70
Previous target:	RM29.00
Up/downside:	13.5%
CGS-CIMB / Consensus:	-0.3%
Reuters:	HEIN.KL
Bloomberg:	HEIM MK
Market cap:	US\$1,658m
	RM7,371m
Average daily turnover:	US\$1.09m
	RM4.80m
Current shares o/s:	302.1m
Free float:	49.0%

*Source: Bloomberg

Key changes in this note

► FY22-24F EPS raised by 5.2-9.1%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	8.5	1.7	10.4
Relative (%)	2.9	3.8	10.1

Major shareholders

	% held
GAPL Pte Ltd	51.0

Analyst(s)



Walter AW

T (60) 3 2635 9255

E walter.aw@cgs-cimb.com

Heineken Malaysia Bhd

Stronger-than-expected volumes in 2Q22

- 1H22 core net profit of RM199.5m (+101.1% yoy) was above expectations due to stronger-than-expected sales volume in 2Q22.
- We expect HEIM to mitigate input cost hikes with higher selling prices, a more profitable sales mix and continued focus on cost efficiencies.
- Stay Add; we see HEIM as a key proxy for a recovery in on-trade beer sales.

1H22 core net profit rose 101.1% yoy, beating expectations

2Q22 core net profit came in at RM86m (+246% yoy), bringing 1H22 core net profit to RM200m (+101% yoy). While we expect slightly weaker hoh results in 2H22, 1H22 core net profit was above expectations (64% of our and 63% of Bloomberg consensus FY22 estimates). This was due to stronger-than-expected sales volume and higher-than-expected margins from better cost efficiencies. HEIM declared an interim dividend of 40 sen/share, bringing 1H22 dividend to 40 sen/share, in line (60.6% dividend payout).

2Q22: Strong performance driven by volume growth

2Q22 revenue rose 84.5% yoy due to higher sales volume (low base effect due to impact of MCO in 2Q21) and selling price hikes. Given this, coupled with better cost efficiencies and a more profitable sales mix, 2Q22 EBITDA margin grew 8.3% pts yoy to 22.8% while 2Q22 core net profit grew 245.8% yoy to RM85.9m. This also set the tone on a cumulative basis, with 1H22 revenue and core net profit climbing 49.7% and 101.1% yoy, respectively. On a qoq basis, 2Q22 revenue and net profit declined by 7.7% and 24.4%, respectively, due to seasonality factors as 1Q is typically a stronger quarter given CNY festivities.

Passing on input cost hikes by raising selling prices

HEIM raised selling prices from 1 Aug 22 by an estimated quantum of 6% to 8%. This is to account for cost hikes (raw materials, forex volatility and logistics). In our view, the selling price hikes are unlikely to lead to lower consumption patterns as i) beer remains the cheapest form of alcohol, and ii) the quantum of price hikes is in line with those implemented by other F&B manufacturers in Malaysia.

Sales volumes should continue to show recovery

Despite the selling price hikes, we still expect sales volume to gradually improve going forward. This is on the back of higher on-trade sales volume, with a recovery in consumer footfall following the reopening of night entertainment outlets in Malaysia from 15 May 22. In addition, we believe beer sales will be aided by a gradual increase in tourist arrivals (reopening of Malaysia borders from 1 May 22 onwards) going forward.

Reiterate Add; a key proxy for recovery in on-trade sales

We raise our FY22-24 EPS forecasts to account for higher beer sales. Nevertheless, our DDM-based TP is lowered to RM27.70 (Beta: 0.7x, g: 3.5%) as we raise our risk-free rate to 4.3% from 3.8% previously (to account for interest rate hikes). We still like HEIM for its i) attractive valuations (CY23F P/E is at 24.1% discount to 5-year mean of 24.7x), ii) benefits from a recovery in economic activity, mainly on-trade, and iii) strong brand equity.

Financial Summary

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (RMm)	1,762	1,979	2,431	2,554	2,683
Operating EBITDA (RMm)	301.0	400.7	568.4	597.7	641.6
Net Profit (RMm)	182.7	251.7	339.5	393.2	423.7
Core EPS (RM)	0.70	0.83	1.12	1.30	1.40
Core EPS Growth	(32.5%)	19.2%	34.9%	15.8%	7.8%
FD Core P/E (x)	34.91	29.28	21.71	18.75	17.40
DPS (RM)	0.51	0.81	1.12	1.30	1.40
Dividend Yield	2.09%	3.32%	4.59%	5.31%	5.73%
EV/EBITDA (x)	24.88	18.61	13.22	12.55	11.66
P/FCFE (x)	23.31	51.20	26.68	18.00	16.67
Net Gearing	33.6%	21.1%	36.7%	32.0%	26.8%
P/BV (x)	21.10	18.63	18.57	18.49	18.41
ROE	57%	68%	86%	99%	106%
% Change In Core EPS Estimates			9.07%	5.36%	5.22%
CGS-CIMB/Consensus EPS (x)			1.08	1.11	1.13

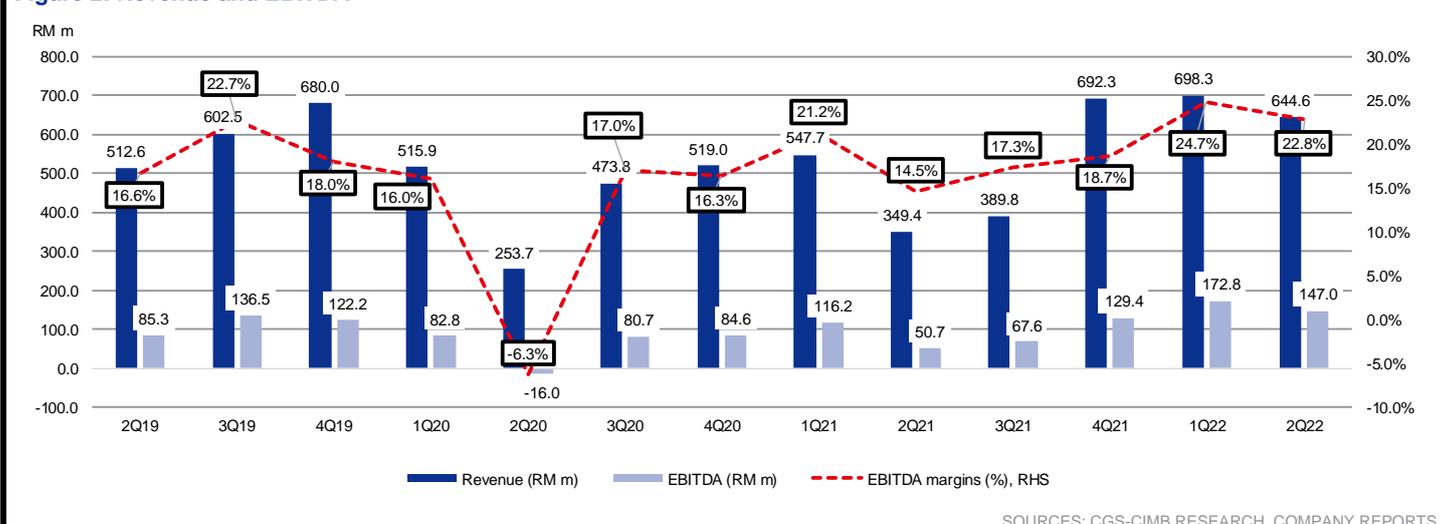
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 1: Results comparison

FYE Dec (RM m)	2Q22	2Q21	yoy % chg	qoq % chg	1H22	1H21	yoy % chg	Prev. FY22F	Comments
Revenue	644.6	349.4	84.5	(7.7)	1342.9	897.2	49.7	2351.6	2Q22: Stronger yoy mainly driven from economy recovery from border reopening, stronger on-trade sales and more profitable sales mix
Operating costs	(497.6)	(298.7)	66.6	(5.3)	(1023.2)	(730.3)	40.1	(1825.4)	
EBITDA	147.0	50.7	189.6	(14.9)	319.7	166.9	91.6	526.2	
EBITDA margin (%)	22.8	14.5	8.3	(1.9)	23.8	18.6	5.2	22.4	
Deprn & amort.	(19.4)	(17.8)	0.0	0.0	(36.2)	(35.6)	0.0	(75.1)	
EBIT	127.5	32.9	287.1	(18.2)	283.5	131.3	115.8	451.1	
EBIT margin (%)	19.8	9.4	10.4	(2.5)	21.1	14.6	6.5	19.2	2Q22: Stronger yoy thanks to margin expansion, resulted from selling price hikes, effective cost management and better economies of scale
Net interest income/expense	0.1	(0.2)	152.5	118.1	(0.5)	(1.1)	(54.1)	(1.4)	Net cash of RM53.9m as at end-2Q22
Associates' contrib	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Exceptionals	0.1	0.4	(66.7)	160.7	(0.1)	(0.4)	(77.2)	0.0	2Q22: Provision for and write off of inventories of RM0.1m
Pretax profit	127.8	33.2	285.4	(17.6)	282.9	129.8	117.9	449.7	
Tax	(41.7)	(7.9)	429.3	0.1	(83.4)	(31.0)	169.0	(138.4)	
Tax rate (%)	32.6	23.8	8.9	5.8	29.5	23.9	5.6	(30.8)	Higher than statutory tax rate which is likely to account for one-off impact of prosperity tax in FY22
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Net profit / (loss)	86.1	25.3	240.6	(24.1)	199.5	98.8	101.9	311.3	Above our expectations
Core net profit / (los	85.9	24.8	245.8	(24.4)	199.5	99.2	101.1	311.3	Accounted for 64.1% and 63.3% of ours and Bloomberg FY22F estimates
EPS (sen)	28.5	8.4	240.6	(24.1)	66.0	32.7	101.9	103.0	
Core EPS (sen)	28.4	8.2	245.8	(24.4)	66.1	32.8	101.1	103.0	Based on outstanding shares of 302.1m

SOURCE: CGS-CIMB RESEARCH, COMPANY

Figure 2: Revenue and EBITDA



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

1H22 briefing highlights ➤

- According to HEIM, the stronger yoy performance in 2Q22 was driven by a steady recovery in its on-trade business, revival of tourism activities and reopening of entertainment outlets (from 15 May 2022 onwards) after the reopening of borders (from 1 May 2022). Note that there was a low base effect in 2Q21, when HEIM's operations were suspended towards end-2Q21 due to MCO 3.0.
- The strong results in 1H22 were also boosted by robust revenue in 1Q22 (+27.5% yoy), thanks to higher sales volume during the festive season in 1Q22 on the back of pent-up demand.
- We also note that 1H22 performance was even stronger than pre-pandemic levels (1H19). At a revenue level, 1H22 revenue was higher compared to 1H19 revenue by 29.4% while 1H22 net profit increased 68.4% compared to 1H19 net profit.

- Coupled with selling price hikes, the higher revenue growth in 1H22 (vs. 1H19) was the result of higher overall sales volume compared to 1H19 levels. In our view, this is a clear indication of healthy consumption growth.
- Since MCO 1.0, the company has highlighted that it has put in place several initiatives to improve operating effectiveness while delivering sustainable growth. The former includes rightsizing its workforce, more automation usage and better overall cost control.
- However, we understand that HEIM sees a tougher 2H22F due to: i) ongoing raw material supply disruptions (Ukraine-Russia conflict), ii) inflationary pressures affecting disposable incomes, iii) global recession fears, and iv) ongoing geopolitical tensions.
- On top of that, MIER Consumer Sentiment Index fell below the optimism threshold again in 2Q22 to 85.0 (-23 pts qoq) after rebounding to 108.9 in 1Q22.
- Going forward, HEIM will continue to invest in its core brands and focus on product innovation. For example, the company continues to conduct global and local campaigns for its core brands in 2022 as Covid-19 is contained and economic activities resume. Among the highlighted key campaigns are: i) Star Quality Experience, ii) launching of Heineken-Blade, iii) Tiger Crystal Fire Starter, iv) Guinness St. Patrick's Festival, and v) launching of Guinness Draught in a Can.
- The company will also continue to focus on improving cost efficiencies by leveraging on its EverGreen strategy, which is a global strategy for the next three years (up to 2025).

Figure 3: Heineken's EverGreen strategy



- In 1H22, the company also launched key campaigns for its new premium wheat beer, Edelweiss. The product is currently available across Peninsular Malaysia in bottles, cans and on draught. We understand that HEIM is seeing encouraging demand for this new product.
- Another key highlight is HEIM's Star Bar programme. In this programme, HEIM is partnering with over 90 outlets to allow customers to purchase vouchers via Star Bar on the Drinkies app and redeem beers at any outlet of their choice. This allows consumers to enjoy Happy Hour rates (discounted prices) throughout the day while earning benefits, such as coins, to redeem merchandise and more beers.
- HEIM will continue to focus on its sustainability efforts going forward. It aims for production to be carbon neutral in 2030 and the full value chain by 2040F. In terms of water conservation, HEIM has balanced more (for every one litre used in HEIM's products, more than one litre of water is

generated for the environment) than 100% of water used in its products since 2020 (ten years ahead of its goal). The company is also allocating 10% of Heineken's marketing spend towards educating consumers about responsible consumption.

Figure 4: Earnings revision

RM m	2021A	FY22F			FY23F			FY24F		
		Old	New	%chg	Old	New	%chg	Old	New	%chg
Revenue	1,979	2,352	2,431	3.4%	2,507	2,554	1.9%	2,634	2,683	1.9%
EBITDA	401	526	568	8.0%	571	598	4.6%	614	642	4.5%
Core pretax profit	327	450	492	9.4%	491	517	5.4%	530	558	5.2%
Core net profit	252	311	340	9.1%	373	393	5.4%	403	424	5.2%
Core EPS (sen)	83	103	112	9.1%	124	130	5.4%	133	140	5.2%

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Downside risks and re-rating catalysts ►

Downside risks: Another movement control order (MCO) in Malaysia that leads to the suspension of HEIM's operations and weaker-than-expected malt liquor market (MLM) sales volume.

Potential re-rating catalysts: Stronger-than-expected recovery in MLM sales and better-than-expected results from cost-saving measures.

Figure 5: Sector Comparisons (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	135.80	133.90	7,165	53.8	43.5	8.7%	54.1	53.4	104.5%	123.5%	28.9	27.7	1.9%	2.3%	
Fraser & Neave Holdings	FNH MK	Add	23.20	25.00	1,915	21.2	19.6	0.3%	2.7	2.6	13.5%	13.5%	12.0	11.2	2.7%	2.9%	
QL Resources	QLG MK	Add	5.02	5.60	2,749	45.0	34.3	23.8%	4.7	4.3	11.0%	13.2%	18.9	15.9	0.9%	1.1%	
Power Root Bhd	PWRT MK	Hold	1.75	1.65	164	25.0	21.3	14.3%	2.8	2.7	11.4%	13.0%	14.5	12.8	3.9%	4.5%	
Kawan Food	KFB MK	Add	1.94	2.50	157	18.8	15.5	17.0%	1.8	1.6	9.8%	11.0%	9.6	8.0	1.8%	2.1%	
MSM Malaysia Holdings	MSM MK	Reduce	0.90	0.62	142	na	296.2	-55.9%	0.4	0.4	-3.2%	0.1%	41.0	10.7	0.0%	0.2%	
CCK Consolidated Holding	CCK MK	Add	0.59	0.81	82	10.9	9.5	14.1%	1.1	1.0	10.6%	10.9%	4.4	3.8	3.0%	3.2%	
Farm Fresh Berhad	FFB MK	Add	1.67	1.83	698	31.4	25.7	18.4%	4.7	4.1	17.1%	17.1%	22.6	18.6	0.8%	1.0%	
Weighted Subsector Average						44.3	39.0	10.6%	31.4	30.9	62.8%	73.7%	23.6	21.6	1.8%	2.1%	
Consumer Discretionary																	
7-Eleven Malaysia Holding	SEM MK	Hold	1.55	1.48	393	22.0	23.1	8.3%	15.1	12.0	82.2%	57.9%	5.7	5.5	2.8%	2.6%	
Berjaya Food Berhad	BFD MK	Hold	3.90	4.15	311	15.4	16.9	3.1%	3.6	3.4	25.0%	21.0%	4.4	4.2	4.6%	4.1%	
Bonia Corporation	BON MK	Add	2.21	3.00	100	11.6	10.8	23.7%	1.1	1.0	9.9%	10.0%	4.7	4.4	3.5%	3.7%	
DKSH Holdings (Malaysia)	DKSH MK	Hold	4.16	4.60	148	7.9	8.2	-3.8%	0.8	0.8	11.1%	9.6%	4.4	4.2	2.5%	2.4%	
Lee Swee Kiat Group	LSKG MK	Add	0.72	1.63	26	8.6	5.7	27.2%	1.6	1.3	19.6%	25.0%	3.7	2.3	4.6%	6.9%	
Mynews Holdings Berhad	MNHB MK	Reduce	0.45	0.33	68	na	na	na	1.5	1.5	-12.6%	-4.8%	11.8	6.9	0.0%	0.0%	
Panasonic Manufacturing Malaysia Berhad	PMM MK	Hold	26.48	26.50	362	22.3	15.0	21.5%	2.0	2.0	9.1%	13.2%	9.8	7.1	4.7%	6.0%	
InNature Bhd	NNATURE MK	Hold	0.52	0.50	83	17.4	16.8	12.8%	2.5	2.4	15.3%	14.6%	7.8	7.4	4.1%	4.1%	
Mr D.I.Y. Group (M) Bhd	MRDIY MK	Add	2.11	2.71	4,475	39.7	32.3	13.2%	13.8	11.1	40.1%	38.2%	18.9	16.0	1.1%	1.3%	
Beshom Holdings Bhd	BESHOM MK	Add	1.48	1.93	100	11.1	8.5	25.7%	1.4	1.3	12.7%	15.7%	6.3	4.9	7.3%	8.6%	
Senheng New Retail Bhd	5305 MK	Add	0.74	0.80	248	16.1	15.9	4.0%	2.0	1.8	17.9%	12.1%	6.0	5.8	1.9%	1.9%	
Weighted Subsector Average						33.0	27.4	12.4%	11.2	9.1	36.7%	33.8%	15.3	12.9	1.8%	2.0%	
Sin (Brewers & Tobacco)																	
British American Tobacco	ROTH MK	Reduce	10.30	8.77	662	12.2	12.3	-15.1%	7.6	7.5	64.3%	61.1%	8.1	8.8	8.2%	7.9%	
Carlsberg Brewery (M)	CAB MK	Add	23.28	25.20	1,601	24.2	20.6	19.4%	27.9	26.1	129.3%	131.0%	15.6	14.5	3.6%	4.6%	
Heineken Malaysia Bhd	HEIM MK	Add	24.40	27.70	1,658	21.7	18.7	16.2%	18.6	18.5	88.4%	98.8%	12.8	12.5	4.7%	5.3%	
Weighted Subsector Average						21.1	18.4	12.2%	20.5	19.8	101.0%	105.6%	13.2	12.7	4.9%	5.5%	
Weighted Average						40.6	35.2	11.2%	24.8	23.8	54.3%	60.7%	20.9	18.8	1.8%	2.1%	
Simple Average						23.5	34.6	9.8%	7.5	7.0	23.4%	24.4%	12.9	9.9	2.7%	3.0%	

SOURCES: CGS-CIMB ESTIMATES, BLOOMBERG



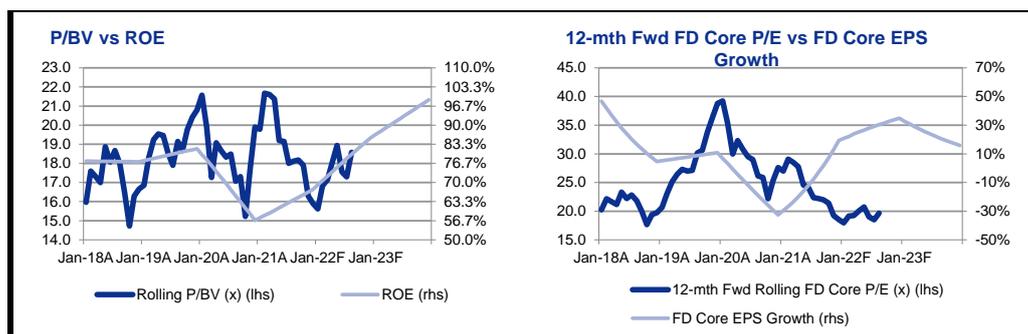
ESG in a nutshell

As at Jun 2021, Heineken Malaysia Berhad (HEIM) was a constituent of the FTSE4Good Bursa Malaysia Index. In accordance with FTSE Russell ESG Ratings methodology, HEIM was ranked in the top 25% of ESG ratings among public-listed companies in FBM EMAS that have been assessed by FTSE Russell. No further information (regarding FTSE Russell ESG Ratings) was disclosed in its recent FY21 annual report. As at Dec 2021, HEIM was removed from FTSE Bursa Malaysia KLCI index in accordance with the index ground rules during the period up to the next semi-annual review.

<p>Keep your eye on</p> <p>HEIM's sales are generated mainly via beer products, which are alcohol-based. As a result, high consumption of its products may lead to various impacts of irresponsible drinking, such as alcohol abuse and drunk driving.</p>	<p>Implications</p> <p>Since 2010, HEIM has invested up to RM7.3m in various initiatives to create awareness of responsible drinking. The company also has its in-house Responsible Marketing Code to ensure that consumption and marketing of its products are based on responsible consumption. In its 1H22 briefing, HEIM said it spends 10% of its media budget annually on promoting moderation and responsible consumption with reinforcement of a bold message – When You Drive, Never Drink via global partnership with F1. As at Apr 2022, HEIM has garnered 3,000 consumer pledges against drink driving and more than 100 outlets pledge towards promoting responsible consumption.</p>
<p>ESG highlights</p> <p>The company managed to lower its average water usage in production to 3.65 litres of water per 1 litre of beer brewed in 2021. This is a 15.5% reduction since 2014. However, this is slightly higher than the company's target of 2.6 litres (per litre of beer produced), due to the MCO period that led to an 11-week production halt.</p>	<p>Implications</p> <p>We view this positively as the company has shown improvements in lowering its water usage, including efforts to reduce water leakage and a review of operations that are water intensive. However, as of 1HFY22, we have seen higher water usage of 3.69 litres of water per 1 litre of beer brewed as compared to 2021. We attribute this to the reduced efficiency as a result of ongoing upgrading works at the brewery.</p>
<p>Trends</p> <p>HEIM's carbon emissions in 1H22 has reduced by 19% as compared to year 2018 as baseline. Since Mar 2022, HEIM has participated in the Malaysian Renewable Electricity Certificate (mREC) programme with the goal of transitioning into renewable electricity.</p>	<p>Implications</p> <p>While HEIM estimates that 75% of electricity consumption in 2022 will be in renewable forms of sources, we are positive on the matter as this helps in reducing the dependence of non-environmental friendly energy sources used in production. We also understand that its on-site renewable electricity generation (Solar PV) installation is underway with completion targeted in 1Q23.</p>

SOURCES: CGS-CIMB RESEARCH, REFINITIV

BY THE NUMBERS



Profit & Loss

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Net Revenues	1,762	1,979	2,431	2,554	2,683
Gross Profit	576	677	904	960	1,023
Operating EBITDA	301	401	568	598	642
Depreciation And Amortisation	(69)	(71)	(75)	(79)	(83)
Operating EBIT	232	330	493	519	559
Financial Income/(Expense)	(5)	(2)	(1)	(1)	(1)
Pretax Income/(Loss) from Assoc.	0	0	0	0	0
Non-Operating Income/(Expense)	0	0	0	0	0
Profit Before Tax (pre-EI)	227	327	492	517	558
Exceptional Items					
Pre-tax Profit	227	327	492	517	558
Taxation	(45)	(76)	(152)	(124)	(134)
Exceptional Income - post-tax					
Profit After Tax	183	252	340	393	424
Minority Interests	0	0	0	0	0
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	183	252	340	393	424
Recurring Net Profit	211	252	340	393	424
Fully Diluted Recurring Net Profit	211	252	340	393	424

Cash Flow

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
EBITDA	301.0	400.7	568.4	597.7	641.6
Cash Flow from Inv. & Assoc.					
Change In Working Capital	(23.8)	(9.2)	(88.3)	(12.5)	(14.1)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	(4.1)	29.1	(0.5)	(1.6)	(1.6)
Net Interest (Paid)/Received	(2.3)	(4.9)	(2.5)	(1.4)	(1.4)
Tax Paid	(44.5)	(75.7)	(152.3)	(124.2)	(133.8)
Cashflow From Operations	226.3	339.9	324.7	458.0	490.7
Capex	(61.4)	(104.2)	(50.0)	(50.0)	(50.0)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	4.4	2.4	1.6	1.6	1.6
Cash Flow From Investing	(57.0)	(101.8)	(48.4)	(48.4)	(48.4)
Debt Raised/(repaid)	146.9	(94.1)	0.0	0.0	0.0
Proceeds From Issue Of Shares	0.0	0.0	0.0	0.0	0.0
Shares Repurchased					
Dividends Paid	(199.4)	(199.4)	(338.2)	(391.7)	(422.0)
Preferred Dividends					
Other Financing Cashflow	0.0	0.0	0.0	0.0	0.0
Cash Flow From Financing	(52.5)	(293.5)	(338.2)	(391.7)	(422.0)
Total Cash Generated	116.8	(55.4)	(61.9)	17.9	20.2
Free Cashflow To Equity	316.2	144.0	276.3	409.6	442.3
Free Cashflow To Firm	172.9	247.2	280.3	412.6	445.3

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	131.9	76.5	14.6	32.5	52.7
Total Debtors	326.6	415.3	680.7	715.2	751.4
Inventories	188.3	151.2	106.9	111.6	116.3
Total Other Current Assets	10.7	15.2	15.2	15.2	15.2
Total Current Assets	657.5	658.1	817.4	874.4	935.5
Fixed Assets	341.9	388.4	363.3	334.5	301.8
Total Investments	0.0	0.0	0.0	0.0	0.0
Intangible Assets	16.5	15.7	15.7	15.7	15.7
Total Other Non-Current Assets	30.7	26.0	26.0	26.0	26.0
Total Non-current Assets	389.2	430.1	405.0	376.2	343.6
Short-term Debt	249.2	160.1	160.1	160.1	160.1
Current Portion of Long-Term Debt					
Total Creditors	386.4	478.1	610.9	637.5	664.3
Other Current Liabilities	23.2	17.1	17.1	17.1	17.1
Total Current Liabilities	658.8	655.3	788.1	814.7	841.5
Total Long-term Debt	0.0	0.0	0.0	0.0	0.0
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	6.7	5.0	5.0	5.0	5.0
Total Non-current Liabilities	6.7	5.0	5.0	5.0	5.0
Total Provisions	31.8	32.2	32.2	32.2	32.2
Total Liabilities	697.3	692.5	825.4	852.0	878.8
Shareholders' Equity	349.4	395.7	397.0	398.6	400.3
Minority Interests	0.0	0.0	0.0	0.0	0.0
Total Equity	349.4	395.7	397.0	398.6	400.3

Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	(24.0%)	12.3%	22.8%	5.1%	5.1%
Operating EBITDA Growth	(35.4%)	33.1%	41.9%	5.2%	7.3%
Operating EBITDA Margin	17.1%	20.2%	23.4%	23.4%	23.9%
Net Cash Per Share (RM)	(0.39)	(0.28)	(0.48)	(0.42)	(0.36)
BVPS (RM)	1.16	1.31	1.31	1.32	1.33
Gross Interest Cover	25.4	81.3	164.4	173.0	186.3
Effective Tax Rate	19.6%	23.1%	31.0%	24.0%	24.0%
Net Dividend Payout Ratio	67.8%	74.7%	68.8%	75.7%	75.7%
Accounts Receivables Days	96.2	68.4	82.3	99.7	100.0
Inventory Days	40.44	47.56	30.84	25.02	25.10
Accounts Payables Days	141.6	121.1	130.1	143.0	143.4
ROIC (%)	33.6%	49.0%	71.6%	67.1%	74.4%
ROCE (%)	40.6%	54.4%	84.1%	88.2%	94.7%
Return On Average Assets	21.5%	30.9%	42.7%	41.9%	44.2%

Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Sales volume growth (%)	-22.0%	5.0%	18.0%	3.0%	3.0%
Increase in prices (%)	3.0%	6.0%	7.0%	2.0%	2.0%
Increase in excise duties (%)	-22.0%	5.0%	18.0%	3.0%	3.0%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

DISCLAIMER

The content of this report (including the views and opinions expressed therein, and the information comprised therein) has been prepared by and belongs to CGS-CIMB. Reports relating to a specific geographical area are produced and distributed by the corresponding CGS-CIMB entity as listed in the table below.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.

By accepting this report, the recipient hereof represents and warrants that he is entitled to receive such report in accordance with the restrictions set forth below and agrees to be bound by the limitations contained herein (including the "Restrictions on Distributions" set out below). Any failure to comply with these limitations may constitute a violation of law. This publication is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means; or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of CGS-CIMB.

The information contained in this research report is prepared from data believed to be correct and reliable at the time of issue of this report. CGS-CIMB may or may not issue regular reports on the subject matter of this report at any frequency and may cease to do so or change the periodicity of reports at any time. CGS-CIMB has no obligation to update this report in the event of a material change to the information contained in this report. CGS-CIMB does not accept any obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant, (ii) ensure that the content of this report constitutes all the information a prospective investor may require, (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and information, and accordingly, CGS-CIMB, its affiliates and related persons including China Galaxy International Financial Holdings Limited ("CGIFHL") and CIMB Group Sdn. Bhd. ("CIMBG") and their respective related corporations (and their respective directors, associates, connected persons and/or employees) shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof. In particular, CGS-CIMB disclaims all responsibility and liability for the views and opinions set out in this report.

Unless otherwise specified, this report is based upon sources which CGS-CIMB considers to be reasonable. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research.

Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of CGS-CIMB or any of its affiliates (including CGIFHL, CIMBG and their respective related corporations) to any person to buy or sell any investments.

CGS-CIMB, its affiliates and related corporations (including CGIFHL, CIMBG and their respective related corporations) and/or their respective directors, associates, connected parties and/or employees may own or have positions in securities of the company(ies) covered in this research report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities. Further, CGS-CIMB, its affiliates and their respective related corporations (including CGIFHL, CIMBG and their respective related corporations) do and seek to do business with the company(ies) covered in this research report and may from time to time act as market maker or have assumed an underwriting commitment in securities of such company(ies), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit such investment, advisory or other services from any entity mentioned in this report.

CGS-CIMB or its affiliates (including CGIFHL, CIMBG and their respective related corporations) may enter into an agreement with the company(ies) covered in this report relating to the production of research reports. CGS-CIMB may disclose the contents of this report to the company(ies) covered by it and may have amended the contents of this report following such disclosure.

The analyst responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously. No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report. The analyst(s) who prepared this research report is prohibited from receiving any compensation, incentive or bonus based on specific investment banking transactions or for providing a specific recommendation for, or view of, a particular company. Information barriers and other arrangements may be established where necessary to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/their coverage of company(ies) in the performance of his/their duties or the performance of his/their recommendations and the research personnel involved in the preparation of this report may also participate in the solicitation of the businesses as described above. In reviewing this research report, an investor should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additional information is, subject to the duties of confidentiality, available on request.

Reports relating to a specific geographical area are produced by the corresponding CGS-CIMB entity as listed in the table below. The term "CGS-CIMB" shall denote, where appropriate, the relevant entity distributing or disseminating the report in the particular jurisdiction referenced below, or, in every other case except as otherwise stated herein, CGS-CIMB Securities International Pte. Ltd. and its affiliates, subsidiaries and related corporations.

Country	CGS-CIMB Entity	Regulated by
Hong Kong	CGS-CIMB Securities (Hong Kong) Limited	Securities and Futures Commission Hong Kong
India	CGS-CIMB Securities (India) Private Limited	Securities and Exchange Board of India (SEBI)
Indonesia	PT CGS-CIMB Sekuritas Indonesia	Financial Services Authority of Indonesia
Malaysia	CGS-CIMB Securities Sdn. Bhd.	Securities Commission Malaysia
Singapore	CGS-CIMB Securities (Singapore) Pte. Ltd.	Monetary Authority of Singapore
South Korea	CGS-CIMB Securities (Hong Kong) Limited, Korea Branch	Financial Services Commission and Financial Supervisory Service
Thailand	CGS-CIMB Securities (Thailand) Co. Ltd.	Securities and Exchange Commission Thailand

Other Significant Financial Interests:

(i) As of July 31, 2022 CGS-CIMB has a proprietary position in the securities (which may include but not be limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a) CCK Consolidated Holdings, Farm Fresh Berhad, Mynews Holdings Berhad, QL Resources

(ii) Analyst Disclosure: As of August 15, 2022, the analyst(s) who prepared this report, and the associate(s), has / have an interest in the securities (which may include but not be limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a) -

This report does not purport to contain all the information that a prospective investor may require. Neither CGS-CIMB nor any of its affiliates (including CGIFHL, CIMBG and their related corporations) make any guarantee, representation or warranty, express or implied, as to the adequacy, accuracy, completeness, reliability or fairness of any such information and opinion contained in this report. Neither CGS-CIMB nor any of its affiliates nor their related persons (including CGIFHL, CIMBG and their related corporations) shall be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

This report is general in nature and has been prepared for information purposes only. It is intended for circulation amongst CGS-CIMB's clients generally and does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. The information and opinions in this report are not and should not be construed or considered as an offer, recommendation or solicitation to buy or sell the subject securities, related investments or other financial instruments or any derivative instrument, or any rights pertaining thereto.

Investors are advised to make their own independent evaluation of the information contained in this research report, consider their own individual investment objectives, financial situation and particular needs and consult their own professional and financial advisers as to the legal, business, financial, tax and other aspects before participating in any transaction in respect of the securities of company(ies) covered in this research report.

The securities of such company(ies) may not be eligible for sale in all jurisdictions or to all categories of investors.

Restrictions on Distributions

Australia: Despite anything in this report to the contrary, this research is provided in Australia by CGS-CIMB Securities (Singapore) Pte. Ltd. and CGS-CIMB Securities (Hong Kong) Limited. This research is only available in Australia to persons who are "wholesale clients" (within the meaning of the Corporations Act 2001 (Cth) and is supplied solely for the use of such wholesale clients and shall not be distributed or passed on to any other person. You represent and warrant that if you are in Australia, you are a "wholesale client". This research is of a general nature only and has been prepared without taking into account the objectives, financial situation or needs of the individual recipient. CGS-CIMB Securities (Singapore) Pte. Ltd. and CGS-CIMB Securities (Hong Kong) Limited do not hold, and are not required to hold an Australian financial services license. CGS-CIMB Securities (Singapore) Pte. Ltd. and CGS-CIMB Securities (Hong Kong) Limited rely on "passporting" exemptions for entities appropriately licensed by the Monetary Authority of Singapore (under ASIC Class Order 03/1102) and the Securities and Futures Commission in Hong Kong (under ASIC Class Order 03/1103).

Canada: This research report has not been prepared in accordance with the disclosure requirements of Dealer Member Rule 3400 – Research Restrictions and Disclosure Requirements of the Investment Industry Regulatory Organization of Canada. For any research report distributed by CIBC, further disclosures related to CIBC conflicts of interest can be found at <https://researchcentral.cibcwm.com>.

China: For the purpose of this report, the People's Republic of China ("PRC") does not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region or Taiwan. The distributor of this report has not been approved or licensed by the China Securities Regulatory Commission or any other relevant regulatory authority or governmental agency in the PRC. This report contains only marketing information. The distribution of this report is not an offer to buy or sell to any person within or outside PRC or a solicitation to any person within or outside of PRC to buy or sell any instruments described herein. This report is being issued outside the PRC to a limited number of institutional investors and may not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose.

France: Only qualified investors within the meaning of French law shall have access to this report. This report shall not be considered as an offer to subscribe to, or used in connection with, any offer for subscription or sale or marketing or direct or indirect distribution of financial instruments and it is not intended as a solicitation for the purchase of any financial instrument.

Germany: This report is only directed at persons who are professional investors as defined in sec 31a(2) of the German Securities Trading Act (WpHG). This publication constitutes research of a non-binding nature on the market situation and the investment instruments cited here at the time of the publication of the information.

The current prices/yields in this issue are based upon closing prices from Bloomberg as of the day preceding publication. Please note that neither the German Federal Financial Supervisory Agency (BaFin), nor any other supervisory authority exercises any control over the content of this report.

Hong Kong: This report is issued and distributed in Hong Kong by CGS-CIMB Securities (Hong Kong) Limited ("CHK") which is licensed in Hong Kong by the Securities and Futures Commission for Type 1 (dealing in securities) and Type 4 (advising on securities) activities. Any investors wishing to purchase or otherwise deal in the securities covered in this report should contact the Head of Sales at CGS-CIMB Securities (Hong Kong) Limited. The views and opinions in this research report are our own as of the date hereof and are subject to change. If the Financial Services and Markets Act of the United Kingdom or the rules of the Financial Conduct Authority apply to a recipient, our obligations owed to such recipient therein are unaffected.

CHK has no obligation to update its opinion or the information in this research report.
This publication is strictly confidential and is for private circulation only to clients of CHK.
CHK does not make a market on other securities mentioned in the report.

India: This report is issued and distributed in India by CGS-CIMB Securities (India) Private Limited (“CGS-CIMB India”). CGS-CIMB India is a subsidiary of CGS-CIMB Securities International Pte. Ltd. which is in turn is a 50:50 joint venture company of CGIFHL and CIMBG. The details of the members of the group of companies of CGS-CIMB can be found at www.cgs-cimb.com, CGIFHL at www.chinastock.com.hk/en/ACG/ContactUs/index.aspx and CIMBG at www.cimb.com/en/who-we-are.html. CGS-CIMB India is registered with the National Stock Exchange of India Limited and BSE Limited as a trading and clearing member (Merchant Banking Number: INM000012037) under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992. In accordance with the provisions of Regulation 4(g) of the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013, CGS-CIMB India is not required to seek registration with the Securities and Exchange Board of India (“SEBI”) as an Investment Adviser. CGS-CIMB India is registered with SEBI (SEBI Registration Number: INZ000209135) as a Research Analyst (INH000000669) pursuant to the SEBI (Research Analysts) Regulations, 2014 (“Regulations”).

This report does not take into account the particular investment objectives, financial situations, or needs of the recipients. It is not intended for and does not deal with prohibitions on investment due to law/jurisdiction issues etc. which may exist for certain persons/entities. Recipients should rely on their own investigations and take their own professional advice before investment.

The report is not a “prospectus” as defined under Indian Law, including the Companies Act, 2013, and is not, and shall not be, approved by, or filed or registered with, any Indian regulator, including any Registrar of Companies in India, SEBI, any Indian stock exchange, or the Reserve Bank of India. No offer, or invitation to offer, or solicitation of subscription with respect to any such securities listed or proposed to be listed in India is being made, or intended to be made, to the public, or to any member or section of the public in India, through or pursuant to this report.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of CGS-CIMB India and they have received compensation based upon various factors, including quality, accuracy and value of research, firm profitability or revenues, client feedback and competitive factors. Research analysts', strategists' or economists' compensation is not linked to investment banking or capital markets transactions performed or proposed to be performed by CGS-CIMB India or its affiliates.

CGS-CIMB India does not have actual / beneficial ownership of 1% or more securities of the subject company in this research report, at the end of the month immediately preceding the date of publication of this research report. However, since affiliates of CGS-CIMB India are engaged in the financial services business, they might have in their normal course of business financial interests or actual / beneficial ownership of one per cent or more in various companies including the subject company in this research report.

CGS-CIMB India or its associates, may: (a) from time to time, have long or short position in, and buy or sell the securities of the subject company in this research report; or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company in this research report or act as an advisor or lender/borrower to such company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

CGS-CIMB India, its associates and the analyst engaged in preparation of this research report have not received any compensation for investment banking, merchant banking or brokerage services from the subject company mentioned in the research report in the past 12 months.

CGS-CIMB India, its associates and the analyst engaged in preparation of this research report have not managed or co-managed public offering of securities for the subject company mentioned in the research report in the past 12 months. The analyst from CGS-CIMB India engaged in preparation of this research report or his/her relative (a) do not have any financial interests in the subject company mentioned in this research report; (b) do not own 1% or more of the equity securities of the subject company mentioned in the research report as of the last day of the month preceding the publication of the research report; (c) do not have any material conflict of interest at the time of publication of the research report.

Indonesia: This report is issued and distributed by PT CGS-CIMB Sekuritas Indonesia (“CGS-CIMB Indonesia”). The views and opinions in this research report are our own as of the date hereof and are subject to change. CGS-CIMB Indonesia has no obligation to update its opinion or the information in this research report. This report is for private circulation only to clients of CGS-CIMB Indonesia. Neither this report nor any copy hereof may be distributed in Indonesia or to any Indonesian citizens wherever they are domiciled or to Indonesian residents except in compliance with applicable Indonesian capital market laws and regulations.

This research report is not an offer of securities in Indonesia. The securities referred to in this research report have not been registered with the Financial Services Authority (Otoritas Jasa Keuangan) pursuant to relevant capital market laws and regulations, and may not be offered or sold within the territory of the Republic of Indonesia or to Indonesian citizens through a public offering or in circumstances which constitute an offer within the meaning of the Indonesian capital market law and regulations.

Ireland: CGS-CIMB is not an investment firm authorised in the Republic of Ireland and no part of this document should be construed as CGS-CIMB acting as, or otherwise claiming or representing to be, an investment firm authorised in the Republic of Ireland.

Malaysia: This report is distributed in Malaysia by CGS-CIMB Securities Sdn. Bhd. (“CGS-CIMB Malaysia”) solely for the benefit of and for the exclusive use of our clients. Recipients of this report are to contact CGS-CIMB Malaysia, at Level 29, Menara Bumiputra-Commerce, No. 11, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia, in respect of any matters arising from or in connection with this report. CGS-CIMB Malaysia has no obligation to update, revise or reaffirm its opinion or the information in this research report after the date of this report. CGS-CIMB Malaysia may act or acts as a market maker in the capital market products of the following companies: ([Malaysia Market Maker Company List - Click here](#))

New Zealand: In New Zealand, this report is for distribution only to persons who are wholesale clients pursuant to section 5C of the Financial Advisers Act 2008.

Singapore: This report is issued and distributed by CGS-CIMB Securities (Singapore) Pte Ltd (“CGS-CIMB Singapore”). CGS-CIMB Singapore is a capital markets services licensee under the Securities and Futures Act (Chapter 289). Accordingly, it is exempted from the requirement to hold a financial adviser’s licence under the Financial Advisers Act, Cap 110 (“FAA”) for advising on investment products, by issuing or promulgating research analyses or research reports, whether in electronic, print or other form. CGS-CIMB Singapore is subject to the applicable rules under the FAA unless it is able to avail itself to any prescribed exemptions.

Recipients of this report are to contact CGS-CIMB Singapore, 10 Marina Boulevard, Marina Bay Financial Centre Tower 2, #09-01, Singapore 018983

in respect of any matters arising from, or in connection with this report. CGS-CIMB Singapore has no obligation to update its opinion or the information in this research report. This publication is strictly confidential and is for private circulation only. If you have not been sent this report by CGS-CIMB Singapore directly, you may not rely, use or disclose to anyone else this report or its contents.

If the recipient of this research report is not an accredited investor, expert investor or institutional investor, CGS-CIMB Singapore accepts legal responsibility for the contents of the report without any disclaimer limiting or otherwise curtailing such legal responsibility. If the recipient is an accredited investor, expert investor or institutional investor, the recipient is deemed to acknowledge that CGS-CIMB Singapore is exempt from certain requirements under the FAA and its attendant regulations, and as such, is exempt from complying with the following:

- (a) Section 25 of the FAA (obligation to disclose product information);
- (b) Section 27 (duty not to make recommendation with respect to any investment product without having a reasonable basis where you may be reasonably expected to rely on the recommendation) of the FAA;
- (c) MAS Notice on Information to Clients and Product Information Disclosure [Notice No. FAA-N03];
- (d) MAS Notice on Recommendation on Investment Products [Notice No. FAA-N16];
- (e) Section 36 (obligation on disclosure of interest in specified products), and
- (f) any other laws, regulations, notices, directive, guidelines, circulars and practice notes which are relates to the above, to the extent permitted by applicable laws, as may be amended from time to time, and any other laws, regulations, notices, directive, guidelines, circulars, and practice notes as we may notify you from time to time. In addition, the recipient who is an accredited investor, expert investor or institutional investor acknowledges that as CGS-CIMB Singapore is exempt from Section 27 of the FAA, the recipient will also not be able to file a civil claim against CGS-CIMB Singapore for any loss or damage arising from the recipient's reliance on any recommendation made by CGS-CIMB Singapore which would otherwise be a right that is available to the recipient under Section 27 of the FAA. .

CGS-CIMB Singapore, its affiliates and related corporations, their directors, associates, connected parties and/or employees may own or have positions in specified products of the company(ies) covered in this research report or any specified products related thereto and may from time to time add to or dispose of, or may be materially interested in, any such specified products. Further, CGS-CIMB Singapore, its affiliates and its related corporations do and seek to do business with the company(ies) covered in this research report and may from time to time act as market maker or have assumed an underwriting commitment in specified products of such company(ies), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit such investment, advisory or other services from any entity mentioned in this report.

As of August 12, 2022, CGS-CIMB Singapore does not have a proprietary position in the recommended specified products in this report.

CGS-CIMB Singapore does not make a market on the securities mentioned in the report.

South Korea: This report is issued and distributed in South Korea by CGS-CIMB Securities (Hong Kong) Limited, Korea Branch ("CGS-CIMB Korea") which is licensed as a cash equity broker, and regulated by the Financial Services Commission and Financial Supervisory Service of Korea. In South Korea, this report is for distribution only to professional investors under Article 9(5) of the Financial Investment Services and Capital Market Act of Korea ("FSCMA").

Spain: This document is a research report and it is addressed to institutional investors only. The research report is of a general nature and not personalised and does not constitute investment advice so, as the case may be, the recipient must seek proper advice before adopting any investment decision. This document does not constitute a public offering of securities.

CGS-CIMB is not registered with the Spanish Comision Nacional del Mercado de Valores to provide investment services.

Sweden: This report contains only marketing information and has not been approved by the Swedish Financial Supervisory Authority. The distribution of this report is not an offer to sell to any person in Sweden or a solicitation to any person in Sweden to buy any instruments described herein and may not be forwarded to the public in Sweden.

Switzerland: This report has not been prepared in accordance with the recognized self-regulatory minimal standards for research reports of banks issued by the Swiss Bankers' Association (Directives on the Independence of Financial Research).

Thailand: This report is issued and distributed by CGS-CIMB Securities (Thailand) Co. Ltd. ("CGS-CIMB Thailand") based upon sources believed to be reliable (but their accuracy, completeness or correctness is not guaranteed). The statements or expressions of opinion herein were arrived at after due and careful consideration for use as information for investment. Such opinions are subject to change without notice and CGS-CIMB Thailand has no obligation to update its opinion or the information in this research report.

Corporate Governance Report (CGR): ([Thai CGR and Anti-Corruption of Thai Listed Companies - Click here](#))

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. CGS-CIMB Thailand does not confirm nor certify the accuracy of such survey result.

Score Range:	90 - 100	80 – 89	70 - 79	Below 70	No Survey Result
Description:	Excellent	Very Good	Good	N/A	N/A

United Arab Emirates: The distributor of this report has not been approved or licensed by the UAE Central Bank or any other relevant licensing authorities or governmental agencies in the United Arab Emirates. This report is strictly private and confidential and has not been reviewed by, deposited or registered with UAE Central Bank or any other licensing authority or governmental agencies in the United Arab Emirates. This report is being issued outside the United Arab Emirates to a limited number of institutional investors and must not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose. Further, the information contained in this report is not intended to lead to the sale of investments under any subscription agreement or the conclusion of any other contract of whatsoever nature within the territory of the United Arab Emirates.

United Kingdom and European Economic Area (EEA): In the United Kingdom and European Economic Area, this material is also being distributed

by CGS-CIMB Securities (UK) Limited (“CGS-CIMB UK”). CGS-CIMB UK is authorized and regulated by the Financial Conduct Authority and its registered office is at 53 New Broad Street, London EC2M 1JJ. The material distributed by CGS-CIMB UK has been prepared in accordance with CGS-CIMB’s policies for managing conflicts of interest arising as a result of publication and distribution of this material. This material is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of CGS-CIMB UK; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Order”), (c) fall within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc”) of the Order; (d) are outside the United Kingdom subject to relevant regulation in each jurisdiction, material(all such persons together being referred to as “relevant persons”). This material is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons.

This material is categorised as non-independent for the purposes of CGS-CIMB UK and therefore does not provide an impartial or objective assessment of the subject matter and does not constitute independent research. Consequently, this material has not been prepared in accordance with legal requirements designed to promote the independence of research and will not be subject to any prohibition on dealing ahead of the dissemination of research. Therefore, this material is considered a marketing communication.

United States: This research report is distributed in the United States of America by CGS-CIMB Securities (USA) Inc, a U.S. registered broker-dealer and an affiliate of CGS-CIMB Securities Sdn. Bhd., CGS-CIMB Securities (Singapore) Pte Ltd, PT CGS-CIMB Sekuritas Indonesia, CGS-CIMB Securities (Thailand) Co. Ltd, CGS-CIMB Securities (Hong Kong) Limited and CGS-CIMB Securities (India) Private Limited, and is distributed solely to persons who qualify as “U.S. Institutional Investors” as defined in Rule 15a-6 under the Securities and Exchange Act of 1934. This communication is only for Institutional Investors whose ordinary business activities involve investing in shares, bonds, and associated securities and/or derivative securities and who have professional experience in such investments. Any person who is not a U.S. Institutional Investor or Major Institutional Investor must not rely on this communication. The delivery of this research report to any person in the United States of America is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein. CGS-CIMB Securities (USA) Inc, is a FINRA/SIPC member and takes responsibility for the content of this report. For further information or to place an order in any of the above-mentioned securities please contact a registered representative of CGS-CIMB Securities (USA) Inc.

CGS-CIMB Securities (USA) Inc. does not make a market on other securities mentioned in the report.

CGS-CIMB Securities (USA) Inc. has not managed or co-managed a public offering of any of the securities mentioned in the past 12 months.

CGS-CIMB Securities (USA) Inc. has not received compensation for investment banking services from any of the company mentioned in the past 12 months.

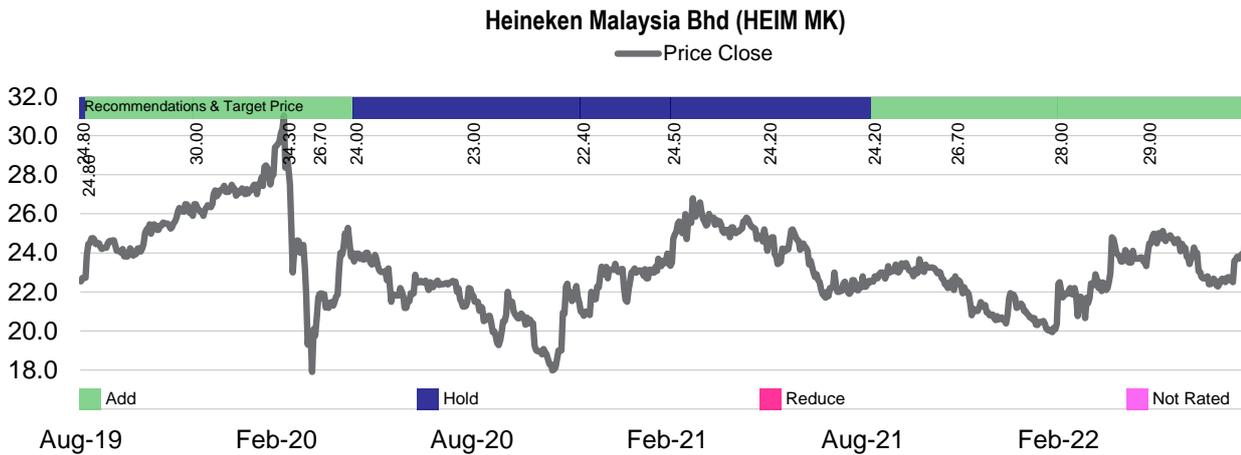
CGS-CIMB Securities (USA) Inc. neither expects to receive nor intends to seek compensation for investment banking services from any of the company mentioned within the next 3 months.

United States Third-Party Disclaimer: If this report is distributed in the United States of America by Raymond James & Associates, Inc (“RJA”), this report is third-party research prepared for and distributed in the United States of America by RJA pursuant to an arrangement between RJA and CGS-CIMB Securities International Pte. Ltd. (“CGS-CIMB”). CGS-CIMB is not an affiliate of RJA. This report is distributed solely to persons who qualify as “U.S. Institutional Investors” or as “Major U.S. Institutional Investors” as defined in Rule 15a-6 under the Securities and Exchange Act of 1934, as amended. This communication is only for U.S. Institutional Investors or Major U.S. Institutional Investor whose ordinary business activities involve investing in shares, bonds, and associated securities and/or derivative securities and who have professional experience in such investments. Any person who is not a U.S. Institutional Investor or Major U.S. Institutional Investor must not rely on this communication. The delivery of this report to any person in the U.S. is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein. If you are receiving this report in the U.S from RJA, a FINRA/SIPC member, it takes responsibility for the content of this report. For further information or to place an order in any of the above-mentioned securities please contact a registered representative of CGS-CIMB Securities (USA) Inc. or RJA. <https://raymondjames.com/InternationalEquityDisclosures>

Other jurisdictions: In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is only for distribution to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

Distribution of stock ratings and investment banking clients for quarter ended on 30 June 2022		
643 companies under coverage for quarter ended on 30 June 2022		
	Rating Distribution (%)	Investment Banking clients (%)
Add	68.4%	0.8%
Hold	24.6%	0.0%
Reduce	7.0%	0.2%

Spitzer Chart for stock being researched (2 year data)



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.

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.

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.