

## Singapore

**ADD** (no change)

Consensus ratings\*: Buy 6 Hold 2 Sell 0

Current price:	S\$2.00
Target price:	S\$2.40 ▲
Previous target:	S\$2.37
Up/downside:	19.9%
CGS-CIMB / Consensus:	9.9%

Reuters:	FRPL.SI
Bloomberg:	FPL SP
Market cap:	US\$4,380m
	S\$5,826m
Average daily turnover:	US\$0.83m
	S\$1.11m
Current shares o/s:	2,912m
Free float:	12.0%

\*Source: Bloomberg

**Key changes in this note**

- FY18F EPS increased by 1.5%.
- FY19F EPS decreased by 0.02%.
- FY20F EPS decreased by 2.8%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-7.4	-3.4	24.6
Relative (%)	-4.6	-3.2	13.2

**Major shareholders**

	% held
TCC	59.5
Thai Bev	28.5

**Analyst(s)**

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# Frasers Property Limited

## Building a stable base

- 1QFY9/18 core net profit was below expectations, making up 12% of our FY18F projections.
- We expect Singapore residential earnings to improve in 2Q.
- Australia contributions are likely to be more back-loaded, in our view.
- International division to grow recurrent income via acquisitions in Germany and UK.
- Maintain Add with a higher RNAV-based TP of S\$2.40.

### 1QFY9/18 results highlights

FPL reported a 24% yoy decline in 1QFY9/18 revenue to S\$740m and a 59% yoy fall in reported net profit to S\$77m, due to the absence of sizeable lumpy residential contributions. Excluding fair value change and exceptional items, core net profit would have been S\$69.2m, making up 12% of our FY18F forecast.

### Singapore residential profit to pick up in 2Q

Singapore PBIT fell 12% yoy to S\$93m, dragged down by lower residential profits and fee income, partly offset by higher rents from The Centrepoint post AEI. We anticipate Singapore earnings to improve from 2QFY9/18 onwards, with the scheduled completion of Parc Life EC, Northpark Residences and maiden profits from Seaside Residences (65% sold). Rental income should be lifted by the recently-opened Northpoint North Wing and upcoming Frasers Tower (70% pre-leased) completing in 1H2018. Recent win of Jiak Kim St land parcel could add 550 units to their development inventory.

### Strong locked-in presales in Australia

Australia PBIT jumped 65% yoy to S\$65m in 1Q, led by higher residential profits from the settlement of 720 residential units and higher REIT income following the injection of 8 properties into FLT. FPL has locked-in unrecognised residential revenue of S\$2.1bn as at end-1QFY18 and plans to release 2,500 units for sale on FY18. In the commercial and industrial side, it targets to deliver 9 facilities over the next 18 months. Its office portfolio remained well occupied at 96.7%.

### International division to be boosted by growing recurring income

The International division saw PBIT falling 70% yoy to S\$41.7m due to the high base in the prior year. This was partly offset by higher contributions from Europe, Thailand and Vietnam. Looking ahead, the planned acquisition of 6 cross-dock facilities in Germany and joint acquisition of the Farnborough Business Park with FCOT, should add to recurrent income when completed.

### Plans to further increase stake in TICON

FPL and TCC Assets have announced that they have entered into a conditional sale and purchase agreement with Rojana Industrial Park to purchase 26.1% of TICON Industrial Connection for THB8.57bn (S\$358m) or THB17.90/share. FPL currently owns 40.95% of TICON. As an industrial property developer, TICON can collaborate with FPL to understudy development best practices in Singapore and Australia as well as leverage on FPL's core competencies to enhance asset management and improve asset value through AEIs. FPL's net debt to equity ratio stood at 84.3% as at end-1Q.

### Maintain Add

We tweak our FY18-20F earnings projections post results and update our RNAV for the latest share/target price of its REITs. Accordingly, our revised RNAV and TP are \$3.43 and S\$2.40 respectively. We continue to like FPL's strong recurring income base which makes up 78% of operating PBIT. Upside catalysts include the restocking of Singapore residential inventory, while downside risk includes forex volatility given 66% of its PBIT is derived outside of Singapore.

**Financial Summary**

	Sep-16A	Sep-17A	Sep-18F	Sep-19F	Sep-20F
Total Net Revenues (S\$m)	3,433	4,036	3,851	3,883	2,976
Operating EBITDA (S\$m)	767	904	999	1,165	866
Net Profit (S\$m)	479.9	563.5	411.5	480.5	317.8
Core EPS (S\$)	0.12	0.12	0.14	0.17	0.11
Core EPS Growth	(27.3%)	(4.9%)	23.1%	16.8%	(33.9%)
FD Core P/E (x)	16.51	17.36	14.10	12.07	18.25
DPS (S\$)	0.086	0.086	0.086	0.086	0.086
Dividend Yield	4.30%	4.30%	4.30%	4.30%	4.30%
EV/EBITDA (x)	23.22	21.55	21.87	18.33	24.34
P/FCFE (x)	NA	NA	NA	4.79	5.33
Net Gearing	64.4%	70.6%	64.7%	52.8%	43.9%
P/BV (x)	0.72	0.66	0.62	0.60	0.59
ROE	5.33%	4.84%	5.66%	6.39%	4.11%
% Change In Core EPS Estimates			1.49%	(0.02%)	(2.82%)
CIMB/consensus EPS (x)			0.72	0.85	0.81

SOURCE: COMPANY DATA, CGS-CIMB FORECASTS

**Figure 1: Results comparison**

FYE Sep (\$\$ m)	1QFY18	1QFY17	yoy % chg	4QFY17	qoq % chg	Prev. FY18F	Comments
Revenue	740.0	971.7	-23.8%	950.6	-22.2%	3,770.6	Slightly below. 1Q: 20% of our FY18 forecast
Operating costs	(554.2)	(650.3)	-14.8%	(817.9)	-32.2%	(2,844.7)	
EBITDA	185.8	321.4	-42.2%	132.7	40.0%	925.9	
EBITDA margin (%)	25.1%	33.1%		14.0%		24.6%	
Depn & amort.	12.7	(14.1)	190.3%	(13.5)	-194.4%	75.6	
EBIT	198.5	307.3	-35.4%	119.2	66.5%	1,001.5	
Interest expense	(76.7)	(35.0)	119.3%	(39.8)	92.6%	(226.5)	
Interest & invt inc	7.8	11.1	-29.8%	1.6	388.1%	32.3	
Associates' contrib	30.1	23.7	26.7%	102.8	-70.7%	205.1	
Exceptionals	12.3	5.1	139.4%	275.0	-95.5%	-	
Pretax profit	171.9	312.3	-44.9%	458.8	-62.5%	1,012.5	Below. 1Q: 17% of our FY18 forecast
Tax	(35.1)	(59.0)	-40.4%	(56.0)	-37.3%	(175.0)	
Tax rate (%)	20.4%	18.9%		12.2%		17.3%	
Minority interests	(59.9)	(65.8)	-9.0%	(154.8)	-61.3%	(278.4)	
Net profit	76.9	187.5	-59.0%	248.0	-69.0%	559.1	Below. 1Q: 14% of our FY18 forecast
Core net profit	69.2	182.0	-62.0%	52.6	31.4%	559.1	Below. 1Q: 12% of our FY18 forecast
EPS (cts)	2.6	6.4	-59.8%	214.6	-98.8%	16.2	Below. 1Q: 16% of our FY18 forecast
Core EPS (cts)	2.3	6.2	-62.8%	0.7	230.1%	16.2	Below. 1Q: 14% of our FY18 forecast

SOURCE: CGS-CIMB RESEARCH, COMPANY

**Figure 2: FPL's RNAV breakdown**

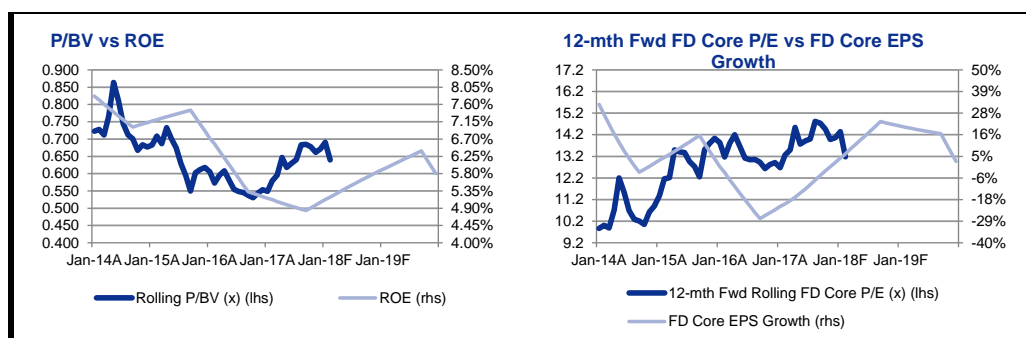
	Stake (%)	NLA (sf)/room	Est rent (\$\$/sf/mth)	Cap rate (%)	Value (\$\$/psf)	OMV (\$\$m)
<b>Singapore</b>						
<b>Retail</b>						
Robertson Walk	100%	97,045	9.9	5.2%	1599	155.2
The Centrepoint	100%	307,713	10.9	4.8%	1908	587.0
Valley Point retail	100%	43,216	9.9	5.2%	1599	69.1
Waterway Point	33.3%	371,181	15.0	5.0%	2700	333.7
Surplus from Northpoint City development	100.00%					290.6
<b>Total</b>						<b>1435.7</b>
<b>Office</b>						
Alexandra Point	100%	199,592	6.19	4.5%	1237	247.0
Valley Point office	100%	183,141	8.66	4.8%	1624	297.4
51 Cuppage Rd	100%	273,591	8.66	4.8%	1624	444.3
Surplus from Fraser Tower	100%	687,499				628.8
<b>Total</b>						<b>1617.5</b>
NPV of residential profits						104.6
<b>Listed entities</b>						
FCT	41.2%	925.7	2.41	1		919.1
FCOT	27.6%	879.3	1.55	1		376.2
<b>Total Singapore</b>						<b>4453.1</b>
<b>Hospitality</b>						
<b>Owned hotels</b>						
			Revpar (\$\$)		Value (\$\$/rm)	
Australia	100%	587	253	6.5%	469744	275.7
Singapore	100%	477	303	4.8%	921625	439.6
Indonesia	100%	108	157	7.0%	392949	42.4
China	100%	357	183	5.0%	641239	228.9
UK (incl MHDV)	100%	1508	255	5.8%	400687	604.2
Philippines	100%	89	273	6.5%	644168	57.3
Spain	100%	97	193	6.0%	411273	39.9
Germany	100%	153	186	5.0%	475071	72.7
<b>Total</b>						<b>1760.9</b>
<b>Listed entities</b>						
FHT	22.0%	1861.2	0.77	1		315.3
<b>Total hospitality</b>						<b>2076.1</b>
<b>Australia</b>						
Australia office	100%	1479815	3.50	5.8%	570	843.5
Australia industrial	100%	5121260	0.61	6.6%	87	443.0
<b>Total</b>						<b>1286.5</b>
NPV of residential profit						1002.6
<b>Listed entities</b>						
FLT	22.5%	1520.6	1.24	1.036		439.5
<b>Total Australia</b>						<b>2728.7</b>
<b>International</b>						
China						444.3
UK						154.4
Europe						1679.9
<b>Listed entities</b>						
Golden Land	39.9%	2323.7	8.65	0.04		320.8
TICON	41.0%	1834.1	17.5	0.04		525.7
<b>Total international</b>						<b>3125.2</b>
<b>Multiple</b>						
Asset management platform				15		724.4
Add net asset/liabilities (ex-reits)						6480.7
Add adj net debt (ex-reits)						-9634.6
<b>RNAV</b>						<b>9953.7</b>
RNAV/share						<b>3.43</b>
Target discount						30%
Target price						<b>2.40</b>

SOURCE: CGS-CIMB RESEARCH, COMPANY

**Figure 3: Singapore developers peer comparison table**

Company	Bloomberg Ticker	Recom.	Price (lc)	Tgt Px (lc)	Mkt Cap (US\$ m)	Core P/E (x)			RNAV FY18F	Prem./(Disc.) to RNAV (%)	P/BV (x)		Div. Yield (%)	
						FY17F	FY18F	FY19F			FY17F	FY18F	FY17F	FY18F
Aspen (Group) Holdings Ltd	ASPEN SP	Add	0.23	0.29	147	6.1	4.6	8.5	0.53	-58%	2.81	2.00	3.0%	4.3%
CapitalLand	CAPL SP	Add	3.58	4.25	11,431	16.5	17.6	15.0	5.31	-33%	0.84	0.82	2.7%	2.6%
City Developments	CIT SP	Add	12.72	13.15	8,696	20.6	17.9	15.9	16.44	-23%	1.25	1.19	1.3%	1.5%
Frasers Property Limited	FPL SP	Add	2.00	2.40	4,380	17.4	14.1	12.1	3.43	-42%	0.66	0.62	4.3%	4.3%
Guocoland	GUOL SP	Add	2.09	2.88	1,859	18.3	6.7	11.4	3.85	-46%	0.66	0.61	3.3%	3.3%
Hatten Land Ltd	HATT SP	Add	0.18	0.38	181	7.1	6.9	5.7	0.69	-75%	3.12	2.16	0.0%	1.5%
Ho Bee Land	HOBEE SP	Add	2.48	3.39	1,241	12.6	11.1	10.9	5.21	-52%	0.55	0.52	2.8%	3.2%
Hongkong Land Holdings Ltd	HKL SP	Add	7.10	9.10	16,705	16.3	15.6	15.8	14.00	-49%	0.53	0.55	2.8%	3.0%
Perennial Real Estate Holdings	PREH SP	Add	0.84	1.12	1,044	na	145.8	177.5	1.87	-55%	0.50	0.50	1.2%	1.2%
UOL Group	UOL SP	Add	8.59	9.62	5,438	17.8	18.0	17.3	12.02	-29%	0.78	0.76	1.7%	1.7%
Wing Tai Holdings	WINGT SP	Add	2.23	2.32	1,298	36.7	87.6	41.1	3.57	-37%	0.52	0.52	1.3%	2.7%
<b>Singapore average</b>						<b>17.8</b>	<b>16.0</b>	<b>15.4</b>		<b>-40%</b>	<b>0.70</b>	<b>0.69</b>	<b>2.5%</b>	<b>2.6%</b>

SOURCE: CGS-CIMB RESEARCH, COMPANY

**BY THE NUMBERS**

**Profit & Loss**

(\$m)	Sep-16A	Sep-17A	Sep-18F	Sep-19F	Sep-20F
<b>Total Net Revenues</b>	<b>3,433</b>	<b>4,036</b>	<b>3,851</b>	<b>3,883</b>	<b>2,976</b>
<b>Gross Profit</b>	<b>1,026</b>	<b>1,193</b>	<b>1,269</b>	<b>1,437</b>	<b>1,075</b>
<b>Operating EBITDA</b>	<b>767</b>	<b>904</b>	<b>999</b>	<b>1,165</b>	<b>866</b>
Depreciation And Amortisation	(53)	(57)	(59)	(59)	(59)
<b>Operating EBIT</b>	<b>714</b>	<b>847</b>	<b>940</b>	<b>1,106</b>	<b>807</b>
Financial Income/(Expense)	(142)	(121)	(191)	(198)	(183)
Pretax Income/(Loss) from Assoc.	171	185	205	178	166
Non-Operating Income/(Expense)	0	0	0	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>743</b>	<b>911</b>	<b>955</b>	<b>1,085</b>	<b>791</b>
Exceptional Items	164	280	0	0	0
<b>Pre-tax Profit</b>	<b>907</b>	<b>1,191</b>	<b>955</b>	<b>1,085</b>	<b>791</b>
<b>Taxation</b>	<b>(194)</b>	<b>(216)</b>	<b>(175)</b>	<b>(198)</b>	<b>(147)</b>
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>713</b>	<b>975</b>	<b>779</b>	<b>888</b>	<b>644</b>
Minority Interests	(169)	(343)	(279)	(315)	(234)
Pref. & Special Div	(64)	(69)	(89)	(93)	(93)
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>480</b>	<b>563</b>	<b>411</b>	<b>480</b>	<b>318</b>
Recurring Net Profit	351	334	411	480	318
<b>Fully Diluted Recurring Net Profit</b>	<b>351</b>	<b>334</b>	<b>411</b>	<b>480</b>	<b>318</b>

**Cash Flow**

(\$m)	Sep-16A	Sep-17A	Sep-18F	Sep-19F	Sep-20F
EBITDA	767	904	999	1,165	866
Cash Flow from Invst. & Assoc.	(171)	(185)	(205)	(178)	(166)
Change In Working Capital	344	139	312	566	625
Straight Line Adjustment					
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	(107)	(238)	59	59	59
Other Operating Cashflow	63	28	0	0	0
Net Interest (Paid)/Received	(142)	(121)	(191)	(198)	(183)
Tax Paid	(134)	(168)	(279)	(315)	(234)
<b>Cashflow From Operations</b>	<b>619</b>	<b>358</b>	<b>696</b>	<b>1,099</b>	<b>968</b>
Capex	(1,032)	(2,035)	(1,784)	(100)	(96)
Disposals Of FAs/subsidiaries					
Disposals of Investment Properties					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	311	306	235	213	216
<b>Cash Flow From Investing</b>	<b>(722)</b>	<b>(1,729)</b>	<b>(1,548)</b>	<b>113</b>	<b>120</b>
Debt Raised/(repaid)	(419)	1,337	0	0	0
Proceeds From Issue Of Shares	0	0	0	0	0
Shares Repurchased	0	0	0	0	0
Dividends Paid	(249)	(250)	(250)	(250)	(250)
Preferred Dividends					
Other Financing Cashflow	612	92	(35)	(338)	(337)
<b>Cash Flow From Financing</b>	<b>(56)</b>	<b>1,180</b>	<b>(285)</b>	<b>(588)</b>	<b>(587)</b>

SOURCE: CGS-CIMB RESEARCH, COMPANY DATA

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

(S\$m)	Sep-16A	Sep-17A	Sep-18F	Sep-19F	Sep-20F
Total Cash And Equivalents	2,169	2,409	1,828	3,046	4,060
Properties Under Development	4,058	3,528	4,444	4,411	4,388
Total Debtors	678	479	550	555	595
Inventories	6	5	5	5	4
Total Other Current Assets	62	51	51	51	51
<b>Total Current Assets</b>	<b>6,972</b>	<b>6,473</b>	<b>6,879</b>	<b>8,067</b>	<b>9,097</b>
Fixed Assets	1,972	2,241	2,318	2,318	2,318
<b>Total Investments</b>	<b>14,287</b>	<b>17,249</b>	<b>18,955</b>	<b>19,055</b>	<b>19,150</b>
Intangible Assets	0	0	0	0	0
Total Other Non-Current Assets	973	1,047	1,047	1,047	1,047
<b>Total Non-current Assets</b>	<b>17,232</b>	<b>20,537</b>	<b>22,320</b>	<b>22,420</b>	<b>22,516</b>
Short-term Debt	1,470	1,572	1,572	1,572	1,572
Current Portion of Long-Term Debt					
Total Creditors	1,695	1,611	1,683	1,837	2,047
Other Current Liabilities	284	175	190	213	162
<b>Total Current Liabilities</b>	<b>3,449</b>	<b>3,358</b>	<b>3,445</b>	<b>3,621</b>	<b>3,781</b>
Total Long-term Debt	8,325	10,056	10,056	10,056	10,056
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	586	546	546	546	546
<b>Total Non-current Liabilities</b>	<b>8,912</b>	<b>10,603</b>	<b>10,603</b>	<b>10,603</b>	<b>10,603</b>
Total Provisions	0	0	0	0	0
<b>Total Liabilities</b>	<b>12,361</b>	<b>13,960</b>	<b>14,047</b>	<b>14,224</b>	<b>14,384</b>
<b>Shareholders' Equity</b>	<b>8,053</b>	<b>8,853</b>	<b>9,373</b>	<b>9,662</b>	<b>9,788</b>
Minority Interests	3,791	4,196	5,779	6,602	7,442
<b>Total Equity</b>	<b>11,843</b>	<b>13,049</b>	<b>15,152</b>	<b>16,263</b>	<b>17,230</b>

**Key Ratios**

	Sep-16A	Sep-17A	Sep-18F	Sep-19F	Sep-20F
Revenue Growth	(3.4%)	17.1%	(4.4%)	0.8%	(23.4%)
Operating EBITDA Growth	(7.1%)	17.9%	10.5%	16.6%	(25.6%)
Operating EBITDA Margin	22.3%	22.4%	25.9%	30.0%	29.1%
Net Cash Per Share (S\$)	(2.63)	(3.18)	(3.38)	(2.96)	(2.61)
BVPS (S\$)	2.78	3.05	3.23	3.33	3.38
Gross Interest Cover	4.26	5.52	4.26	4.75	3.47
Effective Tax Rate	21.4%	18.1%	18.4%	18.2%	18.6%
Net Dividend Payout Ratio	79.0%	88.1%	60.9%	52.1%	78.8%
Accounts Receivables Days	80.94	52.41	48.75	51.93	70.71
Inventory Days	1.00	0.72	0.74	0.72	0.80
Accounts Payables Days	228.8	212.2	232.7	262.5	373.8
ROIC (%)	10.8%	14.7%	16.9%	16.9%	12.7%
ROCE (%)	3.47%	3.80%	3.77%	4.17%	3.02%
Return On Average Assets	2.92%	3.19%	3.45%	3.64%	2.66%

**Key Drivers**

	Sep-16A	Sep-17A	Sep-18F	Sep-19F	Sep-20F
Unbooked Presales (m) (S\$)	N/A	N/A	N/A	N/A	N/A
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 (%)	30.0%	29.4%	32.9%	37.0%	36.1%
Contracted Sales ASP (per Sm) (S\$)	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
Invst. properties rental margin (%)	N/A	N/A	N/A	N/A	N/A
SG&A / Sales Ratio (%)	7.5%	7.2%	7.0%	7.0%	7.0%

SOURCE: CGS-CIMB RESEARCH, COMPANY DATA

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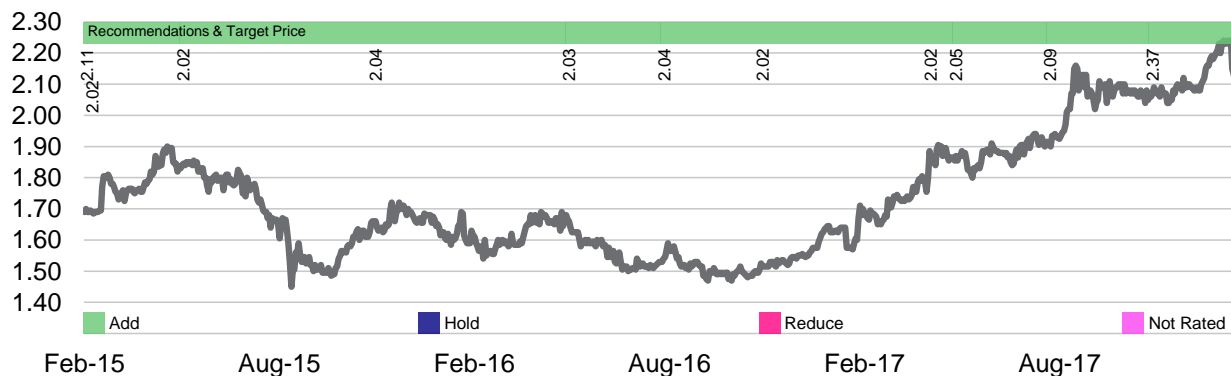
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**Spitzer Chart for stock being researched ( 2 year data )**

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— Price Close



**Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2017, Anti-Corruption 2017**

**AAV** – Very Good, n/a, **ADVANC** – Excellent, Certified, **AEONTS** – Good, n/a, **AMATA** – Very Good, n/a, **ANAN** – Excellent, n/a, **AOT** – Excellent, Declared, **AP** – Excellent, Declared, **ASK** – Very Good, Declared, **ASP** – Very Good, Certified, **BANPU** – Excellent, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Declared, **BCP** - Excellent, Certified, **BCPG** – Very Good, n/a, **BEM** – Very Good, n/a, **BDMS** – Very Good, n/a, **BEAUTY** – Good, n/a, **BEC** – Very Good, n/a, , **BGRIM** – not available, n/a, **BH** - Good, n/a, **BJC** – Very Good, Declared, **BJCHI** – Very Good, Declared, **BLA** – Very Good, Certified, **BPP** – Good, n/a, **BR** - Good, Declared, **BTS** - Excellent, Certified, **CBG** – Good, n/a, **CCET** – Good, n/a, **CENTEL** – Very Good, Certified, **CHG** – Very Good, Declared, **CK** – Excellent, n/a, **COL** – Very Good, Declared, **CPALL** – not available, Declared, **CPF** – Excellent, Declared, **CPN** - Excellent, Certified, **DELTA** - Excellent, n/a, **DEMCO** – Excellent, Certified, **DIF** – not available, n/a, **DTAC** – Excellent, Certified, **EA** – Very Good, n/a, **ECL** – Very Good, Certified, **EGCO** - Excellent, Certified, **EPG** – Very Good, n/a, **GFPT** - Excellent, Declared, **GGC** – not available, Declared, **GLOBAL** – Very Good, Declared, **GLOW** – Very Good, Certified, **GPSC** – Excellent, Declared, **GRAMMY** - Excellent, n/a, **GUNKUL** – Excellent, Declared, **HANA** - Excellent, Certified, **HMPRO** - Excellent, Certified, **ICHI** – Excellent, n/a, **III** – not available, n/a, **INTUCH** - Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** - Excellent, Certified, **JAS** – not available, Declared, **JASIF** – not available, n/a, **JUBILE** – Good, Declared, **KAMART** – not available, n/a, **KBANK** - Excellent, Certified, **KCE** - Excellent, Certified, **KGI** – Very Good, Certified, **KKP** – Excellent, Certified, **KSL** – Very Good, Certified, **KTB** - Excellent, Certified, **KTC** – Excellent, Certified, **LH** - Very Good, n/a, **LPN** – Excellent, Certified, **M** – Very Good, n/a, **MACO** – Very Good, n/a, **MAJOR** – Very Good, n/a, **MAKRO** – Very Good, Declared, **MALEE** – Very Good, n/a, **MBKET** – Very Good, Certified, **MC** – Very Good, Declared, **MCOT** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** - Excellent, Certified, **MTLS** – Very Good, Declared, **NYT** – Excellent, n/a, **OISHI** – Very Good, n/a, **PLANB** – Excellent, Declared, **PLAT** – Very Good, Certified, **PSH** – Excellent, Certified, **PSL** - Excellent, Certified, **PTT** - Excellent, Certified, **PTTEP** - Excellent, Certified, **PTTGC** - Excellent, Certified, **QH** – Excellent, Certified, **RATCH** – Excellent, Certified, **ROBINS** – Excellent, Certified, **RS** – Very Good, n/a, **SAMART** - Excellent, n/a, **SAPPE** - Good, n/a, **SAT** – Excellent, Certified, **SAWAD** – Very Good, n/a, **SC** – Excellent, Declared, **SCB** - Excellent, Certified, **SCBLIF** – not available, n/a, **SCC** – Excellent, Certified, **SCN** – Very Good, Declared, **SCCC** - Excellent, Declared, **SIM** - Excellent, n/a, **SIRI** – Very Good, Declared, **SPA** - Good, n/a, **SPALI** - Excellent, n/a, **SPRC** – Excellent, Declared, **STA** – Very Good, Declared, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **TASCO** – Very Good, n/a, **TCAP** – Excellent, Certified, **THAI** – Very Good, n/a, **THANI** – Very Good, Certified, **THCOM** – Excellent, Certified, **THRE** – Very Good, Certified, **THREL** – Excellent, Certified, **TICON** – Very Good, Declared, **TIPCO** – Very Good, Certified, **TISCO** - Excellent, Certified, **TK** – Very Good, n/a, **TKN** – Very Good, Declared, **TMB** - Excellent, Certified, **TNR** – Good, n/a, **TOP** - Excellent, Certified, **TPCH** – Good, n/a, **TIPIP** – not available, n/a, **TRUE** – Excellent, Declared, **TTW** – Very Good, n/a, **TU** – Excellent, Declared, **TVO** – Excellent, Declared, **UNIQ** – not available, Declared, **VGI** – Excellent, Declared, **WHA** – not available, Declared, **WHART** – not available, n/a, **WORK** – not available, n/a.

**Companies participating in Thailand’s Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of October 28, 2016) are categorized into:**

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

**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.