

Thailand

HOLD (no change)

Consensus ratings*: Buy 2 Hold 6 Sell 8

Current price:	THB1.39
Target price:	THB1.30
Previous target:	THB1.37
Up/downside:	-6.5%
CGS-CIMB / Consensus:	-1.6%
Reuters:	SIRI.BK
Bloomberg:	SIRI TB
Market cap:	US\$638.8m
	THB19,658m
Average daily turnover:	US\$1.34m
	THB41.40m
Current shares o/s:	14,863m
Free float:	85.8%

*Source: Bloomberg

Key changes in this note

- FY19-21F revenue from business management decreased by 10.3-30.8%.
- Share of profit from investments in JVs and associates decreased by 29.3% for FY19F, but increased by 16.2% for FY20F.
- FY19-21F core EPS decreased by 0.2-5.3%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-6.7	-2.8	-15.3
Relative (%)	-1.1	-4.5	-12

Major shareholders

	% held
Viriyah Insurance	6.3
UBS AG Singapore	4.7
Thai NVDR	4.7

Analyst(s)

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Sansiri

Better 2H19F outlook priced in

- SIRI trims its new project launches for 2019 to 24 projects worth THB37.1bn.
- It cuts its presales target for 2019 by 16.7% to THB30bn, but maintain residential revenue target of THB22bn.
- Maintain Hold with a lower TP of THB1.30. Upside risks include faster-than-expected transfers. Downside risks are slower-than-expected presales.

New project launches to peak in 4Q19

SIRI revised down its new project launches for 2019 to 24 projects -- eight single-detached house, eight townhouse, six owned condo and two JV condo projects with total value of THB37.1bn; it postponed four condo projects worth THB8.3bn to 2020. SIRI has changed the strategy for its new condo launches by checking the demand for them first. If the take-up rate is less than 30%, it will postpone the project's launch. SIRI's new launches will peak in 4Q19 at 14 projects with total value of THB22.4bn, accounting for 60.3% of its total launch value for 2019.

Cut presales target to THB30bn but keep revenue target for 2019

SIRI also cut its presales target for 2019 by 16.7% to THB30bn vs. THB36bn previously due to the postponement of condo launches and impact of the new loan-to-value (LTV) rules. Its presales from 1 Jan to 11 Aug were THB12.4bn, meeting 41.3% of its new full-year target. Assuming no further delays in new launches in 2H19, we think SIRI should be able to meet its presales target given more new launches in 2H19. Meanwhile, SIRI maintains its residential revenue target of THB22bn in 2019. Its current backlog secures 71.2% of this target. It needs another THB6.3bn from the sales of low-rise housing projects and condo inventory in 2H19F in order to meet its full-year revenue target.

Bought condo units at The Monument Thonglor from JV with BTS

In 2Q19, SIRI bought 60 units worth c. THB2.4bn from The Monument Thonglor (project value: THB6,242m), a JV condo project with BTS Group. It plans to rent out these units, and other units of its owned condo projects. It will subsequently sell these condo units to a REIT, or a private fund with a fund size of THB3bn-5bn and target yield of 6-7%. The purchase of 60 units of The Monument Thonglor has no impact on SIRI's share of profit from investments in JVs. SIRI booked these condo investment in its balance sheet.

Maintain Hold with a lower TP of THB1.30

We cut our FY19-21F core EPS by 0.2-5.3% to reflect changes in our assumptions on residential revenue, business management revenue and share of profit from associates and JVs. Our TP dips to THB1.30, still based on 8.0x CY20F P/E (-0.5 s.d. of its historical 5-year average 12M forward P/E). Maintain Hold as its valuation is stretched but its dividend yields are still attractive at 8.8% in 2019-20F. We believe SIRI's investment in The Standard would remain a drag on its bottomline till 2022F. It will raise its investment in The Standard by US\$40.5m in Aug, lifting its stake to 59.02% from 37.26% at end-Jul. SIRI will consolidate The Standard investment into its financial statement in 2H19. Management expects The Standard to make losses of US\$9m-10m in 2019F but start making profit in 2022F.

Financial Summary

	Dec-17A	Dec-18A	Dec-19F	Dec-20F	Dec-21F
Total Net Revenues (THBm)	30,916	26,248	26,986	27,296	28,311
Operating EBITDA (THBm)	3,736	2,423	2,824	2,712	2,933
Net Profit (THBm)	2,825	2,046	2,320	2,396	2,508
Core EPS (THB)	0.20	0.14	0.15	0.16	0.17
Core EPS Growth	(13.3%)	(29.8%)	8.0%	5.6%	4.7%
FD Core P/E (x)	6.88	9.67	9.10	8.62	8.24
DPS (THB)	0.12	0.12	0.12	0.12	0.13
Dividend Yield	8.63%	8.63%	8.87%	8.82%	9.23%
EV/EBITDA (x)	14.90	28.31	23.93	25.84	24.37
P/FCFE (x)	NA	8.16	34.42	NA	39.15
Net Gearing	117%	155%	150%	155%	156%
P/BV (x)	0.65	0.67	0.66	0.65	0.63
ROE	9.87%	6.84%	7.29%	7.57%	7.78%
% Change In Core EPS Estimates			(0.24%)	(5.25%)	(3.44%)
CGS-CIMB/Consensus EPS (x)			1.02	0.92	0.91

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



Better 2H19F outlook priced in

2Q19 results review >

SIRI reported 2Q19 net profit of THB285.2m, down 29.5% qoq and 26.2% yoy. The company recorded a one-off gain (net tax) from land sale of THB104m, which was partially offset by a THB55m provision for employee benefits, THB5m loss on diminution in value of property development for sale, and THB9.8m loss on impairment of other non-current asset. Stripping off these one-off items, its core net profit declined 35.2% qoq and 34.7% yoy to THB251.1m in 2Q19. This beat our expectations by 36.7% and Bloomberg consensus' by 31%, due to higher-than-expected other income and share of profit from investments in JVs and associates as well as lower-than-expected effective tax rate from the utilisation of tax shield by some subsidiaries and JV companies.

Residential revenue fell 48.4% qoq and 40.2% yoy to THB2.53bn in 2Q19, owing to a drop in the transfers of low-rise housing and condo units. Low-rise housing transfers plunged 45.7% qoq and 34.5% yoy to THB2.14bn due to tighter LTV regulations. Condo transfers also plunged 59.3% qoq and 59.7% yoy to THB387m in 2Q19, mainly from inventory sales of 98 Wireless, Baan Mai Khao and dcondo Kampangsaen projects. Gross margin from residential sales improved to 32.6% in 2Q19 from 26.7% in 1Q19 but dipped slightly from 33% in 2Q18 due to better gross margins of low-rise housing projects and fewer sale of condo inventory that yielded poor gross margins.

Revenue from business management increased 3.3% qoq and 29.6% yoy to THB1.36bn in 2Q19 due to an increase in management fees received from its JVs with BTS Group. Meanwhile, share of profit from investments in JVs jumped 104.6% yoy to THB112.2m in 2Q19 due to an increase in transfers of JV projects mainly from The Monument Thonglor, The Line Ratchathewi and The Line Wongsawang.

The Standard remains a drag on SIRI's bottomline. Increased losses from The Standard caused SIRI's share of loss from investments in associates to jump to THB72.8m in 2Q19 vs. THB5.94m in 2Q18. Note that SIRI has two other associates – Appy Corporation and Onionshack Company but its size of investment in them is very small. Management expects The Standard to make losses of US\$9m-10m in 2019F but start making profit in 2022F.

SIRI's 1H19 core net profit dropped 2.6% yoy to THB638.3m, accounting for 28.1% of our full-year forecast. 4Q19F is likely to be the best quarter for SIRI, driven by a sizable backlog of its owned and JV projects, with a combined value of THB17.2bn to be transferred by end-2019. The company announced an interim dividend of THB0.02 per share, implying 1.5% yield. XD is on 27 Aug and payment date is on 10 Sep.

Figure 1: Results comparison

FYE Dec (THB m)	2QFY19	2QFY18	yoy %	1QFY19	qoq %	1H19	1H18	yoy %	Prev.	
			chg		chg	Cum	Cum	chg	FY19F	Comment
Revenue	3,966.1	5,346.8	(25.8)	6,310.1	(37.1)	10,276.2	10,337.3	(0.6)	27,956.4	Lower due to lower-than-expected revenue from business management
Operating costs	(3,700.3)	(4,879.9)	(24.2)	(5,720.7)	(35.3)	(9,421.0)	(9,655.0)	(2.4)	(25,207.7)	
EBITDA	265.8	467.0	(43.1)	589.4	(54.9)	855.2	682.3	25.3	2,748.7	Lower due to lower-than-expected revenue and higher-than-expected SG&A
EBITDA margin (%)	6.7	8.7	(2.0)	9.3	(2.6)	8.3	6.6	1.7	9.8	
Depn & amort.	(94.5)	(73.6)	28.5	(87.9)	7.6	(182.4)	(142.6)	27.9	(428.8)	Above expectation
EBIT	171.3	393.4	(56.5)	501.5	(65.9)	672.7	539.7	24.7	2,319.9	Below expectation
Interest expense	(158.5)	(152.7)	3.8	(191.2)	(17.1)	(349.6)	(265.8)	31.5	(765.1)	Below expectation
Interest & invt inc	189.2	193.0	(2.0)	324.5	(41.7)	513.7	395.3	30.0	799.9	Above expectation
Associates' contrib	39.4	48.9	(19.5)	(119.7)	(132.9)	(80.4)	154.1	(152.1)	390.0	Above expectation
Exceptionals	34.2	2.1	1,539.4	17.6	94.1	51.7	37.6	37.8	-	One-off gain (net tax) from land sale of THB104m offset by THB55m provision for employee benefits, THB5m loss on diminution in value of property development for sale and THB9.8m loss on impairment of other non-current asset
Pretax profit	202.1	433.7	(53.4)	634.8	(68.2)	836.8	669.2	25.1	2,354.7	Below expectation
Tax	9.0	(99.7)	(109.0)	(128.3)	(107.0)	(119.4)	(170.2)	(29.9)	(470.9)	
Tax rate (%)	(4.4)	23.0	(27.4)	20.2	(24.7)	14.3	25.4	(11.2)	20.0	Below expectation
Minority interests	0.68	1.49	(54.3)	0.46	47.6	1.1	2.38	(51.9)	-	
Net profit	285.2	386.5	(26.2)	404.8	(29.5)	690.0	693.1	(0.4)	2,273.8	Above expectation
Core net profit	251.1	384.4	(34.7)	387.2	(35.2)	638.3	655.5	(2.6)	2,273.8	Above our and market expectations by 36.7% and 31% due to higher-than-expected other income and share of profit from investments in JVs and associates as well as lower-than-expected effective tax rate
EPS (THB)	0.020	0.026	(22.8)	0.028	(28.9)	0.048	0.05	3.6	0.15	
Core EPS (THB)	0.018	0.026	(31.7)	0.027	(34.6)	0.045	0.044	1.3	0.15	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

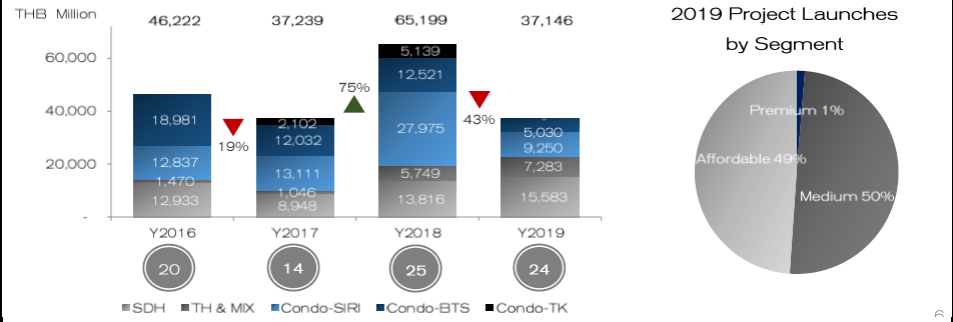
Figure 2: Operating statistics

	2QFY19	2QFY18	% yoy	1QFY19	% qoq	1H19	1H18	% yoy
Revenue breakdown (THBm)								
Revenue from low-rise housing	2,138	3,262	(34.5)	3,940	(45.7)	6,078	6,171	(1.5)
Revenue from condo	387	961	(59.7)	952	(59.3)	1,339	2,050	(34.7)
Revenue from residential sales	2,525	4,223	(40.2)	4,893	(48.4)	7,418	8,221	(9.8)
Revenue from business management	1,362	1,051	29.6	1,318	3.3	2,679	1,942	37.9
Key performance indicators								
Gross margin from residential sales (%)	32.6	33.0	(0.4)	26.7	5.9	28.7	31.2	(2.5)
Overall gross margin (%)	32.3	30.9	1.4	25.1	7.2	27.9	28.4	(0.5)
SG&A to revenue ratio (%)	28.0	23.6	4.5	17.1	10.9	21.3	23.1	(1.8)
Net margin (%)	7.2	7.2	(0.0)	6.4	0.8	6.7	6.7	0.0
D/E ratio (x)	2.01	1.37	0.6	1.64	0.4	2.01	1.37	0.6
Gross profit	1,281.9	1,652.6	(22.4)	1,582.9	(19.0)	2,864.8	2,930.8	(2.3)
Gross profit from residential sales	823.9	1,393.9	(40.9)	1,305.3	(36.9)	2,129.2	2,564.7	(17.0)
SG&A expenses	1,110.6	1,259.3	(11.8)	1,081.5	2.7	2,192.1	2,391.2	(8.3)

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 3: New launch plan for 2019

Y2019	SDH	TH & MIX	Condo		No. of Project	Project Value (MB)
			SIRI	SIRI-BTS		
1Q2019	2	1	-	-	3	2,699
2Q2019	2	1	2	-	5	10,437
3Q2019	1	1	-	-	2	1,602
4Q2019	3	5	4	2	14	22,408
No. of Project	8	8	6	2	24	
Project Value (MB)	15,583	7,283	9,250	5,030	37,146	
%	42%	20%	25%	14%	100%	



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 4: The Standard's hotel portfolio



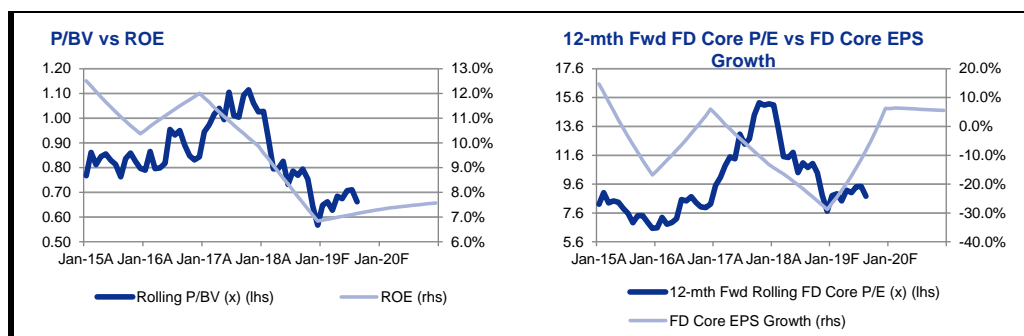
Figure 5: Changes in key assumptions

(THB m)	Old			New			% diff		
	2019F	2020F	2021F	2019F	2020F	2021F	2019F	2020F	2021F
Revenue from residential sales	22,000.4	23,259.7	23,344.0	21,600.4	23,009.7	23,844.0	-1.8%	-1.1%	2.1%
Revenue from business management	5,567.8	5,621.2	5,677.2	4,996.9	3,887.3	4,058.0	-10.3%	-30.8%	-28.5%
Total revenue	27,956.4	29,279.6	29,430.7	26,985.5	27,295.7	28,311.5	-3.5%	-6.8%	-3.8%
Gross profit	7,938.6	8,412.4	8,458.7	8,028.7	8,071.2	8,350.6	1.1%	-4.1%	-1.3%
SG&A expenses	5,618.7	5,865.4	5,899.2	5,633.2	5,810.6	5,876.4	0.3%	-0.9%	-0.4%
Interest expenses	765.1	881.9	932.3	765.3	880.8	950.6	0.0%	-0.1%	2.0%
Share of profit (loss) from affiliates and JVs	390.0	550.8	630.0	275.7	639.8	630.0	-29.3%	16.2%	0.0%
Net profit	2,273.8	2,529.2	2,597.6	2,320.2	2,396.4	2,508.2	2.0%	-5.3%	-3.4%
Core net profit	2,273.8	2,529.2	2,597.6	2,268.4	2,396.4	2,508.2	-0.2%	-5.3%	-3.4%
EPS (THB)	0.15	0.17	0.17	0.16	0.16	0.17	2.0%	-5.3%	-3.4%
Core EPS (THB)	0.15	0.17	0.17	0.15	0.16	0.17	-0.2%	-5.3%	-3.4%
No. of outstanding shares	14,862.7	14,862.7	14,862.7	14,862.7	14,862.7	14,862.7	0.0%	0.0%	0.0%
Gross margin from residential sales (%)	31.5%	31.8%	31.8%	30.9%	31.3%	31.3%	-0.7%	-0.5%	-0.5%
Gross margin from business management (%)	17.7%	17.9%	18.1%	26.9%	22.1%	21.6%	9.2%	4.2%	3.5%
Overall gross margin (%)	28.4%	28.7%	28.7%	29.8%	29.6%	29.5%	1.4%	0.8%	0.8%
SG&A to revenue ratio (%)	20.1%	20.0%	20.0%	20.9%	21.3%	20.8%	0.8%	1.3%	0.7%
Net margin (%)	8.1%	8.6%	8.8%	8.6%	8.8%	8.9%	0.5%	0.1%	0.0%
Core net margin (%)	8.1%	8.6%	8.8%	8.4%	8.8%	8.9%	0.3%	0.1%	0.0%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 6: SIRI's forward P/E band



BY THE NUMBERS

Profit & Loss

(THBm)	Dec-17A	Dec-18A	Dec-19F	Dec-20F	Dec-21F
Total Net Revenues	30,916	26,248	26,986	27,296	28,311
Gross Profit	9,583	7,668	8,029	8,071	8,351
Operating EBITDA	3,736	2,423	2,824	2,712	2,933
Depreciation And Amortisation	(256)	(310)	(429)	(451)	(459)
Operating EBIT	3,480	2,113	2,396	2,261	2,474
Financial Income/(Expense)	(411)	(570)	(765)	(881)	(951)
Pretax Income/(Loss) from Assoc.	26	305	276	640	630
Non-Operating Income/(Expense)	588	792	800	816	824
Profit Before Tax (pre-EI)	3,683	2,640	2,706	2,836	2,978
Exceptional Items					
Pre-tax Profit	3,683	2,640	2,706	2,836	2,978
Taxation	(835)	(546)	(437)	(439)	(470)
Exceptional Income - post-tax	(66)	(52)	52	0	0
Profit After Tax	2,782	2,042	2,320	2,396	2,508
Minority Interests	43	4	0	0	0
Prof. & Special Div	0	0	0	0	0
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	2,825	2,046	2,320	2,396	2,508
Recurring Net Profit	2,891	2,098	2,268	2,396	2,508
Fully Diluted Recurring Net Profit	2,891	2,098	2,268	2,396	2,508

Cash Flow

(THBm)	Dec-17A	Dec-18A	Dec-19F	Dec-20F	Dec-21F
EBITDA	3,736	2,423	2,824	2,712	2,933
Cash Flow from Inv. & Assoc.					
Change In Working Capital	(20,207)	(23,836)	271	(3,209)	(2,212)
Straight Line Adjustment					
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	19,243	16,152	35	(65)	(126)
Net Interest (Paid)/Received	(411)	(570)	(765)	(881)	(951)
Tax Paid	(835)	(546)	(437)	(439)	(470)
Cashflow From Operations	1,526	(6,377)	1,927	(1,882)	(825)
Capex	(4,021)	0	0	0	0
Disposals Of FAs/subsidiaries					
Disposals of Investment Properties					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow		(2,496)	(3,563)	340	342
Cash Flow From Investing	(4,021)	(2,496)	(3,563)	340	342
Debt Raised/(repaid)	1,932	11,359	2,236	953	1,011
Proceeds From Issue Of Shares	1,443	(392)	0	0	0
Shares Repurchased					
Dividends Paid	(1,857)	(1,634)	(1,807)	(1,827)	(1,864)
Preferred Dividends					
Other Financing Cashflow	424	570	765	881	951
Cash Flow From Financing	1,942	9,903	1,194	6	98

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd
Balance Sheet

(THBm)	Dec-17A	Dec-18A	Dec-19F	Dec-20F	Dec-21F
Total Cash And Equivalents	2,978	3,933	3,491	1,955	1,569
Properties Under Development					
Total Debtors	157	889	41	43	45
Inventories	43,384	56,305	57,427	60,814	63,019
Total Other Current Assets	7,703	9,615	8,575	8,647	8,880
Total Current Assets	54,222	70,742	69,534	71,459	73,513
Fixed Assets	2,223	2,264	2,336	2,231	2,105
Total Investments	0	0	0	0	0
Intangible Assets	0	0	0	0	0
Total Other Non-Current Assets	23,705	22,351	22,013	21,967	21,922
Total Non-current Assets	25,927	24,615	24,349	24,198	24,027
Short-term Debt	8,368	12,125	9,107	9,279	9,461
Current Portion of Long-Term Debt	13,172	6,510	0	0	0
Total Creditors	8,959	10,491	9,995	10,248	10,475
Other Current Liabilities					
Total Current Liabilities	30,500	29,125	19,102	19,526	19,936
Total Long-term Debt	17,186	33,272	41,308	42,089	42,918
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	1,986	2,107	2,107	2,107	2,107
Total Non-current Liabilities	19,172	35,379	43,415	44,196	45,025
Total Provisions	0	0	0	0	0
Total Liabilities	49,672	64,504	62,517	63,722	64,961
Shareholders' Equity	30,507	30,848	31,362	31,931	32,575
Minority Interests	(29)	4	4	4	4
Total Equity	30,478	30,852	31,366	31,935	32,579

Key Ratios

	Dec-17A	Dec-18A	Dec-19F	Dec-20F	Dec-21F
Revenue Growth	(8.6%)	(15.1%)	2.8%	1.1%	3.7%
Operating EBITDA Growth	(21.3%)	(35.1%)	16.6%	(4.0%)	8.2%
Operating EBITDA Margin	12.1%	9.2%	10.5%	9.9%	10.4%
Net Cash Per Share (THB)	(2.49)	(3.23)	(3.16)	(3.32)	(3.42)
BVPS (THB)	2.13	2.08	2.11	2.15	2.19
Gross Interest Cover	8.48	3.71	3.13	2.57	2.60
Effective Tax Rate	22.7%	20.7%	16.2%	15.5%	15.8%
Net Dividend Payout Ratio	64.2%	77.9%	79.7%	76.2%	74.3%
Accounts Receivables Days	1.93	7.27	6.29	0.56	0.57
Inventory Days	791	979	1,095	1,126	1,132
Accounts Payables Days	24.92	31.82	32.10	32.52	32.71
ROIC (%)	4.49%	2.48%	2.37%	2.25%	2.37%
ROCE (%)	5.23%	2.78%	2.91%	2.74%	2.94%
Return On Average Assets	4.15%	2.91%	3.04%	3.27%	3.38%

Key Drivers

	Dec-17A	Dec-18A	Dec-19F	Dec-20F	Dec-21F
Unbooked Presales (m) (THB)	33,000.0	33,000.0	33,000.0	33,000.0	33,000.0
Unbooked Presales (area: m sm)	N/A	N/A	N/A	N/A	N/A
Unbooked Presales (units)	N/A	N/A	N/A	N/A	N/A
Unsold attrib. landbank (area: m sm)	N/A	N/A	N/A	N/A	N/A
Gross Margins (%)	33.3%	32.1%	30.9%	31.3%	31.3%
Contracted Sales ASP (per Sm) (THB)	N/A	N/A	N/A	N/A	N/A
Residential EBIT Margin (%)	N/A	N/A	N/A	N/A	N/A
Investment rev / total rev (%)	N/A	N/A	N/A	N/A	N/A
Residential rev / total rev (%)	N/A	N/A	N/A	N/A	N/A
Inv. properties rental margin (%)	N/A	N/A	N/A	N/A	N/A
SG&A / Sales Ratio (%)	19.7%	21.2%	20.9%	21.3%	20.8%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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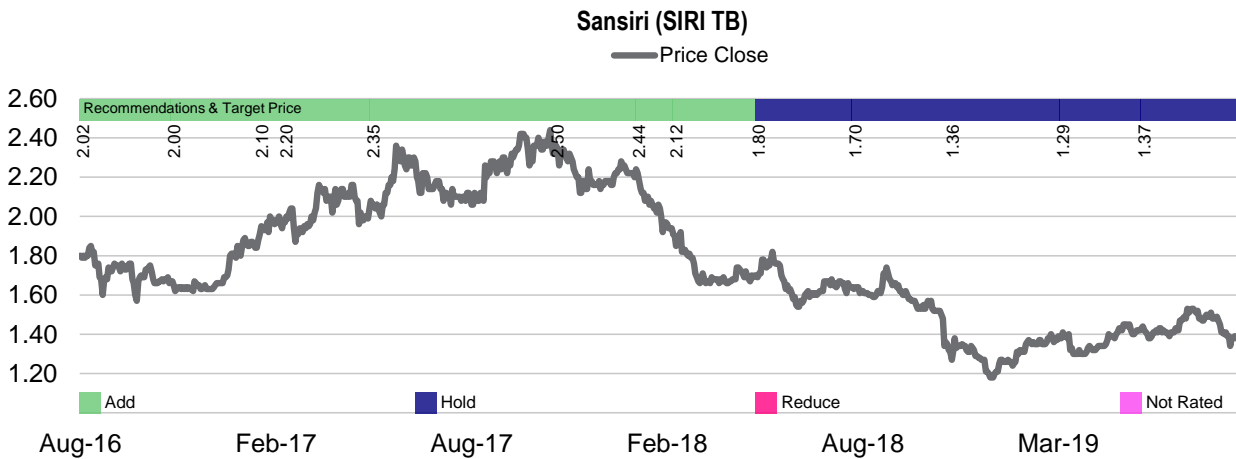
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Distribution of stock ratings and investment banking clients for quarter ended on 30 June 2019		
791 companies under coverage for quarter ended on 30 June 2019		
	Rating Distribution (%)	Investment Banking clients (%)
Add	57.9%	4.2%
Hold	26.5%	1.8%
Reduce	15.5%	0.4%

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 2018, Anti-Corruption 2018

ADVANC – Excellent, Certified, **AEONTS** – Good, n/a, **AH** – Very Good, n/a, **AMATA** – Excellent, Declared, **ANAN** – Excellent, Declared, **AOT** – Excellent, Declared, **AP** – Excellent, Certified, **ASP** – Very Good, Certified, **BANPU** – Excellent, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Certified, **BCP** - Excellent, Certified, **BCPG** – Excellent, Certified, **BEM** – Very Good, n/a, **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, Declared, **BJCHI** – Very Good, Certified, **BLA** – Very Good, Certified, **BPP** – Very Good, Declared, **BR** - Good, Declared, **BTS** - Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – Good, n/a, **CENTEL** – Very Good, Certified, **CHG** – Very Good, Declared, **CK** – Excellent, n/a, **COL** – Excellent, Declared, **CPALL** – Very Good, Certified, **CPF** – Excellent, Certified, **CPN** - Excellent, Certified, **DELTA** - Excellent, n/a, **DEMCO** – Excellent, Certified, **DDD** – Very Good, Declared, **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, **HREIT** - Excellent, Certified, **ICHI** – Excellent, Declared, **HUMAN** – not available, n/a, **III** – Good, n/a, **INTUCH** - Excellent, Certified, **IRPC** – Excellent, Certified, **ITD*** – Very Good, n/a, **IVL** - Excellent, Certified, **JASIF** – not available, n/a, **JWD** – Very Good, n/a, **KBANK** - Excellent, Certified, **KCE** - Excellent, Certified, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** - Excellent, Certified, **KTC** – Excellent, Certified, **LH** - Very Good, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MACO** – Very Good, n/a, **MAJOR** – Very Good, n/a, **MAKRO** – Excellent, Declared, **MALEE** – Very Good, Certified, **MC** – Very Good, Certified, **MCOT** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** - Excellent, Certified, **MTC** – Excellent, Declared, **NETBAY** – Good, n/a, **OSP** – not available, n/a, **PLANB** – Excellent, Declared, **PLAT** – Very Good, Certified, **PR9** – not available, n/a, **PSH** – Excellent, Certified, **PSTC** – Good, Certified, **PTT** - Excellent, Certified, **PTTEP** - Excellent, Certified, **PTTGC** - Excellent, Certified, **QH** – Excellent, Certified, **RATCH** – Excellent, Certified, **ROBINS** – Excellent, Certified, **RS** – Very Good, n/a, **RSP** – not available, n/a, **S** – Very Good, n/a, **SAMART** - Excellent, n/a, **SAPPE** – Very Good, Declared, **SAT** – Excellent, Certified, **SAWAD** – Very Good, n/a, **SC** – Excellent, Declared, **SCB** - Excellent, Certified, **SCC** – Excellent, Certified, **SCN** – Very Good, Certified, **SF** – Good, 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** – Very Good, Declared, **TASCO** – Excellent, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIPCO** – Very Good, Certified, **TISCO** - Excellent, Certified, **TKN** – Very Good, Declared, **TMB** - Excellent, Certified, **TNR** – Very Good, Declared, **TOP** - Excellent, Certified, **TPCH** – Good, n/a, **TPIPP** – Good, n/a, **TRUE** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Very Good, Declared, **UNIQ** – Good, n/a, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – not available, n/a, **WICE** – Very Good, Certified, **WORK** – Good, n/a.

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 31, 2018) are categorized into:

- Companies that have declared their intention to join CAC, and
- Companies certified by CAC

* The company, its director or management had been reportedly accused for breaching proper corporate governance such as violation of the SEC's regulations or charged with corruption.

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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