

## Sunway Bhd

SWB MK / SWAY.KL

➤ **Market Cap**  
**US\$1,655m**  
 RM5,555m

➤ **Avg Daily Turnover**  
**US\$1.22m**  
 RM4.01m

➤ **Free Float**  
**33.1%**  
 1,723 m shares

Current **RM3.23**  
 Target **RM3.90**   
 Prev. Target **RM3.85**  
 Up/Downside **20.7%**

## 3QFY14 RESULTS NOTE

### STOCK RATING

ADD

HOLD

REDUCE

### CIMB Analyst(s)



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### Share price info

Share price perf. (%)	1M	3M	12M
Relative	-0.1	4.5	16.4
Absolute	1.6	2.2	17.9
Major shareholders	% held		
Tan Sri Jeffrey Cheah & family	55.4		
JP Morgan Chase & Co.	5.8		
EPF	5.7		

## Steady margin growth

Sunway's annualised 9M14 core net profit was 3% above our full-year forecast and 6% above consensus. We consider the results to be broadly in line as tax rates should normalise to a higher level in 4Q. Operationally, segmental performance shows steady growth in construction margins while property development benefited from a higher-margin sales mix despite weaker billings. We continue to expect strong order book growth in the medium term, with Sunway potentially winning a sizeable building project. We maintain our EPS forecasts, but our target price (still based on a 20% RNAV discount) increases as we roll it over to end-2015. Positive news on contract wins and potential special dividends from the listing of SunCon support our Add call.

### Key divisions showing growth ➤

Though 9M14 core net profit was 3% above our full-year forecast and 6% above consensus, we consider the results to be broadly in line as tax rates should trend higher, due to the one-off reversal of deferred tax in 3Q. Operationally, Sunway reported considerably strong segmental numbers, driven by the 12-34% yoy increase in property development and construction pretax profit in 9M14. We expect its EBIT margin to continue rising to c.14% for the full year due to an improving sales mix with more higher-margin properties and stronger construction margins. Its 9M14 core net profit grew by a strong 22% yoy. The absence of dividends was expected.

### Potential rise in order book ➤

While YTD total job wins only stood at RM881m, we continue to be optimistic about Sunway's chances of securing a sizeable domestic building project by end-2015. The group is targeting a RM1bn-2bn contract which, if successful, would raise its outstanding order book of RM3.3bn by at least 30%. We keep our RM1.5bn new orders assumption for FY15-16, supported by the roll-out of MRT 2. The group was one of the winners of the above-ground work for MRT 1.

### Special dividends from listing of SunCon ➤

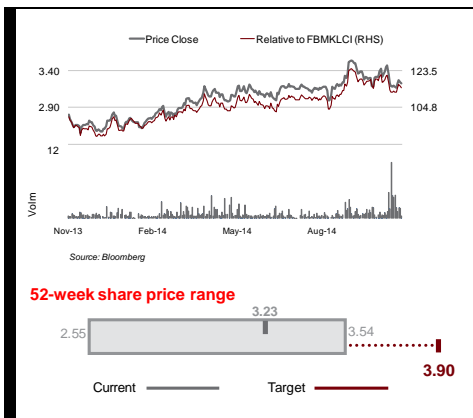
The prospect of a special dividend that potentially ranges between 20 and 30 sen/share, in our estimation, remains intact as the listing of Sunway Construction is still on the cards. We expect this to materialise in FY15 given the IPO timing of 1H15. Sunway also offers a potential dividend yield of 6-9%, excluding normal dividends.

The CIMB Stock Selection Tools (SST) are designed to complement and enhance the investment decision making process. The SST incorporate a range of analytical tools, providing ready access to key company and market data, valuation tools and charts. If you are interested in subscribing to the 'Stock Selection Tools', please contact your CIMB account manager.

### Results comparison

FYE Dec (RM m)	3QFY14	3QFY13	yoy %	qoq %	3QFY14	3QFY13	yoy %	Prev.	
			chg	chg	Cum	Cum	chg	FY14F	Comments
Revenue	1,134.0	1,066.1	6.4	(5.9)	3,364.4	3,205.2	5.0	4,474.8	Driven by property investment
Operating costs	(976.5)	(951.5)	2.6	(13.3)	(3,013.3)	(2,946.1)	2.3	(3,844.4)	Manageable cost levels
EBIT	157.5	114.6	37.4	102.7	351.1	259.1	35.5	630.4	Below expectations
<b>EBIT margin (%)</b>	<b>13.9</b>	<b>10.7</b>	<b>29.2</b>	<b>115.3</b>	<b>10.4</b>	<b>8.1</b>	<b>29.1</b>	<b>14.1</b>	Broadly in line
Interest expense	(16.4)	(18.6)	(11.7)	(27.1)	(56.9)	(61.7)	(7.8)	(113.2)	Borrowings stood at RM3.2bn
Interest & invt inc	11.2	12.3	(8.5)	(8.4)	33.7	31.2	8.1	28.8	Cash stood at RM1.4bn
Associates' contrib	38.5	49.4	(22.1)	(64.9)	188.5	205.9	(8.4)	120.1	Driven by Singapore property sales
Exceptionals	(5.6)	(39.6)	(85.9)	(109.9)	44.6	18.7	138.5	-	ESOS and fair value gains
<b>Pretax profit</b>	<b>185.2</b>	<b>118.2</b>	<b>56.7</b>	<b>(20.7)</b>	<b>561.0</b>	<b>453.2</b>	<b>23.8</b>	<b>660.0</b>	Driven by property and construction
Tax	(21.8)	(16.6)	31.5	(51.3)	(97.1)	(75.4)	28.8	(121.7)	Above but should trend higher
Tax rate (%)	11.8	14.0	(16.1)	(38.6)	17.3	16.6	4.1	18.4	Above but should trend higher
Minority interests	(19.7)	(8.5)	133.2	218.7	(33.7)	(23.8)	41.5	(46.2)	In line
<b>Net profit</b>	<b>143.7</b>	<b>93.1</b>	<b>54.3</b>	<b>(21.3)</b>	<b>430.2</b>	<b>354.0</b>	<b>21.5</b>	<b>498.1</b>	Annualised 9M14 core net profit was
Core net profit	149.3	124.4	20.0	18.5	385.6	325.4	18.5	498.1	3% above our full-year forecast and
EPS (sen)	7.9	5.7	39.6	(25.1)	24.0	24.8	(3.2)	29.0	8% above consensus
Core EPS (sen)	8.2	7.6	8.6	12.7	21.5	22.8	(5.6)	29.0	

SOURCE: CIMB, COMPANY REPORTS



### Financial Summary

	Dec-12A	Dec-13A	Dec-14F	Dec-15F	Dec-16F
Revenue (RMm)	3,877	4,106	4,479	4,514	4,558
Operating EBITDA (RMm)	295.6	580.7	651.0	612.3	626.9
Net Profit (RMm)	532.3	433.3	498.1	516.6	524.3
Core EPS (RM)	0.21	0.25	0.29	0.30	0.30
Core EPS Growth	(0.3%)	17.5%	15.0%	3.7%	1.5%
FD Core P/E (x)	15.84	13.38	11.56	11.15	10.80
DPS (RM)	0.060	0.100	0.100	0.100	0.100
Dividend Yield	1.86%	3.10%	3.10%	3.10%	3.10%
EV/EBITDA (x)	21.43	10.57	8.76	8.36	7.22
P/FCFE (x)	NA	15.21	38.85	22.73	20.96
Net Gearing	48.1%	38.4%	25.9%	13.5%	3.8%
P/BV (x)	1.62	1.40	1.22	1.06	0.94
ROE	11.8%	11.7%	11.7%	10.5%	9.4%
% Change In Core EPS Estimates			0%	0%	0%
CIMB/consensus EPS (x)			1.07	1.02	1.02

SOURCE: CIMB, COMPANY REPORTS

Figure 1: Segmental breakdown (excluding eliminations)

	9M14	9M13	yoy Comments
<b>Revenue</b>			
Property development	702.1	749.9	-6% Slower progress billings
Property investment	547.1	439.9	24% Higher revenue from leisure and hospitality
Construction	1,354.3	1,330.8	2% RM3.3bn outstanding order book; RM881m total wins YTD
Trading & Manufacturing	580.7	567.4	2% Driven by construction activities
Quarry	164.6	150.4	9% Benefitted from pick up in construction activities
Investment holdings	299.9	253.4	18% Lumpy contributions
Others	352.9	288.3	22% Relatively stable numbers
<b>Total</b>	<b>4,001.7</b>	<b>3,780.2</b>	<b>6%</b>
	<b>9M14</b>	<b>9M13</b>	<b>yoy</b>
<b>Pretax profit</b>			
Property development	243.8	216.8	12% Lower construction cost and construction of Sunway Damansara
Property investment	143.7	142.9	1% Higher revenue from leisure and hospitality
Construction	81.7	61.7	32% Driven by strong job wins throughout 2013
Trading & Manufacturing	28.6	33.8	-15% Weaker pricing in 9M14
Quarry	21.0	17.1	23% Orders picking up
Investment holdings	10.4	(39.1)	-127% Lumpy contributions
Others	31.8	20.0	60% Stable numbers
<b>Total</b>	<b>561.0</b>	<b>453.2</b>	<b>24%</b>
	<b>9M14</b>	<b>9M13</b>	<b>yoy</b>
			<b>%-pts</b>
<b>Pretax profit margin</b>			
Property development	35%	29%	6% Higher margin sales mix
Property investment	26%	32%	-6% Should be stable at these levels
Construction	6%	5%	1% Margins should rise slightly in 2014
Trading & Manufacturing	5%	6%	-1% Greater mix of lower-margin products
Quarry	13%	11%	1% Orders picking up
Investment holdings	3%	-15%	19% Lumpy contributions
Others	9%	7%	2% Stable numbers
<b>Total</b>	<b>14%</b>	<b>12%</b>	<b>2%</b>

SOURCES: CIMB, COMPANY REPORTS

**Figure 2: RNAV**

Type	Location	Size/units	Area (sq ft)	Price	Stake	Value
<b>Completed buildings</b>						
						<b>RM m</b>
Sunway Lagoon Theme Park	Petaling, Selangor	59.9 ac	728,326	200.0	100%	145.7
Sunway Hotel Georgetown	Penang	240.0 units	0	150,000.0	100%	36.0
Monash University Sunway Campus	Petaling, Selangor	12.0 ac	754,000	220.0	100%	165.9
Sunway University College	Petaling, Selangor	12.4 ac	615,983	220.0	100%	135.5
Sunway Giza	Sunway Damansara, Selangor	1.4 ac	98,000	500.0	60%	29.4
Lost World of Tambun	Tambun, Perak	39.8 ac	728,326	80.0	65%	37.9
Sunway Hotel Phnom Penh	Phnom Penh, Cambodia	138.0 units	125,313	300,000.0	53%	21.7
Sunway Hotel Hanoi	Hanoi, Vietnam	142.0 units	9,365	300,000.0	100%	42.6
<b>On going developments</b>						
Sunway City Penang	Seberang Perai, Penang	15.8 ac	210,394.8	100.0	100%	21.0
Sunway Grand	Penang	3.8 ac	768,767.9	100.0	100%	76.9
Sg. Ara - new land	Penang	68.3 ac	3,484,800.0	13.0	100%	45.3
Bukit Mertajam - new land	Penang	17.8 ac	7,729,724.0	12.0	100%	92.8
Sunway Damansara	Petaling, Selangor	18.2 ac	1,048,489.2	120.0	60%	75.5
Sunway City Ipoh	Ipoh, Perak	899.2 ac	32,666,515.2	3.0	65%	63.7
Sunway Velocity	Kuala Lumpur	19.5 ac	984,456.0	150.0	50%	73.8
Sunway Tower KL 1	Kuala Lumpur	1.0 ac	43,560.0	1,000.0	100%	43.6
Sunway Kayangan	Bukit Raja, Selangor	5.4 ac	367,646.4	40.0	100%	14.7
Sunway Integrated Resort	Petaling, Selangor	18.5 ac	845,064.0	100.0	100%	84.5
Sunway Semenyih	Ulu Langat, Selangor	398.1 ac	17,341,671.6	5.0	100%	86.7
Sunway Cheras	Selangor	6.9 ac	301,870.8	25.0	100%	7.5
Sunway South Quay	Bandar Sunway, Selangor	52.4 ac	2,517,768.0	350.0	60%	528.7
Casa Kiara III	Sri Hartamas, KL	2.8 ac	130,680.0	180.0	80%	18.8
Sunway Duta	Kuala Lumpur	3.2 ac	136,342.8	350.0	60%	28.6
Sunway Melawati	Setapak, KL	30.6 ac	1,427,896.8	35.0	100%	50.0
Sunway Alam Suria	Shah Alam, Selangor	14.1 ac	1,045,440.0	40.0	50%	20.9
Sunway OPUS Grand India	Hyderabad, India	23.8 ac	1,524,600.0	20.0	50%	15.2
Sunway MAK Signature Residence	Hyderabad, India	14.0 ac	609,840.0	20.0	60%	7.3
Sunway Guanghao	Jiayin, China	3.7 ac	740,520.0	80.0	39%	23.1
Tianjin Eco City	Tianjin, China	90.9 ac	3,789,720.0	92.0	65%	226.6
Wonderland Business Park	Sydney, Australia	65.5 ac	3,971,800.8	95.0	31%	117.0
Bukit Lenang - new land	Johor	64.0 ac	2,787,840.0	40.0	80%	89.2
Taman Equine	Selangor	33.0 ac	1,437,480.0	20.0	100%	28.7
Bangi	Selangor	3.0 ac	130,680.0	10.0	100%	1.3
Sg. Long	Balakong	111.0 ac	4,835,160.0	30.0	80%	116.0
Mont Putra	Selangor	163.0 ac	7,100,280.0	40.0	100%	284.0
Melawati 2	Selangor	2.0 ac	87,120.0	20.0	100%	1.7
Tampines	Singapore	5.0 ac	217,800.0	750.0	30%	49.0
Sembawang	Singapore	0.8 ac	34,848.0	975.0	100%	34.0
Yuan Ching Road	Singapore	5.0 ac	217,800.0	750.0	30%	49.0
Pasir Ris Rise	Singapore	4.3 ac	187,308.0	780.0	30%	43.8
Medini land	Iskandar	691.0 ac	30,099,960.0	45.0	38%	514.7
Pendas land	Iskandar	1,079.2 ac	47,009,952.0	40.0	60%	1128.2
New Land Novena	Singapore	1.7 ac	71,874.0	500.0	30%	10.8
Penang Land ( 4 plots )	Penang	989.9 ac	43,118,737.2	30.0	100%	1293.6
<b>Total value of properties</b>						<b>5,981.2</b>
		<b>Market cap</b>	<b>Stake</b>			
		<b>Rm m</b>				
Sunway REIT		4,396.0	37%			1,613.3
		<b>FY16 Net profit</b>	<b>Stake</b>	<b>P/E</b>		
		<b>RM m</b>				
Construction		104.7	100%	15.9		1,664.1
Quarry & Trading		74.8	100%	12.7		951.9
Property investments (3Q14)						2,029.3
Total borrowings (3Q14)						(3,152.4)
Total RNAV						9,087.4
<b>FD RNAV (RM)</b>						<b>9,807.4</b>
<b>RNAV/share (RM)</b>						<b>4.88</b>
Discount to RNAV						20%
<b>Target price (RM)</b>						<b>3.90</b>

SOURCES: CIMB, COMPANY REPORTS

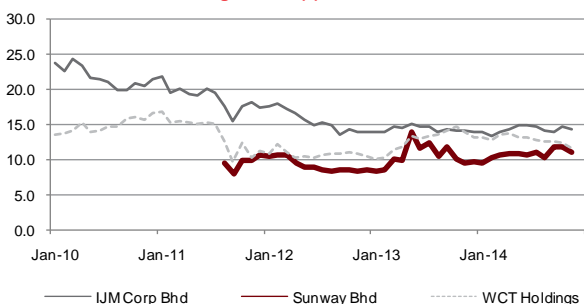
### Profit & Loss

(RMm)	Dec-13A	Dec-14F	Dec-15F	Dec-16F
<b>Total Net Revenues</b>	<b>4,106</b>	<b>4,479</b>	<b>4,514</b>	<b>4,558</b>
<b>Gross Profit</b>	<b>4,106</b>	<b>4,479</b>	<b>4,514</b>	<b>4,558</b>
<b>Operating EBITDA</b>	<b>581</b>	<b>651</b>	<b>612</b>	<b>627</b>
Depreciation And Amortisation	(20)	(21)	(21)	(21)
<b>Operating EBIT</b>	<b>561</b>	<b>630</b>	<b>591</b>	<b>606</b>
Financial Income/(Expense)	(97)	(85)	(66)	(47)
Pretax Income/(Loss) from Assoc.	117	120	123	128
Non-Operating Income/(Expense)	0	0	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>580</b>	<b>666</b>	<b>648</b>	<b>687</b>
Exceptional Items	0	0	0	0
<b>Pre-tax Profit</b>	<b>580</b>	<b>666</b>	<b>648</b>	<b>687</b>
Taxation	(101)	(122)	(87)	(120)
Exceptional Income - post-tax				
<b>Profit After Tax</b>	<b>480</b>	<b>544</b>	<b>561</b>	<b>567</b>
Minority Interests	(46)	(46)	(45)	(43)
Preferred Dividends	0	0	0	0
FX Gain/(Loss) - post tax				
Other Adjustments - post-tax				
<b>Net Profit</b>	<b>433</b>	<b>498</b>	<b>517</b>	<b>524</b>
Recurring Net Profit	433	498	517	524
<b>Fully Diluted Recurring Net Profit</b>	<b>433</b>	<b>498</b>	<b>517</b>	<b>524</b>

### Cash Flow

(RMm)	Dec-13A	Dec-14F	Dec-15F	Dec-16F
<b>EBITDA</b>	<b>580.7</b>	<b>651.0</b>	<b>612.3</b>	<b>626.9</b>
Cash Flow from Inv. & Assoc.				
Change in Working Capital	(77.8)	(93.6)	(43.7)	(47.0)
(Incr)/Decr in Total Provisions				
Other Non-Cash (Income)/Expense				
Other Operating Cashflow	0.0	0.0	0.0	0.0
Net Interest (Paid)/Received	(125.8)	(113.3)	(100.8)	(90.7)
Tax Paid	(100.9)	(121.7)	(86.9)	(120.2)
<b>Cashflow From Operations</b>	<b>276.3</b>	<b>322.4</b>	<b>380.9</b>	<b>369.0</b>
Capex	(20.0)	(20.0)	(20.0)	(20.0)
Disposals Of FAs/subsidiaries	355.2	160.9	124.9	130.3
Acq. Of Subsidiaries/investments	0.0	0.0	0.0	0.0
Other Investing Cashflow	0.0	0.0	0.0	0.0
<b>Cash Flow From Investing</b>	<b>335.2</b>	<b>140.9</b>	<b>104.9</b>	<b>110.3</b>
Debt Raised/(repaid)	(230.2)	(315.0)	(232.4)	(209.2)
Proceeds From Issue Of Shares	0.0	0.0	0.0	0.0
Shares Repurchased	0.0	0.0	0.0	0.0
Dividends Paid	(125.6)	(125.6)	(125.6)	(125.6)
Preferred Dividends				
Other Financing Cashflow	(237.6)	(4.1)	(108.9)	(125.2)
<b>Cash Flow From Financing</b>	<b>(593.4)</b>	<b>(444.8)</b>	<b>(467.0)</b>	<b>(460.1)</b>
Total Cash Generated	18.1	18.4	18.8	19.2
<b>Free Cashflow To Equity</b>	<b>381.3</b>	<b>148.2</b>	<b>253.4</b>	<b>270.1</b>
<b>Free Cashflow To Firm</b>	<b>737.3</b>	<b>576.5</b>	<b>586.6</b>	<b>570.0</b>

### 12-month Forward Rolling FD P/E (x)



### Balance Sheet

(RMm)	Dec-13A	Dec-14F	Dec-15F	Dec-16F
Total Cash And Equivalents	922	997	1,304	1,633
Total Debtors	2,353	2,567	2,587	2,612
Inventories	593	646	651	658
Total Other Current Assets	1,125	1,198	1,239	1,284
<b>Total Current Assets</b>	<b>4,993</b>	<b>5,408</b>	<b>5,782</b>	<b>6,186</b>
Fixed Assets	970	969	968	966
Total Investments	3,022	3,152	3,245	3,341
Intangible Assets	330	330	330	330
Total Other Non-Current Assets	657	688	721	755
<b>Total Non-current Assets</b>	<b>4,979</b>	<b>5,140</b>	<b>5,264</b>	<b>5,391</b>
Short-term Debt	368	332	298	269
Current Portion of Long-Term Debt				
Total Creditors	2,711	2,957	2,980	3,009
Other Current Liabilities	68	68	68	68
<b>Total Current Liabilities</b>	<b>3,147</b>	<b>3,357</b>	<b>3,347</b>	<b>3,346</b>
Total Long-term Debt	2,271	1,993	1,794	1,614
Hybrid Debt - Debt Component				
Total Other Non-Current Liabilities	0	0	0	0
<b>Total Non-current Liabilities</b>	<b>2,271</b>	<b>1,993</b>	<b>1,794</b>	<b>1,614</b>
Total Provisions	81	81	81	81
<b>Total Liabilities</b>	<b>5,499</b>	<b>5,430</b>	<b>5,221</b>	<b>5,041</b>
Shareholders' Equity	3,968	4,566	5,229	5,899
Minority Interests	504	550	595	638
<b>Total Equity</b>	<b>4,472</b>	<b>5,117</b>	<b>5,824</b>	<b>6,537</b>

### Key Ratios

	Dec-13A	Dec-14F	Dec-15F	Dec-16F
Revenue Growth	5.92%	9.08%	0.78%	0.97%
Operating EBITDA Growth	96.5%	12.1%	(6.0%)	2.4%
Operating EBITDA Margin	14.1%	14.5%	13.6%	13.8%
Net Cash Per Share (RM)	(1.00)	(0.77)	(0.46)	(0.15)
BVPS (RM)	2.30	2.65	3.04	3.42
Gross Interest Cover	4.46	5.56	5.86	6.67
Effective Tax Rate	17.4%	18.3%	13.4%	17.5%
Net Dividend Payout Ratio	29.0%	25.2%	24.3%	24.0%
Accounts Receivables Days	192.8	191.3	198.9	199.2
Inventory Days	N/A	N/A	N/A	N/A
Accounts Payables Days	N/A	N/A	N/A	N/A
ROIC (%)	17.8%	19.4%	17.5%	17.6%
ROCE (%)	8.40%	8.96%	8.06%	7.88%

### Key Drivers

(RMm)	Dec-13A	Dec-14F	Dec-15F	Dec-16F
Outstanding Orderbook	3,800	4,300	4,800	5,300
Order Book Depletion	N/A	N/A	N/A	N/A
Orderbook Replenishment	1,500	1,500	1,500	1,500
ASP (% chg, main prod./serv.)	N/A	N/A	N/A	N/A
Unit sales grth (% main prod./serv.)	N/A	N/A	N/A	N/A
Util. rate (% main prod./serv.)	N/A	N/A	N/A	N/A
ASP (% chg, 2ndary prod./serv.)	N/A	N/A	N/A	N/A
Unit sales grth (% 2ndary prod./serv.)	N/A	N/A	N/A	N/A
Util. rate (% 2ndary prod./serv.)	N/A	N/A	N/A	N/A

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

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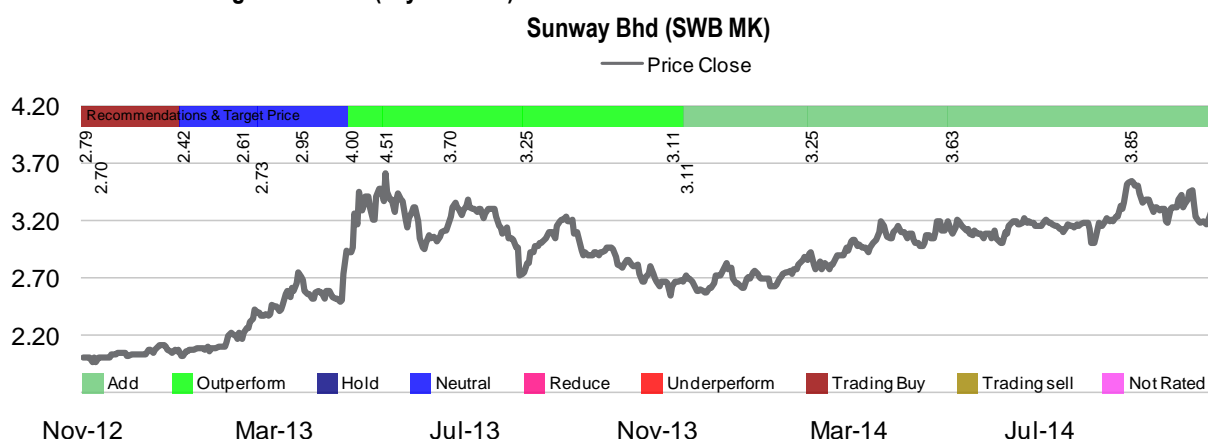
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Distribution of stock ratings and investment banking clients for quarter ended on 30 September 2014		
1552 companies under coverage for quarter ended on 30 September 2014		
	Rating Distribution (%)	Investment Banking clients (%)
Add	54.9%	5.0%
Hold	29.5%	2.3%
Reduce	15.6%	1.0%

**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 2014.**

**AAV** – Very Good, **ADVANC** – Very Good, **AEONTS** – not available, **AMATA** - Good, **ANAN** – Very Good, **AOT** – Very Good, **AP** - Good, **ASK** – Very Good, **ASP** – Very Good, **BANPU** – Very Good, **BAY** – Very Good, **BBL** – Very Good, **BCH** – not available, **BCP** - Excellent, **BEAUTY** – Good, **BEC** - Good, **BECL** – Very Good, **BGH** - not available, **BH** - Good, **BIGC** - Very Good, **BJC** – Good, **BLA** – Very Good, **BMCL** - Very Good, **BTS** - Excellent, **CCET** – Good, **CENTEL** – Very Good, **CHG** – not available, **CK** – Very Good, **CPALL** – not available, **CPF** – Very Good, **CPN** - Excellent, **DELTA** - Very Good, **DEMCO** – Good, **DTAC** – Very Good, **EA** - Good, **ECL** – not available, **EGCO** - Excellent, **GFPT** - Very Good, **GLOBAL** - Good, **GLOW** - Good, **GRAMMY** - Excellent, **HANA** - Excellent, **HEMRAJ** – Very Good, **HMPRO** - Very Good, **ICHI** - not available, **INTUCH** - Excellent, **ITD** – Good, **IVL** - Excellent, **JAS** – not available, **JUBILE** – not available, **KAMART** – not available, **KBANK** - Excellent, **KCE** - Very Good, **KGI** – Good, **KKP** – Excellent, **KTB** - Excellent, **KTC** – Good, **LH** - Very Good, **LPN** – Very Good, **M** - not available, **MAJOR** - Good, **MAKRO** – Good, **MBKET** – Good, **MC** – Very Good, **MCOT** – Very Good, **MEGA** – Good, **MINT** - Excellent, **OFM** – Very Good, **OISHI** – Good, **PS** – Very Good, **PSL** - Excellent, **PTT** - Excellent, **PTTEP** - Excellent, **PTTGC** - Excellent, **QH** – Very Good, **RATCH** – Very Good, **ROBINS** – Very Good, **RS** – Very Good, **SAMART** - Excellent, **SAPPE** - not available, **SAT** – Excellent, **SAWAD** – not available, **SC** – Excellent, **SCB** - Excellent, **SCBLIF** – Good, **SCC** – Very Good, **SCCC** - Good, **SIM** - Excellent, **SIRI** - Good, **SPALI** - Excellent, **STA** – Very Good, **STEC** - Good, **SVI** – Very Good, **TASCO** – Good, **TCAP** – Very Good, **THAI** – Very Good, **THANI** – Very Good, **THCOM** – Very Good, **THRE** – not available, **THREL** – Good, **TICON** – Good, **TISCO** - Excellent, **TK** – Very Good, **TMB** - Excellent, **TOP** - Excellent, **TRUE** – Very Good, **TTW** – Very Good, **TUF** - Good, **VGI** – Very Good, **WORK** – not available.

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Definition:

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- 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.
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