

Malaysia

HOLD (no change)

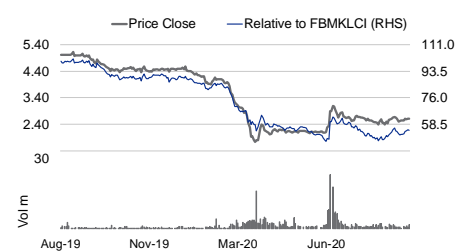
Consensus ratings*: Buy 6 Hold 8 Sell 2

Current price:	RM2.61
Target price:	RM2.75
Previous target:	RM2.75
Up/downside:	5.5%
CGS-CIMB / Consensus:	1.0%
Reuters:	UMWS.KL
Bloomberg:	UMWH MK
Market cap:	US\$730.8m
	RM3,049m
Average daily turnover:	US\$1.32m
	RM5.62m
Current shares o/s:	1,168m
Free float:	37.8%

*Source: Bloomberg

Key changes in this note

➤ No change.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	9.7	23.1	-48.2
Relative (%)	12	16	-45.9

Major shareholders	% held
Permodalan Nasional Bhd	42.1
EPF	12.0
KWAP	8.0

Analyst(s)



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UMW Holdings

Expecting a stronger recovery in 2H20

- Although 1H20 core net profit only made up 12%/9% of our/consensus estimates, we deem the results to be in line as we expect a stronger 2H20.
- We expect a pick-up in automotive sales in 2H20 due to the tax holiday and a lower interest rate environment to drive UMW's earnings recovery.
- Reiterate Hold and RM2.75 TP, still based on 14x CY21F P/E.

Slipped into losses in 2Q20

UMW Holdings (UMW) posted headline net loss of RM78.4m in 2Q20 against RM44.3m net profit in 1Q20 due to losses incurred in the automotive division and a higher share of loss from its 30%-owned associate, Toyota Capital Malaysia, due to present value impact of the loan moratorium and unfavourable mark-to-market value of interest rate swap. The group said provisions for loan moratorium have been made up to 30 Sep 2020. Hence, we do not expect a similar impact in 3Q20. Stripping out the exceptional items, the group posted a lower RM33.2m core net loss in 2Q20 against RM49m core net profit in 1Q20.

Improving automotive outlook in 2H20 amidst impact of MCO

Automotive division recorded a 96% yoy drop in pretax profit in 1H20, mainly due to lower sales of vehicle, parts and services following the implementation of the movement control order (MCO) in the second half of Mar and the whole of Apr. Perodua and UMW Toyota (UMWT) sales volume plunged 39% and 41% yoy, respectively. Nevertheless, we expect a stronger recovery in the automotive division in 2H20, driven by the sales tax exemption initiatives announced by the government under the Penjana package and a lower interest rate environment. We are encouraged by the recent pick-up in the group's sales volume as UMWT and Perodua recorded 70% and 9.2% mom sales growth in Jul 20, respectively. Moreover, the group expects Perodua to run at full capacity from Aug to Dec in view of robust demand, with an estimated production of 25k units/month.

Mixed performance from equipment and M&E

The M&E division registered 19% yoy pretax profit growth in 1H20 on the back of better cost control, despite lower demand for auto components and lubricants due to a slowdown in automotive sales. Meanwhile, the equipment division reported a 35% yoy drop in 1H20 pretax profit due to a slowdown in construction, mining and logging activities. However, the group is exploring strategies to diversify its industrial equipment service offerings by targeting logistics service providers and e-commerce players. In addition, the group is expected to start the delivery of fan cases for the Rolls-Royce Trent 7000 engine in Oct, which is part of its plan to ramp up production for aerospace division.

Reiterate Hold and target price

We retain our Hold rating and RM2.75 TP, still based on 14x CY21F, in line with our target sector P/E. We see higher-than-expected vehicle sales volume during the tax holiday period and appreciation in ringgit vs. US\$ as potential upside risks while delays in new launches and weakening ringgit vs. US\$ are key de-rating catalysts.

Financial Summary

	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Revenue (RMm)	11,304	11,739	8,623	9,827	10,602
Operating EBITDA (RMm)	649.8	631.4	548.9	634.4	620.0
Net Profit (RMm)	515.9	216.5	125.0	223.4	246.5
Core EPS (RM)	0.30	0.23	0.11	0.19	0.21
Core EPS Growth	10.2%	(21.2%)	(54.4%)	78.7%	10.3%
FD Core P/E (x)	8.65	10.98	24.09	13.48	12.21
DPS (RM)	0.020	0.060	0.020	0.060	0.080
Dividend Yield	0.77%	2.30%	0.77%	2.30%	3.07%
EV/EBITDA (x)	10.68	10.28	11.75	10.08	9.97
P/FCFE (x)	68.78	4.24	5.94	5.82	4.43
Net Gearing	26.6%	17.0%	13.9%	10.3%	4.7%
P/BV (x)	0.91	0.83	0.82	0.80	0.78
ROE	10.9%	7.8%	3.4%	5.9%	6.4%
% Change In Core EPS Estimates			0%	0%	0%
CGS-CIMB/Consensus EPS (x)			0.79	0.87	0.81

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 1: Results comparison

FYE Dec (RM m)	2Q20	2Q19	yoy % chg	1Q20	qoq % chg	2Q20 Cum	2Q19 Cum	yoy % chg	Prev. FY20F	Comments
Revenue	1,530	2,971	(48.5)	2,119	(27.8)	3,649	5,751	(36.6)	8,623	In line
Operating costs	(1,403)	(2,845)	(50.7)	(1,978)	(29.1)	(3,380)	(5,446)	(37.9)	(8,074)	
EBITDA	126	127	(0.1)	141	(10.5)	269	305	(12.0)	549	In line
EBITDA margin (%)	8.3	4.3		6.7		7.4	5.3		6.4	
Depn & amort.	(95)	(85)	12.0	(92)	3.4	(187)	(171)	9.2	(366)	In line
EBIT	31.3	41.6	(24.8)	49	(36.4)	81	134	(39.2)	183	
Interest expense	(30)	(44)	(31.7)	(30)	1.3	(60)	(77)	(22.0)	(131)	Total borrowings of RM2.2bn as at end Jun 2020
Interest & invt inc	12	18	(34.0)	19	(35.4)	30	36	(16.8)	74	Total cash of RM1bn as at end June 2020
Associates' contrib	(27)	71	> 100	29	> 100	2	132	(98.3)	196	Lower contribution from Perodua
Exceptionals	(45)	63	> 100	(4)	> 100	(50)	66	> 100	0	
Pretax profit	(59)	150	> 100	63	> 100	4	291	(98.5)	322	
Tax	5	(37)	> 100	(14)	> 100	(9)	(66)	(85.7)	(64)	
Tax rate (%)	8.1	24.3	(66.9)	22.6	(64.3)	n.m.	22.8		20.0	
Minority interests	(24)	(57)	(56.9)	(4)	> 100	(29)	(81)	(64.3)	(132)	Below expectation
Net profit	(78)	57	> 100	44	> 100	(34)	144	> 100	125	
Core net profit	(33.2)	(6)	> 100	49	> 100	15.6	77.9	(80.0)	125	In line
EPS (sen)	(6.7)	4.9	> 100	3.8	> 100	(2.9)	12.3	> 100	10.7	1H20 core net profit made up 12% of CIMB full-year forecast and 9% of Bloomberg consensus forecast
Core EPS (sen)	(2.8)	(0.5)	> 100	4.2	> 100	1.3	6.7	(80.0)	10.7	

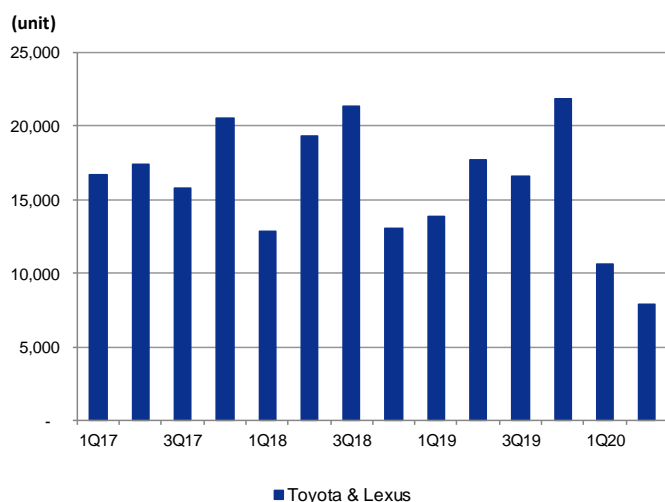
SOURCES: CIMB RESEARCH, COMPANY REPORTS

Figure 2: Revenue and pre-tax profit breakdown

Revenue	2Q20	2Q19	yoy % chg	1Q20	qoq % chg	2Q20 Cum	2Q19 Cum	yoy % chg	
Segmental - Continuing Operations									
Automotive	1,102	2,386	(53.8)	1,586	(30.5)	2,688	4,549	(40.9)	UMW-Toyota and Perodua sales volume fell 41% and 39% yoy
Equipment	233	344	(32.1)	289	(19.3)	522	726	(28.1)	
Manufacturing & Engineering	188	245	(23.0)	249	(24.2)	432	482	(10.3)	Lower auto components and lubricants demand
Others	6	(3)	(284.5)	(4)	239.8	7	(6)	(214.6)	
Total	1,530	2,971	(48.5)	2,119	(27.8)	3,649	5,751	(36.6)	
PBT									
Automotive	(42)	151	(127.6)	54	(177.7)	12	275	(95.6)	Impacted by store closure and lower demand during MCO
Equipment	25	35	(30.5)	26	(4.4)	50	78	(35.1)	
Manufacturing & Engineering	8	13	(39.3)	10	(23.4)	19	16	18.9	
Others	(50)	(49)	0.6	(27)	85.0	(77)	(78)	1.2	
Total	(59)	150	(139.1)	63	(193.3)	4	291	(98.5)	

SOURCES: CIMB RESEARCH, COMPANY REPORTS

Figure 3: Historical UMWT sales volume



SOURCES: CIMB RESEARCH, COMPANY REPORTS

Figure 4: Historical Perodua sales volume



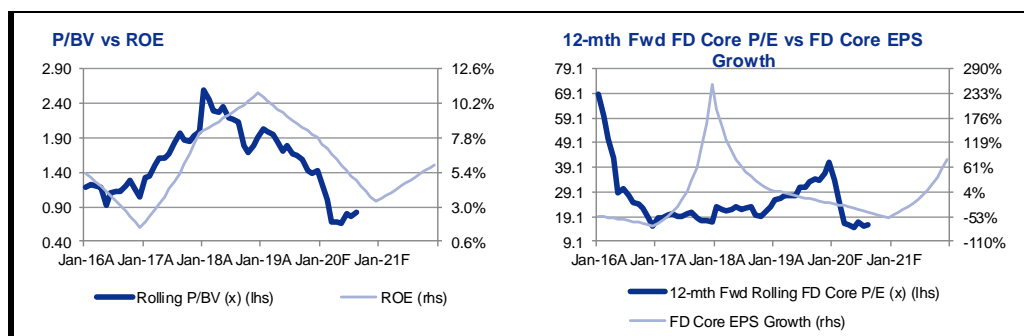
SOURCES: CIMB RESEARCH, COMPANY REPORTS

Figure 5: Sector comparison

Company	Bloomberg Ticker	Recom.	Price (local currency)	Target Price (local currency)	Market Cap (US\$ m)	Core P/E (x)		P/BV (x)		Recurring ROE (%)		EV/EBITDA (x)		Dividend Yield (%)	
						CY20F	CY21F	CY20F	CY21F	CY20F	CY21F	CY20F	CY21F	CY20F	CY21F
Bermaz Auto Berhad	BAUTO MK	Add	1.36	2.00	379	11.4	9.5	3.0	2.6	27.3	29.6	7.9	6.1	5.3	5.3
DRB-Hicom	DRB MK	Add	2.01	2.20	932	30.8	13.1	0.5	0.5	1.8	4.1	5.6	5.2	-	-
Tan Chong Motor Holdings	TCM MK	Reduce	1.03	1.00	161	na	33.3	0.2	0.2	(1.2)	0.7	11.2	7.3	-	1.0
UMW Holdings	UMWH MK	Hold	2.61	2.75	731	24.4	13.7	0.8	0.8	3.4	5.9	11.6	10.2	0.8	2.3
Sime Darby Bhd	SIME MK	Add	2.19	2.65	3,572	13.9	13.5	1.0	1.0	7.1	7.1	5.7	5.1	5.1	5.6
Malaysia average						16.9	13.3	0.8	0.8	5.4	6.0	6.5	5.8	3.9	4.1
Hyundai Motor Company	005380 KS	Add	163,500	150,000	29,435	15.2	12.0	0.6	0.6	4.3	5.2	12.8	12.4	2.4	2.4
Kia Motors	000270 KS	Add	42,200	42,000	14,413	14.8	9.0	0.6	0.6	4.0	6.2	3.5	2.9	2.7	2.7
Korea average						15.1	11.0	0.6	0.6	4.2	5.5	10.0	9.1	2.5	2.5
Tata Motors	TTMT IN	Add	137.9	135.0	6,098	na	19.8	0.8	0.8	(6.5)	4.0	5.5	4.0	-	-
Bajaj Auto	BJAUT IN	Add	3,082	3,379	12,004	19.0	18.2	4.1	3.6	22.4	21.0	14.7	13.5	2.6	2.2
Ashok Leyland	AL IN	Hold	71.05	59.20	2,807	330.5	47.4	2.8	2.7	0.8	5.8	25.0	13.7	0.3	1.0
Eicher Motors Ltd	EIM IN	Reduce	2,249	1,456	8,265	40.3	36.1	6.4	5.7	15.9	16.7	27.9	24.7	5.1	5.9
Mahindra & Mahindra	MM IN	Add	613.2	678.0	10,260	20.3	17.6	1.9	1.7	9.6	10.2	8.2	6.9	1.3	1.4
Maruti Suzuki	MSIL IN	Add	7,009	6,921	28,495	38.7	30.0	4.2	3.8	11.2	13.3	25.3	19.7	1.0	1.3
India average						45.4	24.4	2.7	2.5	6.0	10.5	11.3	8.8	1.7	1.9
Astra International	ASII IJ	Add	5,300	8,500	14,618	8.9	7.9	1.4	1.3	16.0	16.6	6.6	5.5	5.7	6.2
Indonesia average						8.9	7.9	1.4	1.3	16.0	16.6	6.6	5.5	5.7	6.2

SOURCES: CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS



Profit & Loss

(RMm)	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Total Net Revenues	11,304	11,739	8,623	9,827	10,602
Gross Profit	1,922	1,761	1,380	1,572	1,696
Operating EBITDA	650	631	549	634	620
Depreciation And Amortisation	(282)	(346)	(366)	(365)	(377)
Operating EBIT	368	285	183	270	243
Financial Income/(Expense)	(5)	(53)	(57)	(62)	(52)
Pretax Income/(Loss) from Assoc.	271	292	196	256	286
Non-Operating Income/(Expense)	0	0	0	0	0
Profit Before Tax (pre-EI)	634	524	322	463	477
Exceptional Items	167				
Pre-tax Profit	801	524	322	463	477
Taxation	(124)	(109)	(64)	(93)	(95)
Exceptional Income - post-tax					
Profit After Tax	677	415	257	370	381
Minority Interests	(161)	(199)	(132)	(147)	(135)
Preferred Dividends	0	0	0	0	0
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	516	216	125	223	246
Recurring Net Profit	348	274	125	223	246
Fully Diluted Recurring Net Profit	348	274	125	223	246

Cash Flow

(RMm)	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
EBITDA	649.8	631.4	548.9	634.4	620.0
Cash Flow from Inv. & Assoc.					
Change In Working Capital	(204.1)	(60.3)	39.7	7.3	156.3
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	563.8	593.4	366.1	364.5	377.0
Net Interest (Paid)/Received	(5.0)	(52.8)	(56.9)	(62.3)	(51.7)
Tax Paid	(139.0)	(129.6)	(64.3)	(92.6)	(95.4)
Cashflow From Operations	865.6	982.1	833.5	851.3	1,006.2
Capex	(915.0)	(345.5)	(400.0)	(400.0)	(400.0)
Disposals Of FAs/subsidiaries	0.0	0.0	0.0	0.0	0.0
Acq. Of Subsidiaries/investments	0.0				
Other Investing Cashflow	93.2	73.1	73.6	65.7	73.8
Cash Flow From Investing	(821.8)	(272.4)	(326.4)	(334.3)	(326.2)
Debt Raised/(repaid)	0.0	0.0	0.0	0.0	0.0
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	(23.4)	(70.1)	(23.4)	(70.1)	(93.5)
Preferred Dividends					
Other Financing Cashflow	(35.4)	(69.7)	(70.0)	(70.0)	(70.0)
Cash Flow From Financing	(58.8)	(139.8)	(93.4)	(140.1)	(163.5)
Total Cash Generated	(15.0)	569.9	413.7	376.9	516.5
Free Cashflow To Equity	43.8	709.7	507.1	517.0	680.0
Free Cashflow To Firm	142.0	835.5	637.6	645.0	805.5

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

(RMm)	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Total Cash And Equivalents	1,312	1,472	1,642	1,844	2,195
Total Debtors	1,083	1,451	1,324	1,362	1,310
Inventories	1,549	1,590	1,426	1,478	1,436
Total Other Current Assets	1,423	1,131	1,131	1,131	1,131
Total Current Assets	5,367	5,643	5,523	5,815	6,072
Fixed Assets	2,821	2,757	2,791	2,826	2,849
Total Investments	221	206	206	206	206
Intangible Assets	0	0	0	0	0
Total Other Non-Current Assets	2,349	2,542	2,542	2,542	2,542
Total Non-current Assets	5,391	5,505	5,539	5,574	5,597
Short-term Debt	535	386	386	386	386
Current Portion of Long-Term Debt					
Total Creditors	1,854	2,093	1,844	1,940	2,002
Other Current Liabilities	106	138	138	138	138
Total Current Liabilities	2,495	2,618	2,368	2,465	2,527
Total Long-term Debt	2,298	2,123	2,123	2,123	2,123
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	250	312	312	312	312
Total Non-current Liabilities	2,548	2,436	2,436	2,436	2,436
Total Provisions	0	0	0	0	0
Total Liabilities	5,044	5,053	4,804	4,900	4,962
Shareholders' Equity	3,345	3,693	3,724	3,808	3,891
Minority Interests	2,370	2,402	2,534	2,681	2,816
Total Equity	5,714	6,094	6,258	6,489	6,707

Key Ratios

	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Revenue Growth	2.1%	3.9%	(26.5%)	14.0%	7.9%
Operating EBITDA Growth	(14.9%)	(2.8%)	(13.1%)	15.6%	(2.3%)
Operating EBITDA Margin	5.75%	5.38%	6.37%	6.46%	5.85%
Net Cash Per Share (RM)	(1.30)	(0.89)	(0.74)	(0.57)	(0.27)
BVPS (RM)	2.86	3.16	3.19	3.26	3.33
Gross Interest Cover	3.74	2.27	1.40	2.11	1.94
Effective Tax Rate	15.5%	20.7%	20.0%	20.0%	20.0%
Net Dividend Payout Ratio	4.9%	21.6%	12.3%	22.2%	27.3%
Accounts Receivables Days	34.11	39.39	58.88	49.88	45.99
Inventory Days	57.56	57.39	76.19	64.21	59.71
Accounts Payables Days	29.53	32.45	41.25	32.71	33.57
ROIC (%)	4.63%	2.94%	1.89%	2.80%	2.51%
ROCE (%)	5.95%	4.18%	2.95%	3.78%	3.48%
Return On Average Assets	6.11%	5.15%	3.28%	4.54%	4.47%

Key Drivers

	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
ASP (% chg, main prod./serv.)	1.5%	1.5%	1.5%	1.5%	1.5%
Unit sales grth (% , main prod./serv.)	-5.5%	5.2%	-21.4%	21.8%	4.0%
Util. rate (% , main prod./serv.)	N/A	N/A	N/A	N/A	N/A
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
ASP (% chg, tertiary prod/serv)	N/A	N/A	N/A	N/A	N/A
Unit sales grth (% ,tertiary prod/serv)	N/A	N/A	N/A	N/A	N/A
Util. rate (% , tertiary prod/serv)	N/A	N/A	N/A	N/A	N/A

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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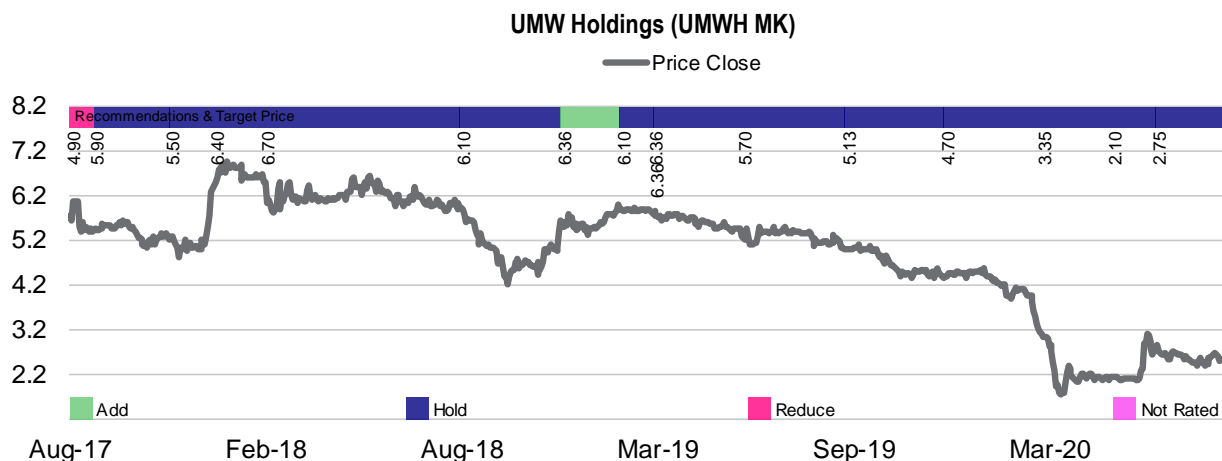
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Spitzer Chart for stock being researched (2 year data)



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, **BGP** – Excellent, Certified, **BPG** – 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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