

Malaysia

ADD (no change)

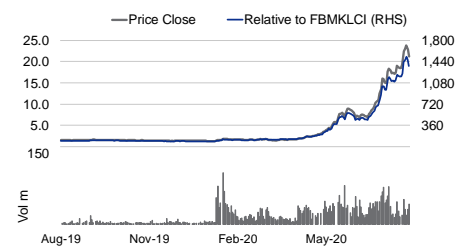
Consensus ratings*: Buy 9 Hold 2 Sell 0

Current price:	RM21.20
Target price:	RM27.00
Previous target:	RM19.60
Up/downside:	27.4%
CGS-CIMB / Consensus:	59.2%
Reuters:	SUPM.KL
Bloomberg:	SUCB MK
Market cap:	US\$6,524m
	RM27,378m
Average daily turnover:	US\$93.27m
	RM397.7m
Current shares o/s:	1,360m
Free float:	62.5%

*Source: Bloomberg

Key changes in this note

- FY21-22 EPS raised by 25.1-59.8%.
- We also introduce our FY23 EPS estimates.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	55.7	611.4	1259
Relative (%)	57	597.7	1261.7

Major shareholders

	% held
Dato' Seri Thai Kim Sim, Stanley	20.7
Datin Seri Tan Bee Geok, Cheryl	15.3
Amanah Saham Nasional	1.5

Analyst(s)

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Supermax Corp

On the cusp of greater quarters

- FY6/20 core net profit of RM525.6m came in above expectations, making up 109% of our and 131% of Bloomberg consensus estimates.
- We expect SUCB to achieve a record-high 256.2% yoy growth in FY21 net profit, from better-than-expected margin expansion and economies of scale.
- Reiterate Add, with a higher TP of RM27.00 (22.4x CY21 P/E).

FY6/20 core net profit sees record earnings; above expectations

Supermax Corp's (SUCB) 4QFY6/20 core net profit came in at a historical high of RM399.6m (+2,553.6% yoy), bringing its FY6/20 core net profit to RM525.6m (+350.8% yoy). This came in above, at 109% of our and 131% of Bloomberg consensus estimates. We attribute the earnings beat in 4QFY6/20 to higher-than-expected ASPs (which led to a stronger-than-expected margin expansion) and stronger-than-expected associate profit.

4QFY6/20 core net profit jumped 4.6x on a qoq basis

SUCB's 4QFY20 revenue and core net profit rose qoq by 107.7% and 462.4%, respectively, thanks to the robust global demand for gloves and its manufacturing-cum-distribution model (which gives it better margins vs. its peers). Its core EBITDA margin rose to 59% from 24% qoq (+35% pts), as the global shortage of gloves led to a sequential increase in ASPs on a qoq basis.

Expecting FY21 to be the best year for SUCB in terms of earnings

We expect SUCB to achieve stronger earnings in FY6/21, mainly due to higher ASPs. This is on the back of: i) an expected increase in glove ASPs, ii) the commissioning of new production lines in Block B (2.2bn pieces p.a.) of Plant 12 (total: 4.4bn pieces p.a.), and iii) higher economies of scale. According to SUCB, its orderbook visibility remains strong for the next 10-12 months. We note that SUCB has collected prepayments from its customers of RM892.4m as at end-4QFY6/20, leading to its net cash position of RM852.7m.

Raising FY21-22 EPS by 25.1-59.8%

We raise our FY21-22F EPS by 25.1-59.8%. This is to account for: i) higher associate profit (due to better distribution margins), ii) higher ASPs, and iii) better economies of scale. We also introduce our FY23 EPS estimates. We project ASPs to rise by +40%/-15%/-3% for FY21/22/23F.

Reiterate Add, with a higher TP of RM27.00

In tandem with our EPS hike, our TP rises to RM27.00, while our Add call is retained. Despite the favourable operating environment and current strong global glove demand, we still peg SUCB to an unchanged 22.4x CY21 P/E to (in line with +1 s.d. of its 5-year mean) to reflect that earnings may peak in CY21. We continue to like SUCB for its attractive valuations (31.9% discount to the Malaysian glove sector average CY21F P/E of 26.0x) and OBM business model, which allows it to garner better margins vs. its peers.

Financial Summary

	Jun-19A	Jun-20A	Jun-21F	Jun-22F	Jun-23F
Revenue (RMm)	1,538	2,132	4,742	4,352	4,757
Operating EBITDA (RMm)	230	764	2,588	2,005	2,109
Net Profit (RMm)	123	526	1,872	1,391	1,451
Core EPS (RM)	0.09	0.39	1.38	1.02	1.07
Core EPS Growth	9%	351%	256%	(26%)	4%
FD Core P/E (x)	247.3	54.9	15.4	20.7	19.9
DPS (RM)	0.03	0.15	0.55	0.41	0.43
Dividend Yield	0.16%	0.73%	2.60%	1.93%	2.01%
EV/EBITDA (x)	125.3	36.4	10.5	13.4	12.5
P/FCFE (x)	422.6	27.7	22.2	27.5	28.3
Net Gearing	19.4%	(53.0%)	(47.6%)	(49.9%)	(49.7%)
P/BV (x)	25.59	18.18	10.26	7.91	6.38
ROE	10.9%	38.7%	85.1%	43.1%	35.6%
% Change In Core EPS Estimates			25.1%	59.8%	
CGS-CIMB/Consensus EPS (x)			2.04	1.97	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Re-rating catalysts and downside risks

Potential re-rating catalysts include stronger-than-expected margin expansion for its glove division and higher-than-expected rise in ASPs. Downside risks: discovery of a cure/vaccine for Covid-19, stiff pricing competition, and a spike in raw material prices.

Figure 1: Results comparison

FYE Jun	4Q	4Q	yoy %	qoq %	4QFY20	4QFY19	yoy %	Prev.	Comments
(RM m)	FY20	FY19	chg	chg	Cum	Cum	chg	FY20F	
Revenue	929.1	376.0	147.1	107.7	2,132	1,538	38.6	2,517	Mainly driven by higher ASPs and increase in sales volume
Operating costs	(380.8)	(344.0)	10.7	12.0	(1,368.2)	(1,314.5)	4.1	(1,748)	
EBITDA	548.4	32.0	1,615.2	411.0	763.6	223.7	241.3	769.1	
EBITDA margin (%)	59.0	8.5	50.5	35.0	35.8	14.5	21.3	30.6	4QFY20: Margin expansion from higher ASPs, lower raw material costs and higher economies of scale.
Depn & amort.	(37.6)	(11.6)	223.5	(24.5)	(76.1)	(43.6)	74.3	(57.9)	
EBIT	510.8	20.4	2,409.9	416.5	687.5	180.1	281.8	711.2	
Interest expense	(4.8)	(5.9)	(19.2)	35.4	(17.1)	(19.7)	(13.2)	(12.9)	Net cash stand at RM852.7m as at end-4QFY20, including prepayment received from customers of RM892.4m
Interest & invt inc	-	-	-	-	-	-	-	-	
Associates' contrib	13.0	1.8	(>100)	(>100)	18.1	5.5	227.8	15.0	Higher contribution from associate companies (part of distribution business)
Exceptionals	-	-	-	-	-	6.5	-	-	
Pretax profit	519.0	16.2	3,104.1	3,158.0	688.5	172.4	299.4	713.2	
Tax	(110.7)	(2.2)	4,947.3	383.0	(153.0)	(49.3)	210.3	(228.2)	
Tax rate (%)	21.3	13.5	7.8	(2.7)	22.2	28.6	(6.4)	32.0	Lower tax rate in tandem with improved profitability of overseas subsidiaries
Minority interests	(8.7)	1.1	(920)	569.1	(10.0)	-	(>100)	(2.5)	
Net profit	399.6	15.1	2,553.6	462.4	525.6	123.1	327.0	482.5	We deem above expectations at 109% of our and 131% of Bloomberg consensus FY20 estimates.
Core net profit	399.6	15.1	2,553.6	462.4	525.6	116.6	350.8	482.5	
EPS (sen)	29.4	1.1	2,553.6	462.4	38.6	9.1	327.0	35.5	
Core EPS (sen)	29.4	1.1	2,553.6	462.4	38.6	8.6	350.8	35.5	Based on 1306m total outstanding shares

SOURCES: CGS-CIMB, COMPANY REPORTS

Figure 2: Earnings revision

RM m	2020A	2021F			2022F			2023F		
		Old	New	%chg	Old	New	%chg	Old	New	%chg
Revenue	2,132	4,398	4,742	8%	3,698	4,352	18%	-	4,757	-
EBITDA	764	2,203	2,588	17%	1,381	2,005	45%	-	2,109	-
Core pretax profit	689	2,161	2,550	18%	1,304	1,935	48%	-	2,017	-
Core net profit	526	1,497	1,872	25%	871	1,391	60%	-	1,451	-
Core EPS (sen)	39	110	138	25%	64	102	60%	-	107	-

SOURCES: CGS-CIMB, COMPANY REPORTS

Final dividend proposed via share dividend distribution

In place of a cash dividend, SUCB has proposed a final dividend via share dividend distribution of one treasury share for every 45 ordinary shares (post 1-for-1 bonus issue exercise leading to outstanding shares of 2.6bn). This would translate to a final dividend value of 47.1sen/share (based on yesterday's last closing price of RM21.20/share pre 1-for-1 bonus issue); this is above our expectations. This proposal is subject to shareholder approval during its planned FY20 Annual General Meeting.

Venturing into production of face masks

In its results announcement, SUCB also highlighted its plans to venture into the manufacturing of face masks in both Malaysia and Canada. This is mainly to

complement its product offerings, especially for its distribution business, given the huge global demand and strong consumption pattern.

In Malaysia, SUCB plans to produce up to 8m face mask monthly, with commercial production targeted for 4QCY20. It has earmarked a capex of RM8m for this venture. These masks are mainly intended for export markets but will be sold in the local market until Malaysia's ban on mask exports is lifted.

SUCB is also in talks with its Canadian partners to invest in the production of face masks in Canada. This is on the back of the call by the Canadian government to be self-sufficient in locally-manufactured PPE supply. SUCB will announce more details to Bursa once available.

Investing into renewable energy

SUCB also stated that it has received approval from Malaysian Investment Development Authority (MIDA) to invest in renewable energy in the form of roof-top solar energy. With a capex of RM45m, SUCB plans to use the energy generated for internal consumption, which will lead to cost savings and high efficiencies.

Figure 3: Capital expenditure of new capacity expansion

New Capacity Expansion	Capex (RM m)	Target Completion Date (Calendar Year)
Plant #12 (Lot 6061)		
- Block B (production machineries only)	65	100%(2020)
Plant #13} (Lots 6072 & 6073)	230	75% (2021) 25% (2022)
Plant #14} (Lots 6072 & 6073)	230	25% (2021) 75% (2022)
Plant #15} (Lot 6062)	250	100% (2021)
Plant #16 & #17} (Lot 6062 & #6060)	520	25% (2021) 75% (2022)
Total Capex (2020-2022F)	1,295	by end-2022F

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 4: New capacity expansion plan

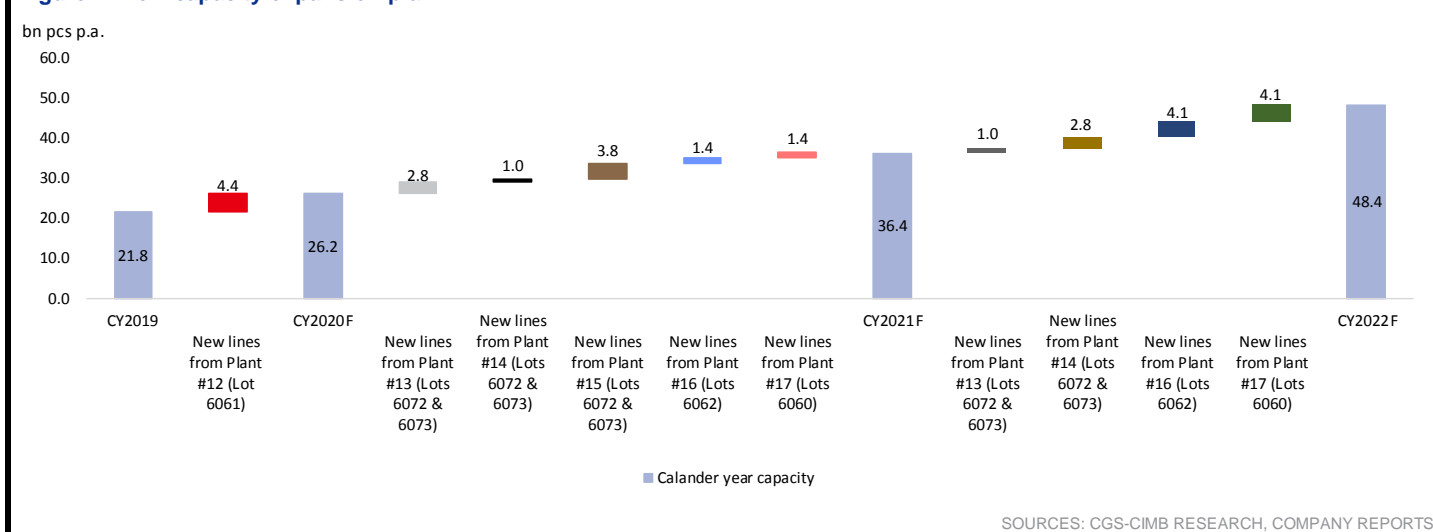
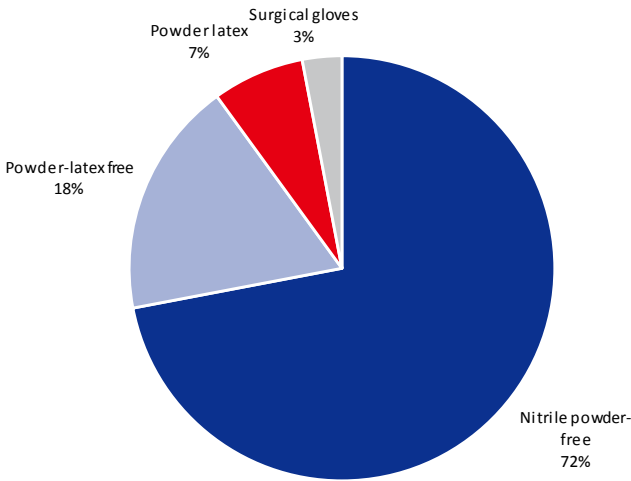
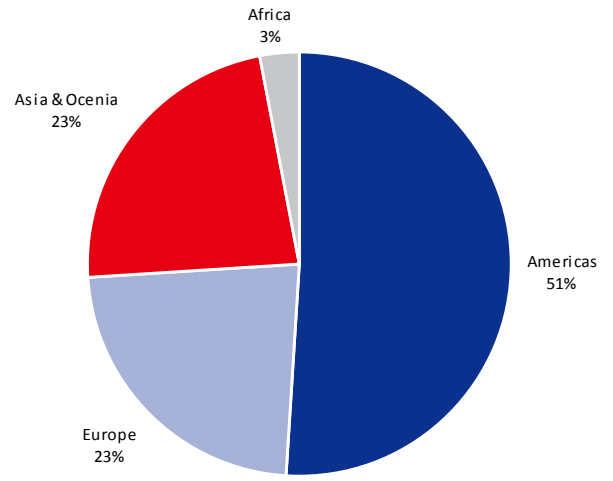


Figure 5: Product mix by revenue for FY6/20



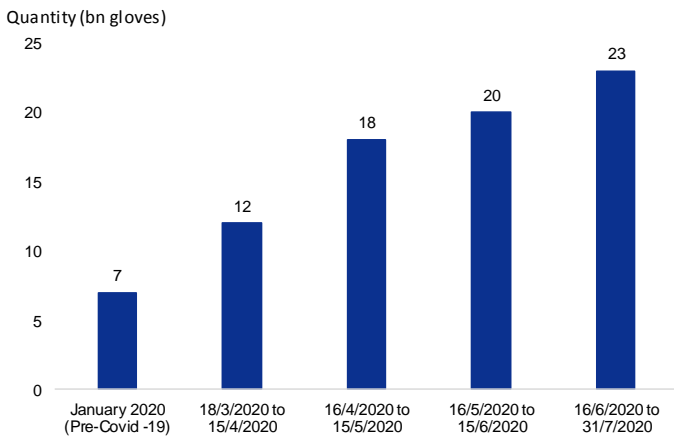
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 6: Group sales by geographical area FY6/20



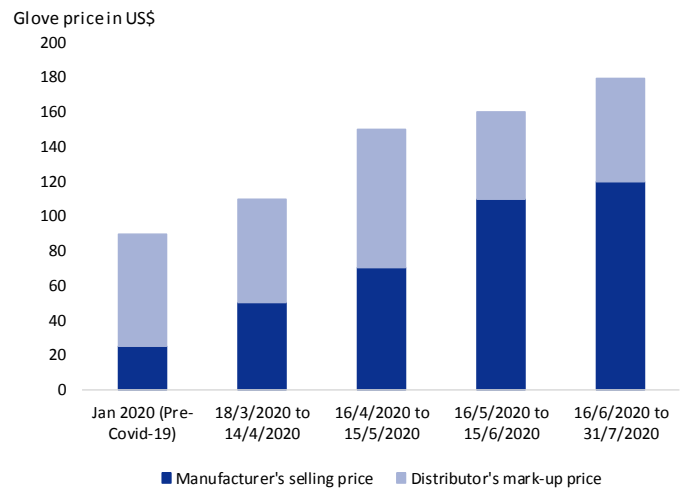
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 7: Order books pre- and post-Covid-19



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 8: Pre- and post-Covid-19 glove price in the market



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 9: Key assumptions table

June year-end	FY6/20F	FY6/21F	yoy % change	FY6/22F	yoy % change	FY6/23F	% yoy change
New Revenue (RM m)	2,131.8	4,741.9	122.4%	4,352.0	-8.2%	4,757.0	9.3%
Old	2,131.8	4,398.2		3,697.9		-	
New Total Capacity (bn pcs p.a)	26.2	31.3	19.5%	42.4	35.5%	48.4	14.2%
Old	26.2	31.3		42.4		-	
New US\$/RM rate	4.30	4.30	0.0%	4.30	0.0%	4.30	0.0%
Old	4.30	4.30		4.30		-	
New Revenue (US\$)	495.8	1102.8	122.4%	1012.1	-8.2%	1106.3	9.3%
Old	495.8	1,022.8		860.0		-	
New Total sales volume (bn pieces)	22.3	29.1	30.5%	31.8	9.3%	35.8	12.6%
Old	22.3	29.1		31.0		-	
New Average utilisation rate (%)	85.0%	93.0%	8.0%	75.0%	-18.0%	74.0%	-1.0%
Old	85.0%	93.0%		73.0%		-	
New ASP growth (%)		40.0%		-15.0%		-3.0%	
Old		32.0%		-20.0%		-	
Raw material prices							
New Nitrile (US\$/kg)	1.23	1.32	7.3%	1.39	5.3%	1.39	0.0%
Old	1.23	1.32		1.39		-	
New Latex (RM/kg)	5.00	5.00	0.0%	5.00	0.0%	5.00	0.0%
Old	5.00	5.00		5.00		-	
New EBITDA (RM m)	763.6	2,587.5	238.9%	2,004.8	-22.5%	2,108.8	5.2%
Old	763.6	2,203.2		1,381.2		-	
New EBITDA margins (%)	35.8%	54.6%	18.7%	46.1%	-8.5%	44.3%	-1.7%
Old	35.8%	50.1%		37.4%		-	
New Core net profit (RMm)	525.6	1,872.1	256.2%	1,390.8	-25.7%	1,451.5	4.4%
Old	525.6	1,496.7		870.5		-	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 10: Summary of changes of key assumptions

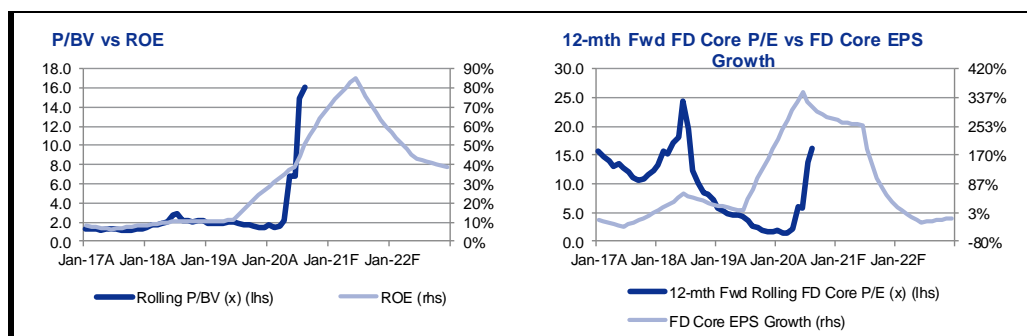
Assumptions (% yoy changes)	New			Previous			Change		
	FY21F	FY22F	FY23F	FY21F	FY22F	FY23F	FY21F	FY22F	FY23F
ASPs increase	40.0%	-15.0%	-3.0%	32.0%	-20.0%	-	8.0%	5.0%	-
Sales volume growth	30.5%	9.3%	12.6%	30.5%	6.5%	-	0.0%	2.8%	-
Utilisation rate	93.0%	75.0%	74.0%	93.0%	73.0%	-	0.0%	2.0%	-
EBITDA margin (pts)	54.6%	46.1%	44.3%	50.1%	37.4%	-	4.5%	8.7%	-

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 11: Sector comparison (CGS-CIMB's glove 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 (%)		Dividend Yield (%)	
						CY20F	CY21F		CY20F	CY21F	CY20F	CY21F	CY20F	CY21F
Malaysia														
Hartalega Holdings	HART MK	Add	18.36	24.30	15,026	41.6	40.2	47.4%	20.1	16.0	53.7%	56.1%	1.4%	1.9%
Kossan Rubber Industries	KRI MK	Add	17.90	16.40	5,466	37.1	24.3	35.4%	12.8	9.7	39.2%	45.4%	1.1%	1.6%
Supermax Corp	SUCB MK	Add	21.20	27.00	6,537	23.9	17.7	71.0%	13.1	8.9	67.9%	59.6%	1.7%	2.2%
Top Glove Corporation	TOPG MK	Add	27.20	29.30	17,557	25.8	17.6	36.0%	17.8	11.8	83.5%	80.8%	1.9%	2.8%
Weighted average						32.2	26.0	44.9%	17.2	12.5	65.7%	65.0%	1.6%	2.3%
Singapore														
Riverstone Holdings	RSTON SP	Add	4.69	5.55	2,536	24.9	20.2	58.5%	9.3	7.0	44.7%	39.5%	1.6%	2.0%
UG Healthcare Corp Ltd	UGHC SP	Add	3.26	3.00	466	22.0	16.5	77.9%	8.6	5.9	47.7%	42.2%	0.9%	1.2%
Weighted Subsector Average						24.5	19.6	61.5%	9.2	6.8	45.1%	39.9%	1.5%	1.9%
Weighted Average						31.7	25.6	45.9%	16.7	12.2	64.4%	63.4%	1.6%	2.3%
Simple Average						29.0	22.8	54.1%	13.5	9.8	55.9%	53.6%	1.5%	2.0%

SOURCES: CGS-CIMB, BLOOMBERG

BY THE NUMBERS

Profit & Loss

(RMm)	Jun-19A	Jun-20A	Jun-21F	Jun-22F	Jun-23F
Total Net Revenues	1,538	2,132	4,742	4,352	4,757
Gross Profit	469	1,092	2,985	2,434	2,575
Operating EBITDA	230	764	2,588	2,005	2,109
Depreciation And Amortisation	-44	-76	-67	-85	-102
Operating EBIT	187	688	2,521	1,920	2,006
Financial Income/(Expense)	-20	-17	-11	-10	-9
Pretax Income/(Loss) from Assoc.	6	18	40	25	20
Non-Operating Income/(Expense)	0	0	0	0	0
Profit Before Tax (pre-EI)	172	689	2,550	1,935	2,017
Exceptional Items		0	0	0	0
Pre-tax Profit	172	689	2,550	1,935	2,017
Taxation	-49	-153	-663	-532	-555
Exceptional Income - post-tax					
Profit After Tax	123	536	1,887	1,403	1,462
Minority Interests	0	-10	-15	-12	-11
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	123	526	1,872	1,391	1,451
Recurring Net Profit	117	526	1,872	1,391	1,451
Fully Diluted Recurring Net Profit	117	526	1,872	1,391	1,451

Cash Flow

(RMm)	Jun-19A	Jun-20A	Jun-21F	Jun-22F	Jun-23F
EBITDA	230.2	763.6	2,587.5	2,004.8	2,108.7
Cash Flow from Inv. & Assoc.					
Change In Working Capital	0.0	639.1	(166.5)	49.5	(55.3)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	0.0	0.0	0.0	0.0	0.0
Other Operating Cashflow	67.0	(27.0)	50.5	34.8	29.2
Net Interest (Paid)/Received	(19.7)	(17.1)	(10.5)	(9.8)	(9.2)
Tax Paid	(49.3)	(61.9)	(663.0)	(532.1)	(554.7)
Cashflow From Operations	228.2	1,296.8	1,798.0	1,547.2	1,518.7
Capex	(115.7)	(192.0)	(500.0)	(500.0)	(500.0)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow					
Cash Flow From Investing	(115.7)	(192.0)	(500.0)	(500.0)	(500.0)
Debt Raised/(repaid)	(44.3)	(63.4)	0.0	0.0	0.0
Proceeds From Issue Of Shares					
Shares Repurchased	(67.2)	0.0	0.0	0.0	0.0
Dividends Paid	(32.8)	0.0	(748.8)	(556.3)	(580.6)
Preferred Dividends					
Other Financing Cashflow	(19.7)	(17.1)	(10.5)	(9.8)	(9.2)
Cash Flow From Financing	(164.0)	(80.5)	(759.3)	(566.1)	(589.8)
Total Cash Generated	(51.5)	1,024.3	538.7	481.1	429.0
Free Cashflow To Equity	68.2	1,041.4	1,298.0	1,047.2	1,018.7
Free Cashflow To Firm	132.2	1,121.9	1,308.5	1,057.1	1,027.9

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd
Balance Sheet

(RMm)	Jun-19A	Jun-20A	Jun-21F	Jun-22F	Jun-23F
Total Cash And Equivalents	174	1,181	1,670	2,151	2,580
Total Debtors	197	392	619	568	621
Inventories	183	253	306	334	380
Total Other Current Assets	77	85	176	177	178
Total Current Assets	631	1,910	2,771	3,230	3,759
Fixed Assets	972	1,086	1,547	1,954	2,345
Total Investments	202	225	225	225	225
Intangible Assets	29	29	29	29	29
Total Other Non-Current Assets	1	2	2	2	2
Total Non-current Assets	1,204	1,341	1,803	2,210	2,600
Short-term Debt	350	226	226	226	226
Current Portion of Long-Term Debt					
Total Creditors	229	308	422	448	492
Other Current Liabilities	49	944	944	944	944
Total Current Liabilities	627	1,477	1,592	1,618	1,662
Total Long-term Debt	42	102	102	102	102
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	0	0	0	0	0
Total Non-current Liabilities	42	102	102	102	102
Total Provisions	40	64	64	64	64
Total Liabilities	709	1,643	1,757	1,784	1,827
Shareholders' Equity	1,127	1,586	2,811	3,646	4,517
Minority Interests	0	22	5	10	15
Total Equity	1,127	1,608	2,817	3,656	4,532

Key Ratios

	Jun-19A	Jun-20A	Jun-21F	Jun-22F	Jun-23F
Revenue Growth	18%	39%	122%	(8%)	9%
Operating EBITDA Growth	9%	232%	239%	(23%)	5%
Operating EBITDA Margin	15.0%	35.8%	54.6%	46.1%	44.3%
Net Cash Per Share (RM)	-0.16	0.63	0.99	1.34	1.66
BVPS (RM)	0.83	1.17	2.07	2.68	3.32
Gross Interest Cover	9.5	40.2	240.0	195.0	218.4
Effective Tax Rate	28.6%	22.2%	26.0%	27.5%	27.5%
Net Dividend Payout Ratio	27.1%	31.0%	29.5%	28.9%	28.9%
Accounts Receivables Days	40.10	34.11	27.77	38.13	34.95
Inventory Days	63.35	76.75	58.02	60.84	59.67
Accounts Payables Days	61.53	61.74	48.37	57.70	56.58
ROIC (%)	16%	58%	424%	146%	120%
ROCE (%)	12.2%	38.6%	96.8%	52.9%	44.7%
Return On Average Assets	10.9%	27.7%	65.4%	38.8%	34.3%

Key Drivers

	Jun-19A	Jun-20A	Jun-21F	Jun-22F	Jun-23F
ASP (% chg, main prod./serv.)	20.7%	58.9%	107.5%	65.0%	50.9%
Unit sales grth (% , main prod./serv.)	-8.2%	87.0%	125.4%	65.5%	81.4%
Util. rate (% , main prod./serv.)	79.0%	85.0%	93.0%	75.0%	74.0%
ASP (% chg, 2ndary prod./serv.)	N/A	N/A	N/A	N/A	N/A
Unit sales grth (% , 2ndary prod./serv.)	N/A	N/A	N/A	N/A	N/A
Util. rate (% , 2ndary prod./serv.)	N/A	N/A	N/A	N/A	N/A
Unit raw mat ASP (%chg,main)	N/A	N/A	N/A	N/A	N/A
Unit raw mat ASP (%chg,2ndary)	N/A	N/A	N/A	N/A	N/A

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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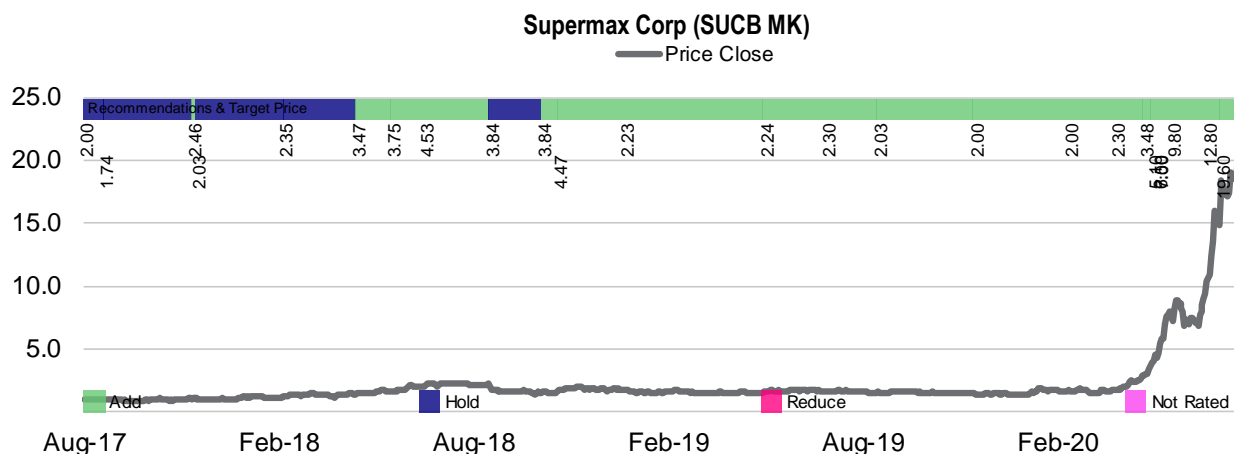
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Distribution of stock ratings and investment banking clients for quarter ended on 30 June 2020		
800 companies under coverage for quarter ended on 30 June 2020		
	Rating Distribution (%)	Investment Banking clients (%)
Add	60.1%	0.4%
Hold	25.9%	0.1%
Reduce	14.0%	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 2019, Anti-Corruption 2019

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, **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, **BGRIM** – Very Good, Declared, **BH** - Good, n/a, **BJC** – Very Good, n/a, **BJCHI** – Very Good, Certified, **BLA** – Very Good, Certified, **BPP** – Very Good, Declared, **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, Declared, **CK** – Excellent, n/a, **COL** – Excellent, Declared, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** - Excellent, Certified, **CPNREIT** – not available, n/a, **CRC** – not available, n/a, **DELTA** - Excellent, Declared, **DEMCO** – Excellent, Certified, **DDD** – Very Good, n/a, **DIF** – not available, n/a, **DREIT** – not available, n/a, **DTAC** – Excellent, Certified, **EA** – Excellent, n/a, **ECL** – Very Good, Certified, **EGCO** - Excellent, Certified, **EPG** – Very Good, n/a, **ERW** – Very Good, n/a, **GFPT** – Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Very Good, n/a, **GLOW** – Very Good, Certified, **GPSC** – Excellent, Certified, **GULF** – Very Good, n/a, **GUNKUL** – Excellent, Certified, **HANA** - Excellent, Certified, **HMPRO** - Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Declared, **III** – Excellent, n/a, **INTUCH** - Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** - Excellent, Certified, **JASIF** – not available, n/a, **BJC** – Very Good, n/a, **JMT** – Very Good, n/a, **KBANK** - Excellent, Certified, **KCE** - Excellent, Certified, **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, n/a, **MAKRO** – Excellent, Certified, **MALEE** – Excellent, Certified, **MC** – Excellent, Certified, **MCOT** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** - Excellent, Certified, **MK** – Very Good, n/a, **MTC** – Excellent, n/a, **NETBAY** – Very Good, n/a, **OSP** – Very Good, n/a, **PLANB** – Excellent, Certified, **PLAT** – Very Good, Certified, **PR9** – Excellent, n/a, **PSH** – Excellent, Certified, **PSTC** – Very Good, Certified, **PTT** - Excellent, Certified, **PTTEP** - Excellent, Certified, **PTTGC** - Excellent, Certified, **QH** – Excellent, Certified, **RATCH** – Excellent, Certified, **ROBINS** – Excellent, Certified, **RS** – Excellent, n/a, **RSP** – not available, n/a, **S** – Excellent, n/a, **SAPPE** – Very Good, Declared, **SAT** – Excellent, Certified, **SAWAD** – Very Good, n/a, **SC** – Excellent, Certified, **SCB** - Excellent, Certified, **SCC** – Excellent, Certified, **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, **STA** – Very Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Excellent, Certified, **TASCO** – Excellent, Certified, **TCAP** – Excellent, Certified, **THANI** – 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** – Good, n/a, **TRUE** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Declared, **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 2019 from Thai Institute of Directors Association (IOD)

2 AGM Level 2018 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 November 30, 2018) 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 2018" 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)

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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