

Malaysia

**ADD** (no change)

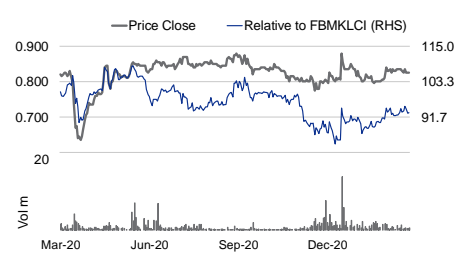
Consensus ratings\*: Buy 4 Hold 0 Sell 0

Current price:	RM0.825
Target price:	RM0.89
Previous target:	RM0.87
Up/downside:	7.9%
CGS-CIMB / Consensus:	-6.3%
Reuters:	TWRK.KL
Bloomberg:	TWK MK
Market cap:	US\$410.6m RM1,663m
Average daily turnover:	US\$0.31m RM1.25m
Current shares o/s:	2,016m
Free float:	41.0%

\*Source: Bloomberg

**Key changes in this note**

- FY21-22F EPS cut by 4.5-4.9% due to housekeeping and fine-tuning of revenue assumptions to reflect the expiry of Taliworks Langkawi.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	3.1	3.1	-1.2
Relative (%)	2.9	5.2	-6.7

Major shareholders	% held
L.G.B. Holding Sdn Bhd	50.0
Vijay Vijendra Sethu	9.0

**Analyst(s)**



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# Taliworks Corporation

## Delivering dividends despite Covid-19 risks

- FY20 results in line; core net profit grew 3.2% yoy; dividend was in line.
- Lower interest cost and narrower associate loss mitigated FY20 revenue fall.
- Reiterate Add with a higher TP; 8% dividend yields remains attractive.

### FY20 results in line; core net profit grew 3.2% yoy

FY20 core net profit was in line, at 101-105% of ours and consensus full-year estimates. FY20 revenue contracted 16% yoy, reflecting the impact of: 1) the expiry of Langkawi operations since 1 Nov 2020 (as seen in the steep 29% yoy drop in 4Q20 revenue and 15% yoy fall in 4Q20 core net profit), 2) lower metered sales in Selangor arising from water disruptions due to pollution issues in 4Q20, 3) depleting construction order book and 4) weaker highway traffic volume during various lockdown periods last year, including the re-imposition of the Conditional Movement Control Order (CMCO) in Oct-Dec. Despite the revenue weakness, FY20 core net profit growth of 3.2% yoy was underpinned by lower interest expenses (-15% yoy) due to the repayment of bank borrowings and IMTN, 88% yoy drop in associate losses and lower tax rates.

### Fourth interim single-tier DPS brings FY20 DPS to 6.6 sen

The group declared a fourth interim single-tier DPS of 1.65 sen, which brought the FY20 total DPS to 6.6 sen, which was in line with our full-year forecast. We maintain our dividend forecasts of 6.6 sen p.a., supported by end-FY20 cash of RM504m and improving operating cashflow of SSP1 (Selangor) under the new Bulk Water Supply Agreement (BWSA). This translates into an attractive dividend yield of 8% for FY21-23F.

### No major surprises in segmental performance

Construction segment's steep 64% drop in revenue was mainly due to slow water contract rollout and depleting order book, which would improve once water tenders recover. Construction revenue in FY20 was mainly from the CRJ4 project and Langat 2 package 7. The 3.7-17.2% yoy decline in metered sales for SSP1 (Selangor) and Langkawi, respectively, led to the 12% yoy contraction in water segment revenue. The impact of various lockdown periods in FY20 on highway traffic is seen in the: 1) 17% yoy fall in FY20 toll highway revenue; average daily traffic (ADT) of Grand Saga Highway (51% subsidiary) fell 19.8% yoy to 118k VPD and 2) 11% yoy contraction in JV profit relating to associate Grand Sepadu Highway - ADT declined 18.8% yoy to 75.8k in FY20. We cut FY21-22F EPS by 4.5-4.9% due to housekeeping and as we fine-tune our revenue assumptions to reflect the expiry of Taliworks Langkawi. We introduce FY23F.

### Add maintained with higher TP, supported by 8% dividend yield

Taliworks' 8% dividend yield remains the stock's main attraction. Maintain Add call. We raise RNAV-based TP slightly to RM0.89 as we update for balance sheet items (unchanged 10% RNAV discount). Potential re-rating catalysts: stronger earnings post-completion of the new solar venture and revival of water contract wins. Downside risks include weaker earnings due to MCO 2.0 and wider associate losses.

### Financial Summary

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Revenue (RMm)	377.1	317.9	311.5	317.8	324.1
Operating EBITDA (RMm)	11.66	76.89	65.81	67.13	68.47
Net Profit (RMm)	76.45	59.49	68.55	70.12	71.71
Core EPS (RM)	0.038	0.030	0.034	0.035	0.036
Core EPS Growth	(22.9%)	(22.2%)	15.2%	2.3%	2.3%
FD Core P/E (x)	23.93	27.96	24.26	23.72	23.19
DPS (RM)	0.053	0.066	0.066	0.066	0.066
Dividend Yield	6.36%	8.00%	8.00%	8.00%	8.00%
EV/EBITDA (x)	134.3	22.0	25.5	24.7	23.8
P/FCFE (x)	16.36	NA	NA	NA	NA
Net Gearing	(14.7%)	(5.2%)	(4.1%)	(4.1%)	(4.4%)
P/BV (x)	1.61	1.73	1.72	1.67	1.63
ROE	7.32%	5.97%	7.11%	7.15%	7.12%
% Change In Core EPS Estimates			(4.52%)	(4.90%)	
CGS-CIMB/Consensus EPS (x)			1.06	1.16	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 1: Results comparison**

FYE Dec (RM m)	4QFY20	4QFY19	yoy %	3QFY20	qoq %	4QFY20	4QFY19	yoy %	Prev.	
			chg		chg	Cum	Cum	chg	FY20F	Comments
Revenue	74.9	105.5	(29.0)	82.6	(9.4)	317.9	377.1	(15.7)	368.7	Impact of MCO on highway traffic volume
Operating costs	(49.5)	(68.0)	(27.2)	(50.8)	(2.5)	(200.4)	(229.2)	(12.6)	(263.3)	and construction works
EBITDA	31.3	51.4	(39.2)	35.8	(12.7)	145.5	183.2	(20.6)	105.4	
<b>EBITDA margin (%)</b>	<b>41.7</b>	<b>48.7</b>	<b>(14.4)</b>	<b>43.3</b>	<b>(3.7)</b>	<b>45.8</b>	<b>48.6</b>	<b>(5.8)</b>	<b>28.6</b>	
Depn & amort.	(12.5)	(13.1)	(5.0)	(8.5)	46.5	(43.9)	(54.1)	(18.9)	(36.9)	Lower depreciation for toll highways in line
EBIT	18.8	38.3	(51.0)	27.3	(31.2)	101.6	129.1	(21.3)	68.5	with the decrease in ADT during MCO
Interest expense	(5.2)	(7.0)	(24.9)	(5.2)	1.0	(21.2)	(25.0)	(15.1)	(25.8)	Borrowings stood at RM388.2m
Interest & invt inc	0.7	1.2	(43.4)	0.5	27.9	2.7	3.9	(30.0)	13.6	Cash and investments of RM504.2m
Associates' contrib	6.4	(3.0)	311.1	0.6	923.7	2.8	(9.8)	128.9	(10.1)	
Exceptionals	(1.5)	(39.0)	(96.1)	(0.7)	133.0	(7.5)	11.3	(165.8)	-	Mainly costs related to the termination of
<b>Pretax profit</b>	<b>19.1</b>	<b>(9.4)</b>	<b>302.1</b>	<b>22.6</b>	<b>(15.6)</b>	<b>78.5</b>	<b>109.5</b>	<b>(28.3)</b>	<b>99.4</b>	Langkawi operations
Tax	(3.7)	(6.6)	(43.5)	(3.9)	(3.3)	(15.0)	(23.1)	(35.1)	(19.8)	
Tax rate (%)	19.7	(70.4)	127.9	17.1	14.7	19.1	21.1	(9.5)	20.0	
Minority interests	0.4	(2.7)	114.1	(2.5)	115.2	(4.0)	(10.3)	(60.6)	(14.0)	
<b>Net profit</b>	<b>15.7</b>	<b>(18.8)</b>	<b>183.5</b>	<b>16.2</b>	<b>(3.0)</b>	<b>59.5</b>	<b>76.2</b>	<b>(21.9)</b>	<b>65.5</b>	FY20 core net profit made up 101-105% of
Core net profit	17.2	20.2	(14.5)	16.8	2.3	66.9	64.9	3.2	65.5	ours and consensus full-year forecasts
EPS (sen)	0.8	(0.9)	183.9	0.8	(2.5)	3.0	3.8	(22.0)	3.3	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 2: FY20 segmental**

	4Q20	4Q19	YoY	3Q20	QoQ	FY20	FY19	YoY	
	RM m	RM m	%	RM m	%	RM m	RM m	%	Comments
<b>Revenue</b>									
Water treatment, supply and distribution	49.8	63.1	-21.0%	56.4	-11.8%	225.5	254.9	-11.5%	Termination of Taliworks Langkawi from 1 Nov 2020
Construction	4.5	18.7	-75.9%	3.2	38.9%	12.7	34.5	-63.2%	Completion of major projects as at end-2020, impact of MCO
Toll Highway	19.3	22.5	-14.3%	21.6	-10.8%	74.4	89.4	-16.8%	19.8% yoy drop in ADT to 118k VPD for Grand Saga Highway
Others	1.3	1.3	0.0%	1.3	0.0%	5.3	5.3	0.0%	-
<b>Total</b>	<b>74.9</b>	<b>105.5</b>	<b>-29.0%</b>	<b>82.6</b>	<b>-9.4%</b>	<b>317.9</b>	<b>384.0</b>	<b>-17.2%</b>	
Add/(less):									
Loss allowances on trade receivables	0.0	0.0	nm	0.0	nm	0.0	0.0	nm	No more provisions
Adjustment to revenue (MFRS 15)	0.0	0.0	nm	0.0	nm	0.0	(6.9)	nm	Impact of MFRS 15
<b>Total Revenue (as per P&amp;L)</b>	<b>74.9</b>	<b>105.5</b>	<b>-29.0%</b>	<b>82.6</b>	<b>-9.4%</b>	<b>317.9</b>	<b>377.1</b>	<b>-15.7%</b>	
	4Q20	4Q19	YoY	3Q20	QoQ	FY20	FY19	YoY	
	RM m	RM m	%	RM m	%	RM m	RM m	%	
<b>Operating profit/EBIT</b>									
Water treatment, supply and distribution	13.8	(9.9)	(2.4)	19.0	-27.2%	74.8	109.5	-31.7%	Higher dividends from investments designated at FVTPL (RM10.6m)
Construction	1.1	2.0	(0.4)	(0.2)	-585.2%	0.5	1.3	-60.5%	Impacted by stop work order during MCO and higher overheads
Toll Highway	5.6	11.1	(0.5)	10.6	-47.1%	31.0	43.8	-29.1%	Weighed by weaker traffic volume during MCO
Others	(2.6)	(2.6)	(0.0)	(2.2)	17.4%	(9.5)	(10.3)	-8.0%	-
<b>Total</b>	<b>18.0</b>	<b>0.6</b>	<b>30.9</b>	<b>27.2</b>	<b>-33.9%</b>	<b>96.9</b>	<b>144.3</b>	<b>-32.9%</b>	
Finance cost	(5.2)	(7.0)	(0.2)	(5.2)	1.0%	(21.2)	(25.0)	-15.1%	-
Share of results of JV	4.0	3.4	0.2	0.5	688.5%	4.7	5.3	-11.0%	18.8% yoy drop in ADT to 75.8k for Grand Sepadu Highway
Share of results of associate	2.4	(6.4)	(1.4)	0.1	>100	(1.9)	(15.1)	-87.6%	Driven by lower depreciation
<b>Pretax profit</b>	<b>19.1</b>	<b>(9.4)</b>	<b>(3.0)</b>	<b>22.6</b>	<b>-15.6%</b>	<b>78.5</b>	<b>109.5</b>	<b>-28.3%</b>	

**Notes:**

BSR is based on new terms of the BWSA

BSR: Bulk Sales Rate

BWSA: Bulk Water Supply Agreement

SWM: Solid Waste Management Sdn Bhd

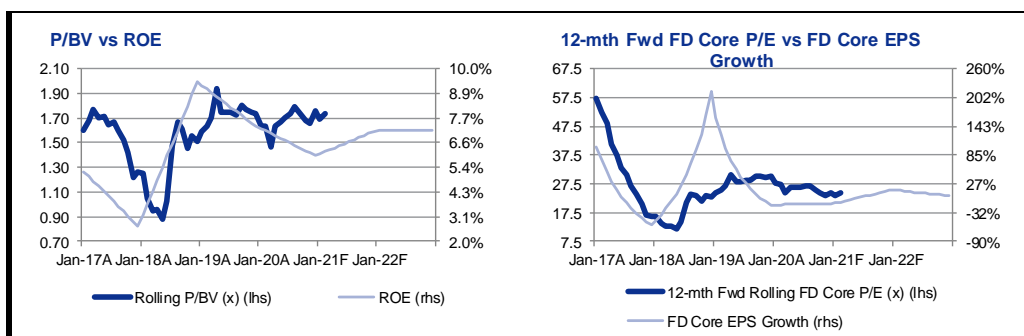
FVTPL: Fair Value Through Profit or Loss

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 3: RNAV**

	Basis	Full value (RM m)	Stake (%)	Value (RM m)
<b>Concession assets</b>				
Grand Saga Highway (24 years remaining concession life)	DCF value	824.0	51%	420.2
Grand Sepadu Highway (12 years remaining concession life)	Takeover value	265.0	38%	100.7
<b>Other segments</b>				
	Equity DCF value		Disc. rate (%)	Stake (%)
	(RM m)			
SSP1 - Sungai Harmoni O&M (18 years incl. extension)	916.0	10%	100%	916.0
	FY22F Net profit		P/E (x)	Stake (%)
	(RM m)			
Construction	8.8	15	100%	131.3
Solid Waste Management (SWM) - acquisition value	245.0	-	35%	85.8
Investment in associate & JVs (as at end-FY20)				223.8
Cash & equivalents and monetisation of receivables (FY20)				504.2
Borrowings as at end-3Q20				(388.2)
<b>Total RNAV</b>				<b>1,993.6</b>
No. of shares (m)				2,015.8
<b>RNAV/share</b>				<b>0.99</b>
RNAV discount (%)				10%
<b>Target price (RM/share)</b>				<b>0.89</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**BY THE NUMBERS**

**Profit & Loss**

(RMm)	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
<b>Total Net Revenues</b>	<b>377.1</b>	<b>317.9</b>	<b>311.5</b>	<b>317.8</b>	<b>324.1</b>
<b>Gross Profit</b>	<b>147.1</b>	<b>117.5</b>	<b>107.2</b>	<b>109.4</b>	<b>111.6</b>
<b>Operating EBITDA</b>	<b>11.7</b>	<b>76.9</b>	<b>65.8</b>	<b>67.1</b>	<b>68.5</b>
Depreciation And Amortisation	(35.7)	(43.9)	(31.2)	(31.8)	(32.4)
<b>Operating EBIT</b>	<b>(24.0)</b>	<b>33.0</b>	<b>34.7</b>	<b>35.4</b>	<b>36.1</b>
Financial Income/(Expense)	(21.1)	(21.1)	(17.8)	(18.1)	(18.3)
Pretax Income/(Loss) from Assoc.	(9.8)	2.8	2.0	2.1	2.2
Non-Operating Income/(Expense)	163.7	63.7	68.2	69.7	71.2
<b>Profit Before Tax (pre-EI)</b>	<b>108.8</b>	<b>78.5</b>	<b>87.0</b>	<b>89.0</b>	<b>91.1</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>108.8</b>	<b>78.5</b>	<b>87.0</b>	<b>89.0</b>	<b>91.1</b>
Taxation	(22.1)	(15.0)	(14.3)	(14.6)	(15.0)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>86.7</b>	<b>63.5</b>	<b>72.7</b>	<b>74.4</b>	<b>76.1</b>
Minority Interests	(10.3)	(4.0)	(4.2)	(4.3)	(4.4)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>76.5</b>	<b>59.5</b>	<b>68.6</b>	<b>70.1</b>	<b>71.7</b>
Recurring Net Profit	76.5	59.5	68.6	70.1	71.7
<b>Fully Diluted Recurring Net Profit</b>	<b>76.5</b>	<b>59.5</b>	<b>68.6</b>	<b>70.1</b>	<b>71.7</b>

**Cash Flow**

(RMm)	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
<b>EBITDA</b>	<b>11.7</b>	<b>76.9</b>	<b>65.8</b>	<b>67.1</b>	<b>68.5</b>
Cash Flow from Inv. & Assoc.					
Change In Working Capital	612.2	(148.1)	(0.7)	3.8	3.8
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	62.0	37.2	35.4	33.6	31.9
Net Interest (Paid)/Received	(21.1)	(21.1)	(17.8)	(18.1)	(18.3)
Tax Paid	(22.1)	(15.0)	(14.3)	(14.6)	(15.0)
<b>Cashflow From Operations</b>	<b>642.8</b>	<b>(70.1)</b>	<b>68.3</b>	<b>71.8</b>	<b>70.9</b>
Capex	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)
Disposals Of FAs/subsidiaries	0.1	0.0	0.0	0.0	0.0
Acq. Of Subsidiaries/investments	0.0	0.0	0.0	0.0	0.0
Other Investing Cashflow	(539.9)	(539.9)	(539.9)	(539.9)	(539.9)
<b>Cash Flow From Investing</b>	<b>(540.9)</b>	<b>(541.0)</b>	<b>(541.0)</b>	<b>(541.0)</b>	<b>(541.0)</b>
Debt Raised/(repaid)	10.0	79.5	(19.1)	(5.0)	(1.3)
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	(105.8)	(133.0)	(133.0)	(133.0)	(133.0)
Preferred Dividends	0.0	0.0	0.0	0.0	0.0
Other Financing Cashflow	(32.4)	545.5	583.9	587.7	587.7
<b>Cash Flow From Financing</b>	<b>(128.2)</b>	<b>491.9</b>	<b>431.7</b>	<b>449.7</b>	<b>453.4</b>
Total Cash Generated	(26.4)	(119.2)	(41.0)	(19.6)	(16.8)
<b>Free Cashflow To Equity</b>	<b>111.8</b>	<b>(531.6)</b>	<b>(491.8)</b>	<b>(474.2)</b>	<b>(471.4)</b>
<b>Free Cashflow To Firm</b>	<b>126.8</b>	<b>(586.1)</b>	<b>(450.9)</b>	<b>(447.0)</b>	<b>(447.5)</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**BY THE NUMBERS... cont'd**
**Balance Sheet**

(RMm)	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Total Cash And Equivalents	658	451	456	461	467
Total Debtors	148	116	124	125	128
Inventories	1	3	3	3	3
Total Other Current Assets	22	11	11	11	11
<b>Total Current Assets</b>	<b>829</b>	<b>581</b>	<b>594</b>	<b>601</b>	<b>608</b>
Fixed Assets	12	9	10	11	12
Total Investments	233	224	224	225	225
Intangible Assets	1,200	1,174	1,173	1,172	1,170
Total Other Non-Current Assets	80	88	89	89	90
<b>Total Non-current Assets</b>	<b>1,525</b>	<b>1,494</b>	<b>1,495</b>	<b>1,497</b>	<b>1,498</b>
Short-term Debt	40	30	31	32	34
Current Portion of Long-Term Debt					
Total Creditors	137	68	79	80	81
Other Current Liabilities	43	21	22	24	25
<b>Total Current Liabilities</b>	<b>220</b>	<b>119</b>	<b>133</b>	<b>136</b>	<b>140</b>
Total Long-term Debt	428	358	376	380	380
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	178	155	153	152	150
<b>Total Non-current Liabilities</b>	<b>606</b>	<b>513</b>	<b>529</b>	<b>532</b>	<b>530</b>
Total Provisions	235	235	235	235	235
<b>Total Liabilities</b>	<b>1,061</b>	<b>867</b>	<b>897</b>	<b>903</b>	<b>905</b>
Shareholders' Equity	1,033	959	968	993	1,020
Minority Interests	260	248	224	201	181
<b>Total Equity</b>	<b>1,293</b>	<b>1,208</b>	<b>1,192</b>	<b>1,195</b>	<b>1,201</b>

**Key Ratios**

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Revenue Growth	0.5%	(15.7%)	(2.0%)	2.0%	2.0%
Operating EBITDA Growth	(89%)	559%	(14%)	2%	2%
Operating EBITDA Margin	3.1%	24.2%	21.1%	21.1%	21.1%
Net Cash Per Share (RM)	0.094	0.031	0.024	0.024	0.026
BVPS (RM)	0.51	0.48	0.48	0.49	0.51
Gross Interest Cover	(0.96)	1.32	1.59	1.59	1.59
Effective Tax Rate	20.3%	19.1%	16.4%	16.4%	16.4%
Net Dividend Payout Ratio	138%	224%	194%	190%	186%
Accounts Receivables Days	116.1	114.6	112.1	115.7	115.7
Inventory Days	1.92	3.71	5.18	5.08	4.98
Accounts Payables Days	230.7	120.9	84.3	93.7	93.7
ROIC (%)	(1.01%)	1.88%	1.93%	1.97%	2.01%
ROCE (%)	(1.01%)	1.93%	2.11%	2.15%	2.19%
Return On Average Assets	4.26%	3.56%	4.12%	4.18%	4.26%

**Key Drivers**

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Revenue growth (%)	0.5%	-15.7%	-2.0%	2.0%	2.0%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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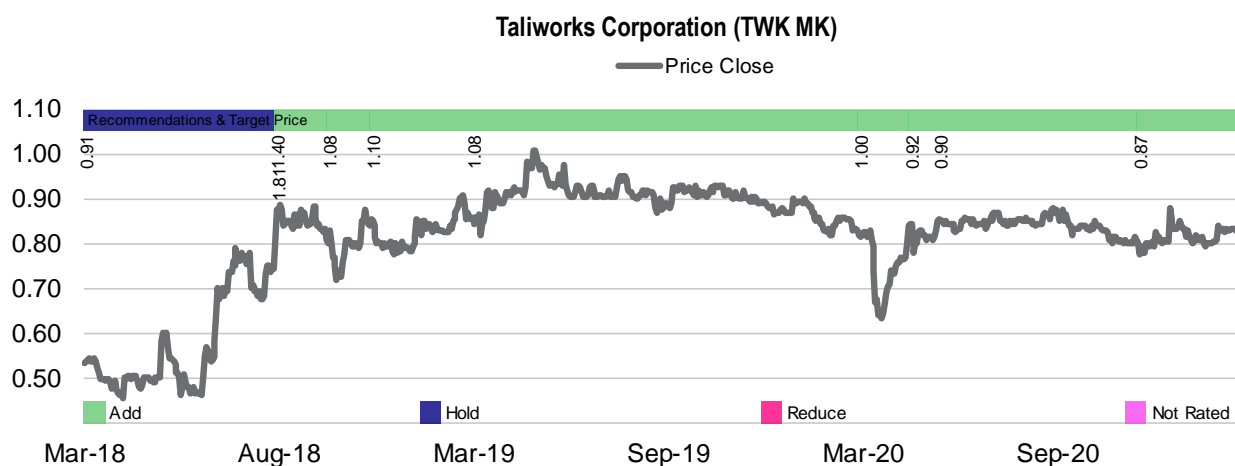
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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2020		
688 companies under coverage for quarter ended on 31 December 2020		
	Rating Distribution (%)	Investment Banking clients (%)
Add	67.0%	0.9%
Hold	21.7%	0.0%
Reduce	11.3%	0.3%

### 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 2020, Anti-Corruption 2020

**ADVANC** – Excellent, Certified, **AEONTS** – Good, n/a, **AH** – Very Good, n/a, **AMATA** – Excellent, Declared, **ANAN** – Excellent, Declared, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Very Good, Certified, **AU** – Good, n/a, **BAM** – not available, n/a, **BANPU** – Excellent, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Certified, **BCP** – Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Very Good, n/a, **BEAUTY** – Good, n/a, **BEC** – Very Good, n/a, **BEM** – Excellent, n/a, **BGRIM** – Very Good, Certified, **BH** – Good, n/a, **BJC** – Very Good, n/a, **BJCHI** – Very Good, Certified, **BLA** – Very Good, Certified, **BPP** – Very Good, Certified, **BR** – Good, n/a, **BTS** – Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – Good, n/a, **CENDEL** – Very Good, Certified, **CHAYO** – Good, n/a, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COL** – Excellent, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** – Excellent, Certified, **CPNREIT** – not available, n/a, **CRC** – not available, n/a, **DELTA** – Excellent, Certified, **DEMCO** – Excellent, Certified, **DDD** – Very Good, Declared, **DIF** – not available, n/a, **DOHOME** – not available, n/a, **DREIT** – not available, n/a, **DTAC** – Excellent, Certified, **EA** – Excellent, Declared, **ECL** – Very Good, Certified, **EGCO** – Excellent, Certified, **EPG** – Very Good, n/a, **ERW** – Very Good, Declared, **GFPT** – Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Very Good, n/a, **GPSC** – Excellent, Certified, **GULF** – Very Good, n/a, **GUNKUL** – Excellent, Certified, **HANA** – Excellent, Certified, **HMPRO** – Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, n/a, **INTUCH** – Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** – Excellent, Certified, **JASIF** – not available, n/a, **JKN** – Excellent, Declared, **KBANK** – Excellent, Certified, **KCE** – Excellent, Certified, **KEX** – not available, n/a, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** – Excellent, Certified, **KTC** – Excellent, Certified, **LH** – Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MACO** – Very Good, n/a, **MAJOR** – Very Good, Declared, **MAKRO** – Excellent, Certified, **MALEE** – Excellent, Certified, **MC** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** – Excellent, Certified, **MTC** – Excellent, Certified, **NETBAY** – Very Good, n/a, **NRF** – not available, n/a, **OSP** – Very Good, n/a, **PLANB** – Excellent, Certified, **PLAT** – Very Good, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, n/a, **PSH** – Excellent, Certified, **PSTC** – Very Good, Certified, **PTT** – Excellent, Certified, **PTTEP** – Excellent, Certified, **PTTGC** – Excellent, Certified, **PTTOR** – not available, n/a, **QH** – Excellent, Certified, **RATCH** – Excellent, Certified, **RBF** – not available, n/a, **RS** – Excellent, n/a, **RSP** – not available, n/a, **S** – Excellent, n/a, **SAK** – not available, n/a, **SAPPE** – Very Good, Declared, **SAT** – Excellent, Certified, **SAWAD** – Very Good, n/a, **SC** – Excellent, Certified, **SCB** – Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – not available, n/a, **SCN** – Excellent, Certified, **SF** – Good, n/a, **SHR** – not available, n/a, **SIRI** – Very Good, Certified, **SPA** – Good, n/a, **SPALI** – Excellent, n/a, **SPRC** – Excellent, Certified, **SSP** – Good, Declared, **STA** – Very Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **TASCO** – Excellent, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **THCOM** – Excellent, Certified, **TIPCO** – Very Good, Certified, **TISCO** – Excellent, Certified, **TKN** – Very Good, n/a, **TMB** – Excellent, Certified, **TNR** – Very Good, Certified, **TOP** – Excellent, Certified, **TPCH** – Good, n/a, **TPIPP** – not available, n/a, **TRUE** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Certified, **UNIQ** – not available, n/a, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – not available, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

1 CG Score 2020 from Thai Institute of Directors Association (IOD)

2 AGM Level 2019 from Thai Investors Association

3 Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into:

companies that have declared their intention to join CAC, and companies certified by CAC.

4 The Stock Exchange of Thailand : the record of listed companies with corporate sustainable development "Thai sustainability Investment 2019" included:

SET and mai listed companies passed the assessment conducted by the Stock Exchange of Thailand: THSI (SET) and THSI (mai)

SET listed companies passed the assessment conducted by the Dow Jones Sustainability Indices (DJSI)

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**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.

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