

**India**
**HOLD** (previously ADD)

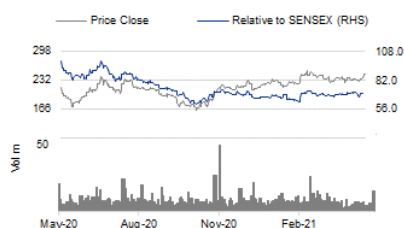
Consensus ratings\*: Buy 35 Hold 4 Sell 0

Current price:	Rs276
Target price:	Rs285
Previous target:	Rs285
Up/downside:	3.3%
InCred Research / Consensus:	-12.2%
Reuters:	HPCL.NS
Bloomberg:	HPCL IN
Market cap:	US\$5,381m
	Rs3,91,945m
Average daily turnover:	US\$24.4m
	Rs1780.0m
Current shares o/s:	1,418.5m
Free float:	46.5%

\*Source: Bloomberg

**Key changes in this note**

- FY22F EPS decreased by 1.3%
- FY23F EPS decreased by 1.7%



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	18.7	13.2	52.9
Relative (%)	12.5	13.8	(7.2)

Major shareholders	% held
ONGC	53.5
HDFC Equity Fund	5.0
LIC	2.1

**Analyst(s)**

**Avadhoot SABNIS**

T (91) 22 4161 1542

E avadhoot.sabnis@incredcapital.com

# Hindustan Petroleum

## Lower risk reward

- Record earnings in 4Q driven entirely by inventory gains. Core earnings were slightly below our expectations. HPCL declared dividend of Rs22.75/share.
- We expect recovery in volumes and GRMs in FY22F-24F, assuming the current negative impact on economic activity due to Covid to be short-lived.
- We downgrade to Hold with unchanged TP of Rs285 (1x Mar23F P/BV, 15% ROE in FY23F). Large off-balance sheet debt will keep valuations under check.

### Massive inventory gains drive profits

HPCL standalone reported EBITDA of Rs46.7bn after considering inventory gains of Rs40.52bn and an exceptional charge of Rs8.4bn towards loans given to below-poverty-line LPG consumers. Adjusted EBITDA of Rs14.6bn was better than our estimate of Rs11.4bn but only due to a Rs4.4bn qoq drop in staff costs due to reversal of prior year provisions. 56% of FY21 net profit was on account of inventory and forex gains. HPCL reported ex-inventory gross refining margin (GRM) of US\$3.5/bbl in 4Q and US\$1.87bn in FY21. The latter was higher than our estimate of US\$1.13/bbl (based on quarterly disclosure of inventory gains) and HPCL clarified that it will now report ex-inventory GRM based on current pricing (i.e., without the impact of price lag). Assuming lease liabilities at Mar 2021 (not disclosed) were at Dec 2020 levels (Rs27bn), debt was Rs427bn virtually unchanged from Mar 2020 level of Rs430bn. In Apr 2021, HPCL announced the closure of its buyback plan wherein it bought 105.3m shares (6.9% of outstanding shares) for Rs24bn (average cost of Rs228/sh).

### Management commentary provided update on operations

Capex (including equity contribution to JVs) was Rs140bn in FY21 and will rise to Rs145bn in FY22F. The Mumbai and Visakh refinery expansions as well as the petrochem cracker of Hindustan Mittal Energy (HMEI) will be operational in CY21, the bottom upgradation project at Visakh refinery in CY22 and the Rajasthan refinery in FY24. Diesel and gasoline demand in May 2021 has dropped by 30% relative to May 2019 levels, but HPCL expects a sharp rebound in subsequent months. HPCL has to contribute Rs100bn as equity to its Rajasthan refinery JV while no additional equity support is expected for HMEI (despite likely very high gearing). Government subsidy dues had dropped to just Rs3bn in Mar 2021 compared to Rs64bn in Mar 2020.

### Downgrade to Hold with unchanged TP of Rs285

While the stock rallied in recent months (largely driven by FY21 dividend, in our view), core earnings were poor in 4QFY21 and our estimates already assume improvement in Indian oil demand and the GRM cycle. Given the risks associated with predicting both variables, we see no reason to chase the stock and downgrade our rating to Hold. HPCL's apparent cheap valuations can be attributed to large debt sitting in its two JVs – HMEI and Rajasthan Refinery – which is not consolidated. Downside risk is a sharp spurt in global oil prices, while upside risk is better-than-expected GRMs.

Financial Summary	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
Revenue (Rsm)	26,90,915	23,32,485	27,70,408	24,55,527	22,68,648
Operating EBITDA (Rsm)	55,350	1,60,034	1,07,388	1,32,744	1,40,433
Net Profit (Rsm)	26,387	1,06,629	57,368	63,100	65,490
Core EPS (Rs)	17.3	70.6	39.4	44.3	46.0
Core EPS Growth	(60.6%)	307.8%	(44.2%)	12.5%	3.8%
FD Core P/E (x)	15.96	3.77	6.86	6.23	6.01
DPS (Rs)	9.8	22.8	14.0	14.0	14.0
Dividend Yield	3.53%	8.55%	5.18%	5.07%	5.07%
EV/EBITDA (x)	12.39	4.11	6.57	5.08	4.44
P/FCFE (x)	41.38	13.23	9.90	30.11	30.74
Net Gearing	124.1%	98.5%	118.0%	109.8%	90.8%
P/BV (x)	1.36	1.04	0.99	0.90	0.82
ROE	8.6%	30.7%	14.7%	15.1%	14.3%
% Change In Core EPS Estimates			(1.31%)	(1.70%)	
InCred Research/Consensus EPS (x)			0.92	0.92	0.00

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS. PRICED AS AT 21 MAY 2021

## Lower risk reward

The contribution from the JVs mainly reflects the profit share from Mangalore Refinery and Petrochemicals Limited (MRPL) and HMEL. Management stated that for FY21, HMEL posted some positive profits while MRPL was negative.

Reported EBITDA of Rs46.7bn was after inventory gains of Rs40.52bn and an exceptional charge of Rs8.4bn relating to LPG loans provision. Adjusted EBITDA of Rs14.6bn was better than our estimate of Rs11.4bn, but mainly due to sharp qoq drop in staff costs (Rs4.4bn in 4Q vs Rs8.8bn in 3Q) which management attributed to reversal of the prior year's provisions. Assuming lease liabilities at Mar 2021 were at Dec 2020 levels (Rs27bn), debt was Rs427bn – virtually unchanged from Mar 2020 level of Rs430bn.

Broadly gasoline volumes have shown some positive surprise while diesel has disappointed. Jet fuel volumes are still well below pre-Covid levels.

**Figure 1: HPCL consolidated quarterly result trends (Rs m)**

Rsm	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	yoy %	qoq %
EBITDA	-13,278	43,613	36,081	32,973	47,367	-457%	44%
Interest	-3,506	-3,340	-2,724	-1,323	-2,246	-36%	70%
Depreciation	-8,341	-8,831	-8,833	-8,944	-9,647	16%	8%
Other income	4,052	5,334	7,782	8,421	4,900	21%	-42%
Share of profit from associates/JVs	-5,454	-5,579	6,074	569	323	-106%	-43%
Profit before tax	-26,528	31,197	38,380	31,696	40,698	-253%	28%
Tax	26,252	-8,671	-8,621	-7,959	-10,091	-138%	27%
Net profit	-276	22,527	29,758	23,737	30,607	-11189%	29%
EPS (Rs)	-0.18	14.78	19.53	15.84	20.42	-11376%	29%

SOURCES: INCRED RESEARCH, COMPANY REPORTS

**Figure 2: HPCL standalone quarterly result trends (Rs m)**

Rsm	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	yoy %	qoq %
EBITDA	-17,095	43,536	36,039	33,015	46,664	-373%	41%
Interest	-3,374	-3,217	-2,604	-1,274	-2,053	-39%	61%
Depreciation	-8,114	-8,661	-8,683	-8,811	-9,372	16%	6%
Other income	4,241	5,626	8,168	8,648	5,446	28%	-37%
Profit before tax	-24,343	37,284	32,920	31,579	40,685	-267%	29%
Tax	24,612	-9,146	-8,146	-8,032	-10,506	-143%	31%
Net profit	269	28,138	24,775	23,546	30,180	11119%	28%
EPS (Rs)	0.18	18.47	16.26	15.71	20.78	11674%	32%
<b>Operating data</b>							
Refining throughput (mmt)	4.54	3.97	4.06	4.00	4.39	-3%	10%
Pipeline throughput (mmt)	5.72	3.54	4.70	5.52	5.36	-6%	-3%
Domestic sales volumes (mmt)	9.25	7.24	8.10	10.03	9.83	6%	-2%
Exports (mmt)	0.32	0.38	0.33	0.37	0.31	-3%	-16%
Singapore GRM (US\$/bbl)	1.09	-0.94	0.08	1.20	1.80	65%	50%
HPCL reported GRM (US\$/bbl)	-1.23	0.04	5.11	1.87	8.11	-759%	334%
HPCL GRM ex-inventory (US\$/bbl)	9.39	-0.86	2.77	-0.95	3.48	-63%	-466%
<b>Other financial data</b>							
Staff costs	8,382	8,643	10,053	8,836	4,352	-48%	-51%
<b>Inventory gains/(loss)</b>							
In refining	-25,840	2,010	5,230	6,160	10,970		
In marketing	-15,290	4,320	12,570	7,070	29,550		
EBITDA excl inventory/forex	37,033	37,206	18,239	19,785	14,557	0%	0%
Forex (loss/gain)	-9,750	490	5,240	2,970	1,410		
Total debt (Rs bn)	430	367	346	333	427	-1%	28%
Capex (Rs bn)	45	9	28	38	60	33%	57%

SOURCES: INCRED RESEARCH, COMPANY REPORTS

**Figure 3: Transportation fuels marketing performance**

	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	yoy %	qoq %
Gasoline sales (mmt)	1.73	1.19	1.71	1.95	1.90	9.8%	-2.6%
Diesel sales (mmt)	4.19	3.24	3.41	4.64	4.44	6.0%	-4.3%
Jet fuel sales (mmt)	0.18	0.04	0.08	0.12	0.15	-16.7%	25.0%
Gasoline market share	24.3%	23.7%	24.1%	24.3%	24.3%		
Diesel market share	21.2%	21.5%	21.5%	21.9%	21.6%		
Jet fuel market share	9.4%	10.3%	10.0%	10.3%	11.1%		

SOURCES: INCRED RESEARCH, COMPANY REPORTS

Inventory and forex gains (latter included in other income) contributed to 56% of FY21 net profit. Our FY22F-24F estimates do not factor in any gains or losses on inventory or forex. Commissioning of refining projects will lead to higher interest and depreciation costs over FY22F-24F. The exact impact on the bottomline will depend on the extent to which these refining projects contribute to higher GRMs. Hence, an improvement in the GRM cycle is key to earnings upside.

Large inventory gains in FY21F have resulted in a sharp jump in reported earnings. In FY22F-24F, we estimate refining profits to improve and auto fuel marketing profits to moderate.

We expect crude throughputs to rise as expansions at both the Mumbai and Visakh refineries are implemented (with some negative impact in FY22F due to Covid and expansion-related shutdowns). HPCL has sought to compensate for poor GRMs by raising auto fuel marketing margins to unsustainable levels. We believe that GRMs in FY22F-24F will recover while marketing margins will moderate.

**Figure 4: HPCL standalone P&L (Rs m)**

Y/E Mar	2019	2020	2021	2022F	2023F	2024F
EBITDA	1,20,209	49,941	1,59,254	1,05,258	1,30,613	1,38,303
Interest	-7,259	-10,817	-9,147	-12,381	-26,212	-27,084
Depreciation	-30,126	-33,044	-35,527	-40,616	-48,196	-52,985
Other income	10,563	9,647	27,887	17,027	17,767	18,568
Pre-tax profit	93,387	15,726	1,42,467	69,288	73,973	76,802
Tax	-33,100	10,646	-35,829	-17,461	-18,641	-19,354
Net profit	60,287	26,373	1,06,638	51,827	55,332	57,448
EPS (Rs)	39.6	17.3	70.6	35.6	38.9	40.3
Book value per share (Rs)	184.9	190.1	241.9	256.0	286.6	312.9
ROE	23.1%	9.2%	32.6%	14.0%	14.2%	13.5%
Net debt equity	78%	130%	102%	123%	116%	96%
Staff costs	29,385	31,935	31,884	35,000	36,750	38,588

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

**Figure 5: HPCL standalone EBITDA working (Rs m)**

Y/E Mar	2019	2020	2021F	2022F	2023F	2024F
<u>Gross margins from all business segments</u>						
Refinery (excl inventory)	39,748	38,668	16,643	32,522	69,478	78,293
Auto fuels	83,613	77,181	1,01,103	97,934	90,947	94,214
LPG/kero marketing	26,961	28,777	30,048	31,200	32,411	33,675
Balance products/lubricants/pipeline	42,054	44,316	40,179	44,194	45,950	47,348
Sub total	1,92,375	1,88,942	1,87,973	2,05,849	2,38,786	2,53,530
Less: Labour cost	-29,385	-31,935	-31,884	-35,000	-36,750	-38,588
Less: other operational expenses	-56,441	-64,536	-68,056	-65,591	-71,422	-76,640
Sub total	1,06,549	92,471	88,034	1,05,258	1,30,613	1,38,303
<u>Plus: Non-operational items</u>						
Subsidy borne	0	0	0	0	0	0
Inventory in refining	7,410	-29,600	17,710			
Inventory in marketing	6,250	-12,930	53,510			
EBITDA	1,20,209	49,941	1,59,254	1,05,258	1,30,613	1,38,303

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

**Figure 6: HPCL assumptions**

Y/E Mar	2020	2021	2022F	2023F	2024F
HPCL crude throughput (mmt)	17.18	16.42	18.00	23.50	26.00
HPCL reported GRM (US\$/bbl)	1.02	3.86	3.30	5.40	5.50
HPCL ex-inventory GRM (US\$/bbl)	2.32	1.87	3.30	5.40	5.50
Auto fuel volumes (mmt)	24.95	22.54	25.64	26.68	27.57
Auto fuels margins (Rs/kl)	2,439	3,531	3,000	2,676	2,679
Brent crude oil, US\$/bbl	61.00	44.90	60.00	55.00	50.00
Rupee dollar rate year average	70.89	74.23	75.00	75.00	75.00
HMEL refinery throughput (mmt)	12.20	10.08	11.79	12.73	12.73
HMEL GRM (US\$/bbl)	6.22	7.80	8.00	9.00	9.00

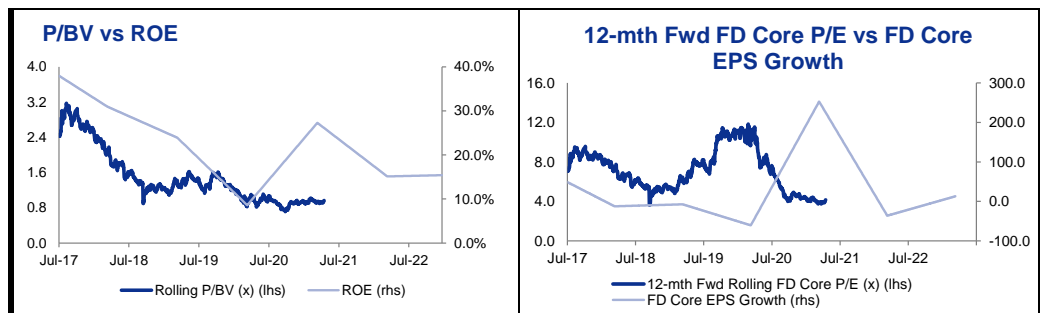
SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Valuations in 2020 dropped to trough levels due to sharp downturn in refining and large inventory losses. Valuations have since improved as demand has recovered and rising oil prices have resulted in massive inventory gains. Record profits from inventory gains have allowed HPCL to implement buyback and pay generous dividend thereby supporting the stock price.

**Figure 7: HPCL P/BV (x) chart**



## BY THE NUMBERS



### Profit & Loss

(Rs mn)	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
<b>Total Net Revenues</b>	<b>26,90,915</b>	<b>23,32,485</b>	<b>27,70,408</b>	<b>24,55,527</b>	<b>22,68,648</b>
<b>Gross Profit</b>	<b>1,51,614</b>	<b>2,62,935</b>	<b>2,07,557</b>	<b>2,40,135</b>	<b>2,54,522</b>
<b>Operating EBITDA</b>	<b>55,350</b>	<b>1,60,034</b>	<b>1,07,388</b>	<b>1,32,744</b>	<b>1,40,433</b>
Depreciation And Amortisation	(33,699)	(36,255)	(40,613)	(48,194)	(52,983)
<b>Operating EBIT</b>	<b>21,651</b>	<b>1,23,779</b>	<b>66,775</b>	<b>84,550</b>	<b>87,450</b>
Financial Income/(Expense)	(11,389)	(9,633)	(12,261)	(26,091)	(26,963)
Pretax Income/(Loss) from Assoc.	(4,582)	1,387	4,789	7,016	7,290
Non-Operating Income/(Expense)	8,062	26,437	15,525	16,266	17,067
<b>Profit Before Tax (pre-EI)</b>	<b>13,743</b>	<b>1,41,970</b>	<b>74,828</b>	<b>81,741</b>	<b>84,844</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>13,743</b>	<b>1,41,970</b>	<b>74,828</b>	<b>81,741</b>	<b>84,844</b>
Taxation	12,644	(35,341)	(17,460)	(18,641)	(19,354)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>26,387</b>	<b>1,06,629</b>	<b>57,368</b>	<b>63,100</b>	<b>65,490</b>
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>26,387</b>	<b>1,06,629</b>	<b>57,368</b>	<b>63,100</b>	<b>65,490</b>
Recurring Net Profit	26,387	1,06,629	57,368	63,100	65,490
<b>Fully Diluted Recurring Net Profit</b>	<b>26,387</b>	<b>1,06,629</b>	<b>57,368</b>	<b>63,100</b>	<b>65,490</b>

### Cash Flow

(Rs mn)	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
<b>EBITDA</b>	<b>55,350</b>	<b>1,60,034</b>	<b>1,07,388</b>	<b>1,32,744</b>	<b>1,40,433</b>
Cash Flow from Invt. & Assoc.	8,062	26,437	15,525	16,266	17,067
Change In Working Capital	4,395	36,975	9,447	23,070	21,793
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	(22,385)	364	(2,037)	(2,029)	(2,521)
Net Interest (Paid)/Received	(11,389)	(9,633)	(12,261)	(26,091)	(26,963)
Tax Paid	(1,670)	(35,862)	(17,321)	(18,493)	(19,200)
<b>Cashflow From Operations</b>	<b>32,364</b>	<b>1,78,315</b>	<b>1,00,741</b>	<b>1,25,467</b>	<b>1,30,609</b>
Capex	(1,81,917)	(1,21,178)	(1,09,005)	(80,498)	(67,998)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments	1,629	(23,618)	(40,104)	(44,332)	(5,367)
Other Investing Cashflow					
<b>Cash Flow From Investing</b>	<b>(1,80,287)</b>	<b>(1,44,796)</b>	<b>(1,49,109)</b>	<b>(1,24,829)</b>	<b>(73,364)</b>
Debt Raised/(repaid)	1,58,100	(3,159)	88,103	12,427	(44,447)
Proceeds From Issue Of Shares					
Shares Repurchased		(16,356)	(7,625)		
Dividends Paid	(17,251)	(14,721)	(36,759)	(19,934)	(19,934)
Preferred Dividends					
Other Financing Cashflow					
<b>Cash Flow From Financing</b>	<b>1,40,849</b>	<b>(34,236)</b>	<b>43,718</b>	<b>(7,506)</b>	<b>(64,380)</b>
Total Cash Generated	(7,075)	(717)	(4,650)	(6,869)	(7,136)
<b>Free Cashflow To Equity</b>	<b>10,176</b>	<b>30,360</b>	<b>39,734</b>	<b>13,065</b>	<b>12,798</b>
<b>Free Cashflow To Firm</b>	<b>(1,36,535)</b>	<b>43,152</b>	<b>(36,108)</b>	<b>26,729</b>	<b>84,208</b>

SOURCES: INCRED RESEARCH, COMPANY REPORTS

## BY THE NUMBERS...cont'd

<b>Balance Sheet</b>					
<b>(Rs mn)</b>	<b>Mar-20A</b>	<b>Mar-21A</b>	<b>Mar-22F</b>	<b>Mar-23F</b>	<b>Mar-24F</b>
Total Cash And Equivalents	55,680	56,871	56,871	56,871	56,871
Total Debtors	39,342	44,404	52,754	46,749	43,186
Inventories	1,93,260	2,04,223	2,48,598	2,35,205	2,22,838
Total Other Current Assets	1,26,981	63,180	66,091	67,060	68,049
<b>Total Current Assets</b>	<b>4,15,263</b>	<b>3,68,677</b>	<b>4,24,313</b>	<b>4,05,885</b>	<b>3,90,942</b>
Fixed Assets	6,63,125	7,48,048	8,16,439	8,48,743	8,63,758
Total Investments	90,508	1,14,125	1,54,230	1,98,561	2,03,928
Intangible Assets	167	167	167	167	167
Total Other Non-Current Assets					
<b>Total Non-current Assets</b>	<b>7,53,799</b>	<b>8,62,340</b>	<b>9,70,835</b>	<b>10,47,471</b>	<b>10,67,852</b>
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	3,33,805	3,23,003	3,88,086	3,92,728	3,99,579
Other Current Liabilities					
<b>Total Current Liabilities</b>	<b>3,33,805</b>	<b>3,23,003</b>	<b>3,88,086</b>	<b>3,92,728</b>	<b>3,99,579</b>
Total Long-term Debt	4,40,015	4,36,856	5,24,959	5,37,386	4,92,939
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities					
<b>Total Non-current Liabilities</b>	<b>4,40,015</b>	<b>4,36,856</b>	<b>5,24,959</b>	<b>5,37,386</b>	<b>4,92,939</b>
Total Provisions	85,436	85,403	85,541	85,689	85,843
<b>Total Liabilities</b>	<b>8,59,256</b>	<b>8,45,262</b>	<b>9,98,586</b>	<b>10,15,803</b>	<b>9,78,361</b>
Shareholders Equity	3,09,806	3,85,755	3,96,562	4,37,552	4,80,433
Minority Interests					
<b>Total Equity</b>	<b>3,09,806</b>	<b>3,85,755</b>	<b>3,96,562</b>	<b>4,37,552</b>	<b>4,80,433</b>

<b>Key Ratios</b>					
	<b>Mar-20A</b>	<b>Mar-21A</b>	<b>Mar-22F</b>	<b>Mar-23F</b>	<b>Mar-24F</b>
Revenue Growth	(2.3%)	(13.3%)	18.8%	(11.4%)	(7.6%)
Operating EBITDA Growth	(54.4%)	189.1%	(32.9%)	23.6%	5.8%
Operating EBITDA Margin	2.1%	6.9%	3.9%	5.4%	6.2%
Net Cash Per Share (Rs)	(252.22)	(261.37)	(328.75)	(337.48)	(306.27)
BVPS (Rs)	203.31	265.34	278.52	307.31	337.42
Gross Interest Cover	1.90	12.85	5.45	3.24	3.24
Effective Tax Rate		24.9%	23.3%	22.8%	22.8%
Net Dividend Payout Ratio	56.3%	32.2%	35.5%	31.6%	30.4%
Accounts Receivables Days	6.51	6.55	6.40	7.40	7.23
Inventory Days	28.58	35.05	32.25	39.85	41.50
Accounts Payables Days	51.56	57.92	50.64	64.32	71.79
ROIC (%)	2.4%	12.6%	6.3%	7.9%	8.2%
ROCE (%)	4.1%	17.9%	8.9%	10.0%	10.2%
Return On Average Assets	3.1%	9.5%	5.1%	5.8%	5.9%

SOURCES: INCRED RESEARCH, COMPANY REPORTS

---

## DISCLAIMER

---

This report (including the views and opinions expressed therein, and the information comprised therein) has been prepared for and is distributed by CGS-CIMB, Incred Research Services Private Limited (formerly known as by Earnest Innovation Partners Private Limited (hereinafter referred to as "IRSPL") pursuant to an arrangement between IRSPL and CGS-CIMB. IRSPL is not an affiliate of CGS-CIMB. IRSPL is held 76% by InCred Capital Wealth Portfolio Managers Private Limited and 24% by EIP Holdings Private Limited. IRSPL is registered with SEBI as a Research Analyst vide Registration No. INH000007793. Pursuant to a trademark agreement, IRSPL has adopted "InCred Equities" as its trademark for use in this report.

The term "IRSPL" shall, unless the context otherwise requires, mean IRSPL and its affiliates, subsidiaries and related companies. The term "CGS-CIMB" shall denote, where appropriate, the relevant entity distributing or disseminating the report in the particular jurisdiction referenced below, or, in every other case except as otherwise stated herein, CGS-CIMB Securities International Pte. Ltd. and its affiliates, subsidiaries and related corporations. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation and remains subject to the "Restrictions on Distribution" set out below. If your status has changed or the distribution restrictions set out below impact your ability to receive this report please contact your usual CGS-CIMB representative.

By accepting this report, the recipient hereof represents and warrants that he is entitled to receive such report in accordance with the restrictions set forth below and agrees to be bound by the limitations contained herein (including the "Restrictions on Distributions" set out below). Any failure to comply with these limitations may constitute a violation of law and limit our ability to provide reports to you.

This report is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means; or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of IRSPL or CGS-CIMB.

The information contained in this report is prepared from data believed to be correct and reliable at the time of issue of this report.

Under the terms of the agreement between IRSPL and CGS-CIMB, IRSPL is not required to issue regular reports on the subject matter of this report at any frequency and it may cease to do so or change the periodicity of reports at any time. Neither IRSPL nor CGS-CIMB is under any obligation to update this report in the event of a material change to the information contained in this report. Neither IRSPL nor CGS-CIMB has any and will accept any, obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant; (ii) ensure that the content of this report constitutes all the information a prospective investor may require; (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and information, and accordingly, IRSPL and its affiliates/group companies and/or CGS-CIMB, its affiliates and related persons including China Galaxy International Financial Holdings Limited ("CGIFHL") and CIMB Group Sdn. Bhd. ("CIMBG") and their respective related corporations (and their respective directors, associates, connected persons and/or employees) shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof. In particular, CGS-CIMB disclaims all responsibility and liability for the views and opinions set out in this report.

Unless otherwise specified, this report is based upon reasonable sources. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of IRSPL and its affiliates/group companies and/or CGS-CIMB or their respective affiliates (including CGIFHL, CIMBG and their respective related corporations) or IRSPL and its affiliates/group companies, to any person to buy or sell any investments.

By IRSPL producing this report for CGS-CIMB, IRSPL has confirmed to CGS-CIMB that the opinions expressed are based on information it believes to be accurate and complete and obtained through reliable public or other non-confidential sources at the time made. (Information barriers and other arrangements may be established where necessary to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/their coverage of company(ies) in the performance of his/their duties or the performance of his/their recommendations. In reviewing this report, an investor should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additional information is, subject to the duties of confidentiality, available on request.

The report is not a "prospectus" as defined under Indian Law, including the Companies Act, 2013, and is not, and shall not be, approved by, or filed or registered with, any Indian regulator, including any Registrar of Companies in India, SEBI, any Indian stock exchange, or the Reserve Bank of India. No offer, or invitation to offer, or solicitation of subscription with respect to any such securities listed or proposed to be listed in India is being made, or intended to be made, to the public, or to any member or section of the public in India, through or pursuant to this report.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of IRSPL. Information barriers and other arrangements have been established, as required, to prevent any conflicts of interests.

IRSPL may have issued other reports (based on technical analysis, event specific, short term views etc.) that are inconsistent with and reach different conclusion from the information presented in this report.

Holding of Analysts/Relatives of Analysts, IRSPL and Associates of IRSPL in the covered securities, as on the date of publishing of this report

	Analyst/ Relative	Entity/ Associates
any financial interests in the company covered in this report (subject company) and nature of such financial interest	NO	NO
actual/beneficial ownership of 1% or more in securities of the subject company at the end of the month immediately preceding the date of publication of the research report or date of the public appearance;	NO	NO
any other material conflict of interest at the time of publication of the research report or at the time of public appearance	NO	NO
received any compensation from the subject company in the past twelve months for investment banking or merchant banking or brokerage services or investment advisory or depository or distribution from the subject company in the last twelve months for products/services other than investment banking or merchant banking or broker- age services or investment advisory or depository or distribution from the subject company in the last twelve months	NO	NO
managed or co-managed public offering of securities for the subject company in the last twelve months	NO	NO
received any compensation or other benefits from the subject company or third party in connection with the research report	NO	NO
served as an officer, director or employee of the subject company	NO	NO
been engaged in market making activity for the subject company	NO	NO

#### Analyst declaration

- The analyst responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously in an unbiased manner.
- No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report or based any specific investment banking transaction.
- The analyst(s) has(have) not had any serious disciplinary action taken against him/her(them).
- The analyst, strategist, or economist does not have any material conflict of interest at the time of publication of this report.
- The analyst(s) has(have) received compensation based upon various factors, including quality, accuracy and value of research, overall firm performance, client feedback and competitive factors.

#### CGS-CIMB DISCLOSURES

Country	CGS-CIMB Entity	Regulated by
Hong Kong	CGS-CIMB Securities (Hong Kong) Limited	Securities and Futures Commission Hong Kong
India	CGS-CIMB Securities (India) Private Limited	Securities and Exchange Board of India (SEBI)
Indonesia	PT CGS-CIMB Sekuritas Indonesia	Financial Services Authority of Indonesia
Malaysia	CGS-CIMB Securities Sdn. Bhd.	Securities Commission Malaysia
Singapore	CGS-CIMB Research Pte. Ltd.	Monetary Authority of Singapore
South Korea	CGS-CIMB Securities (Hong Kong) Limited, Korea Branch	Financial Services Commission and Financial Supervisory Service
Thailand	CGS-CIMB Securities (Thailand) Co. Ltd.	Securities and Exchange Commission Thailand

#### Other Significant Financial Interests:

As at the end of 30th April 2021 immediately preceding the date of this report CGS-CIMB does not:

- have a proprietary position in the securities (which may include but not be limited to shares, warrants, call warrants and/or any other derivatives) in the company(ies) covered in this report except for the following:
  - Nil
- act as market maker or have assumed an underwriting commitment in securities of the company(ies) covered in this report except for the following:
  - Nil
- perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to the company(ies) covered in this report and/or solicit such investment, advisory or other services from the company(ies) covered in this report except for the following:
  - Nil



CGS-CIMB, its affiliates, related corporations (including CGIFHL, CIMBG and their respective related corporations) and/or their respective directors, associates, connected parties and/or employees and/or IRSPL and/or its affiliates and/or its Directors/employees may own or have positions in securities of the company(ies) covered in this report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities.

CGS-CIMB, its affiliates and related corporations (including CGIFHL, CIMBG and their respective related corporations) and/or IRSPL and/or its affiliates and/or its Directors/employees may do and seek to do business with the company(ies) covered in this research report and may from time to time (a) buy/sell the securities covered in this report, from time to time and/or (b) act as market maker or have assumed an underwriting commitment in securities of such company(ies), and/or (c) may sell them to or buy them from customers on a principal basis and/or (d) may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) and/or (e) solicit such investment, advisory or other services from any entity mentioned in this report and/or (f) act as a lender/borrower to such company and may earn brokerage or other compensation. However, Analysts are forbidden to acquire, on their own account or hold securities (physical or uncertificated, including derivatives) of companies in respect of which they are compiling and producing financial recommendations or in the result of which they play a key part

This report does not purport to contain all the information that a prospective investor may require. Neither CGS-CIMB nor any of its affiliates (including CGIFHL, CIMBG and their related corporations) make any guarantee, representation or warranty, express or implied, as to the adequacy, accuracy, completeness, reliability or fairness of any such information and opinion contained in this report. Neither CGS-CIMB nor any of its affiliates nor their related persons (including CGIFHL, CIMBG and their related corporations) shall be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

This report is general in nature and has been prepared for information purposes only. It is intended for circulation amongst CGS-CIMB's and its affiliates' (including CGIFHL's, CIMBG's and their respective related corporations') clients generally and does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. The information and opinions in this report are not and should not be construed or considered as an offer, recommendation or solicitation to buy or sell the subject securities, related investments or other financial instruments or any derivative instrument, or any rights pertaining thereto.

Investors are advised to make their own independent evaluation of the information contained in this report, consider their own individual investment objectives, financial situation and particular needs and consult their own professional and financial advisers as to the legal, business, financial, tax and other aspects before participating in any transaction in respect of the securities of company(ies) covered in this report. The securities of such company(ies) may not be eligible for sale in all jurisdictions or to all categories of investors.

The report is not a "prospectus" as defined under Indian Law, including the Companies Act, 2013, and is not, and shall not be, approved by, or filed or registered with, any Indian regulator, including any Registrar of Companies in India, SEBI, any Indian stock exchange, or the Reserve Bank of India. No offer, or invitation to offer, or solicitation of subscription with respect to any such securities listed or proposed to be listed in India is being made, or intended to be made, to the public, or to any member or section of the public in India, through or pursuant to this report

#### Restrictions on Distributions

**Australia:** Despite anything in this report to the contrary, this research is prepared for and provided in Australia by CGS-CIMB Securities (Singapore) Pte. Ltd. and CGS-CIMB Securities (Hong Kong) Limited. This research is only available in Australia to persons who are "wholesale clients" (within the meaning of the Corporations Act 2001 (Cth) and is supplied solely for the use of such wholesale clients and shall not be distributed or passed on to any other person. You represent and warrant that if you are in Australia, you are a "wholesale client". This research is of a general nature only and has been prepared without taking into account the objectives, financial situation or needs of the individual recipient. CGS-CIMB Securities (Singapore) Pte. Ltd. and CGS-CIMB Securities (Hong Kong) Limited do not hold, and are not required to hold an Australian financial services license. CGS-CIMB Securities (Singapore) Pte. Ltd. and CGS-CIMB Securities (Hong Kong) Limited rely on "passporting" exemptions for entities appropriately licensed by the Monetary Authority of Singapore (under ASIC Class Order 03/1102) and the Securities and Futures Commission in Hong Kong (under ASIC Class Order 03/1103).

**Canada:** This report has not been prepared in accordance with the disclosure requirements of Dealer Member Rule 3400 – Research Restrictions and Disclosure Requirements of the Investment Industry Regulatory Organization of Canada. For any research report distributed by CIBC, further disclosures related to CIBC conflicts of interest can be found at <https://researchcentral.cibcwm.com>.

**China:** For the purpose of this report, the People's Republic of China ("PRC") does not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region or Taiwan. The distributor of this report has not been approved or licensed by the China Securities Regulatory Commission or any other relevant regulatory authority or governmental agency in the PRC. This report contains only marketing information. The distribution of this report is not an offer to buy or sell to any person within or outside PRC or a solicitation to any person within or outside of PRC to buy or sell any instruments described herein. This report is being issued outside the PRC to a limited number of institutional investors and may not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose.

**France:** Only qualified investors within the meaning of French law shall have access to this report. This report shall not be considered as an offer to subscribe to, or used in connection with, any offer for subscription or sale or marketing or direct or indirect distribution of financial instruments and it is not intended as a solicitation for the purchase of any financial instrument.

**Germany:** This report is only directed at persons who are professional investors as defined in sec 31a(2) of the German Securities Trading Act (WpHG). This publication constitutes research of a non-binding nature on the market situation and the investment instruments cited here at the time of the publication of the information.

The current prices/yields in this issue are based upon closing prices from Bloomberg as of the day preceding publication. Please note that neither the German Federal Financial Supervisory Agency (BaFin), nor any other supervisory authority exercises any control over the content of this report.

**Hong Kong:** This report is prepared for and distributed in Hong Kong by CGS-CIMB Securities (Hong Kong) Limited ("CHK") which is licensed in Hong Kong by the Securities and Futures Commission for Type 1 (dealing in securities) and Type 4 (advising on securities) activities. Any investors wishing to purchase or otherwise deal in the securities covered in this report should contact the Head of Sales at CHK. The views and opinions in this report are our own as of the date hereof and are subject to change. If the Financial Services and Markets Act of the United Kingdom or the rules of the Financial Conduct Authority apply to a recipient, our obligations owed to such recipient therein are unaffected. CHK has no obligation to update its

opinion or the information in this report.

This publication is strictly confidential and is for private circulation only to clients of CHK.

**India:** This report is prepared by IRSPL for and distributed in India by IRSPL or CGS-CIMB Securities (India) Private Limited ("CGS-CIMB India"), as the case may be. CGS-CIMB India is a subsidiary of CGS-CIMB Securities International Pte. Ltd. which is in turn is a 50:50 joint venture company of CGIFHL and CIMBG. The details of the members of the group of companies of CGS-CIMB can be found at [www.cgs-cimb.com](http://www.cgs-cimb.com), CGIFHL at [www.chinastock.com.hk/en/ACG/ContactUs/index.aspx](http://www.chinastock.com.hk/en/ACG/ContactUs/index.aspx) and CIMBG at [www.cimb.com/en/who-we-are.html](http://www.cimb.com/en/who-we-are.html). CGS-CIMB India is registered with the National Stock Exchange of India Limited and BSE Limited as a trading and clearing member (under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992). CGS-CIMB India is registered with SEBI (SEBI Registration Number: INZ000209135) as a Research Analyst (INH000000669) pursuant to the SEBI (Research Analysts) Regulations, 2014 ("Regulations").

By IRSPL producing this report for CGS-CIMB, IRSPL has confirmed to CGS-CIMB that the research analysts, strategists or economists principally responsible for the preparation of this report are segregated from the other activities of IRSPL and they have received compensation based upon various factors, including quality, accuracy and value of research, firm profitability or revenues, client feedback and competitive factors. Research analysts', strategists' or economists' compensation is not linked to investment banking or capital markets transactions performed or proposed to be performed by IRSPL, CGS-CIMB India or its affiliates.

This report does not take into account the particular investment objectives, financial situations, or needs of the recipients. It is not intended for and does not deal with prohibitions on investment due to law/jurisdiction issues etc. which may exist for certain persons/entities. Recipients should rely on their own investigations and take their own professional advice before investment.

CGS-CIMB India does not have actual / beneficial ownership of 1% or more securities of the subject company in this report, at the end of the month immediately preceding the date of publication of this report. However, since affiliates of CGS-CIMB India are engaged in the financial services business, they might have in their normal course of business financial interests or actual / beneficial ownership of one per cent or more in various companies including the subject company in this report.

CGS-CIMB India or its associates, may: (a) from time to time, have long or short position in, and buy or sell the securities of the subject company in this report; or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company in this report or act as an advisor or lender/borrower to such company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

CGS-CIMB India, and their respective associates have not received any compensation for investment banking, merchant banking or brokerage services from the subject company mentioned in the report in the past 12 months.

CGS-CIMB India, and their respective associates have not managed or co-managed public offering of securities for the subject company mentioned in the report in the past 12 months.

**Indonesia:** This report is prepared for and distributed in Indonesia by PT CGS-CIMB Sekuritas Indonesia ("CGS-CIMB Indonesia"). The views and opinions in this report is prepared from data believed to be correct and reliable at the time of issue of this report and are subject to change. CGS-CIMB Indonesia has no obligation to update the opinion or the information in this report. This report is for private circulation only to clients of CGS-CIMB Indonesia. Neither this report nor any copy hereof may be distributed in Indonesia or to any Indonesian citizens wherever they are domiciled or to Indonesian residents except in compliance with applicable Indonesian capital market laws and regulations.

This report is not an offer of securities in Indonesia. The securities referred to in this report have not been registered with the Financial Services Authority (Otoritas Jasa Keuangan) pursuant to relevant capital market laws and regulations, and may not be offered or sold within the territory of the Republic of Indonesia or to Indonesian citizens through a public offering or in circumstances which constitute an offer within the meaning of the Indonesian capital market law and regulations.

**Ireland:** CGS-CIMB is not an investment firm authorised in the Republic of Ireland and no part of this document should be construed as CGS-CIMB acting as, or otherwise claiming or representing to be, an investment firm authorised in the Republic of Ireland.

**Malaysia:** This report is prepared for and distributed in Malaysia by CGS-CIMB Securities Sdn. Bhd. ("CGS-CIMB Malaysia") solely for the benefit of and for the exclusive use of our clients. Recipients of this report are to contact CGS-CIMB Malaysia, at 29th Floor Menara CIMB No. 1 Jalan Stesen Sentral 2, Kuala Lumpur Sentral 50470 Kuala Lumpur, Malaysia, in respect of any matters arising from or in connection with this report. CGS-CIMB Malaysia has no obligation to update, revise or reaffirm the opinion or the information in this report after the date of this report.

**New Zealand:** In New Zealand, this report is for distribution only to persons who are wholesale clients pursuant to section 5C of the Financial Advisers Act 2008.

**Singapore:** This report is prepared for and distributed in Singapore by CGS-CIMB Research Pte Ltd ("CGS-CIMBR"). CGS-CIMBR is a financial adviser licensed under the Financial Advisers Act, Cap 110 ("FAA") for advising on investment products, by issuing or promulgating research analyses or reports, whether in electronic, print or other form. Accordingly, CGS-CIMBR is subject to the applicable rules under the FAA unless it is able to avail itself to any prescribed exemptions.

Recipients of this report are to contact CGS-CIMB Research Pte Ltd, 50 Raffles Place, #16-02 Singapore Land Tower, Singapore in respect of any matters arising from, or in connection with this report. CGS-CIMBR has no obligation to update the opinion or the information in this report. This publication is strictly confidential and is for private circulation only. If you have not been sent this report by CGS-CIMBR directly, you may not rely, use or disclose to anyone else this report or its contents.

If the recipient of this report is not an accredited investor, expert investor or institutional investor, CGS-CIMBR accepts legal responsibility for the contents of the report without any disclaimer limiting or otherwise curtailing such legal responsibility. If the recipient is an accredited investor, expert investor or institutional investor, the recipient is deemed to acknowledge that CGS-CIMBR is exempt from certain requirements under the FAA and its attendant regulations, and as such, is exempt from complying with the following:

- (a) Section 25 of the FAA (obligation to disclose product information);
- (b) Section 27 of the FAA (duty not to make recommendation with respect to any investment product without having a reasonable basis where you may be reasonably expected to rely on the recommendation);
- (c) MAS Notice on Information to Clients and Product Information Disclosure [Notice No. FAA-N03];

- (d) MAS Notice on Recommendation on Investment Products [Notice No. FAA-N16];  
 (e) Section 36 of the FAA (obligation on disclosure of interest in specified products); and  
 (f) any other laws, regulations, notices, directive, guidelines, circulars and practice notes which relates to the above, to the extent permitted by applicable laws, as may be amended from time to time, and any other laws, regulations, notices, directive, guidelines, circulars, and practice notes as we may notify you from time to time. In addition, the recipient who is an accredited investor, expert investor or institutional investor acknowledges that as CGS-CIMBR is exempt from Section 27 of the FAA, the recipient will also not be able to file a civil claim against CGS-CIMBR for any loss or damage arising from the recipient's reliance on any recommendation made by CGS-CIMBR which would otherwise be a right that is available to the recipient under Section 27 of the FAA.

CGS-CIMBR, its affiliates and related corporations, their directors, associates, connected parties and/or employees may own or have positions in specified products of the company(ies) covered in this report or any specified products related thereto and may from time to time add to or dispose of, or may be materially interested in, any such specified products. Further, CGS-CIMBR, its affiliates and its related corporations do and seek to do business with the company(ies) covered in this report and may from time to time act as market maker or have assumed an underwriting commitment in specified products of such company(ies), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit such investment, advisory or other services from any entity mentioned in this report.

As of CGS-CIMBR does not have a proprietary position in the recommended specified products in this report.

CGS-CIMBR makes a market on the specified products.

CGS-CIMBR does not make a market on other specified products mentioned in the report.

**South Korea:** This report is prepared for and distributed in South Korea by CGS-CIMB Securities (Hong Kong) Limited, Korea Branch ("CGS-CIMB Korea") which is licensed as a cash equity broker, and regulated by the Financial Services Commission and Financial Supervisory Service of Korea. In South Korea, this report is for distribution only to professional investors under Article 9(5) of the Financial Investment Services and Capital Market Act of Korea ("FSCMA").

**Spain:** This document is a research report and it is addressed to institutional investors only. The research report is of a general nature and not personalised and does not constitute investment advice so, as the case may be, the recipient must seek proper advice before adopting any investment decision. This document does not constitute a public offering of securities.

CGS-CIMB is not registered with the Spanish Comision Nacional del Mercado de Valores to provide investment services.

**Sweden:** This report contains only marketing information and has not been approved by the Swedish Financial Supervisory Authority. The distribution of this report is not an offer to sell to any person in Sweden or a solicitation to any person in Sweden to buy any instruments described herein and may not be forwarded to the public in Sweden.

**Switzerland:** This report has not been prepared in accordance with the recognized self-regulatory minimal standards for research reports of banks issued by the Swiss Bankers' Association (Directives on the Independence of Financial Research).

**Thailand:** This report is prepared for and distributed in Thailand by CGS-CIMB Securities (Thailand) Co. Ltd. ("CGS-CIMB Thailand") based upon sources believed to be reliable (but their accuracy, completeness or correctness is not guaranteed). The statements or expressions of opinion herein were arrived at after due and careful consideration for use as information for investment. Such opinions are subject to change without notice and CGS-CIMB Thailand has no obligation to update its opinion or the information in this report.

CGS-CIMB Thailand may act or acts as Market Maker, and issuer and offerer of Derivative Warrants and Structured Note which may have the following securities as its underlying securities. Investors should carefully read and study the details of the derivative warrants in the prospectus before making investment decisions.

ACE, ADVANC, AEONTS, AMATA, AOT, AP, AWC, BAM, BANPU, BBL, BCH, BCP, BCPG, BDMS, BEC, BEM, BGRIM, BH, BJC, BPP, BTS, CBG, CENTEL, CHG, CK, CKP, COM7, CPALL, CPF, CPN, CRC, DELTA, DOHOME, DTAC, EA, EGCO, EPG, ESSO, GFPT, GLOBAL, GPSC, GULF, GUNKUL, HANA, HMPRO, INTUCH, IRPC, IVL, JAS, JAMART, JMT, KBANK, KCE, KKP, KTB, KTC, LH, MAJOR, MBK, MEGA, MINT, MTC, OR, ORI, OSP, PLANB, PRM, PTG, PTT, PTTEP, PTTGC, QH, RATCH, RBF, RS, SAWAD, SCB, SCC, SCGP, SPALI, SPRC, STA, STEC, SUPER, TASCO, TCAP, THANI, TISCO, TMB, TOA, TOP, TPIPP, TQM, TRUE, TTW, TU, TVO, VGI, WHA, WHAUP, AAV, ERW, MC, PSL, SIRI, TKN.

#### Corporate Governance Report:

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. CGS-CIMB Thailand does not confirm nor certify the accuracy of such survey result.

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

**United Arab Emirates:** The distributor of this report has not been approved or licensed by the UAE Central Bank or any other relevant licensing authorities or governmental agencies in the United Arab Emirates. This report is strictly private and confidential and has not been reviewed by, deposited or registered with UAE Central Bank or any other licensing authority or governmental agencies in the United Arab Emirates. This report is being issued outside the United Arab Emirates to a limited number of institutional investors and must not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose. Further, the information contained in this report is not intended to lead to the sale of investments under any subscription agreement or the conclusion of any other contract of whatsoever nature within the territory of the United Arab Emirates.

**United Kingdom and European Economic Area (EEA):** In the United Kingdom and European Economic Area, this material is prepared for and being distributed by CGS-CIMB Securities (UK) Limited ("CGS-CIMB UK"). CGS-CIMB UK is authorized and regulated by the Financial Conduct Authority and its registered office is at 27 Knightsbridge, London, SW1X7YB. The material distributed by CGS-CIMB UK has been prepared in accordance with CGS-CIMB's policies for managing conflicts of interest arising as a result of publication and distribution of this material. This material is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of CGS-CIMB UK; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Order"), (c) fall within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc") of the Order; (d) are outside the United Kingdom subject to relevant regulation in each jurisdiction, material (all such persons together being referred to as "relevant persons"). This material is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons.

This material is categorised as non-independent for the purposes of CGS-CIMB UK and therefore does not provide an impartial or objective assessment of the subject matter and does not constitute independent research. Consequently, this material has not been prepared in accordance with legal requirements designed to promote the independence of research and will not be subject to any prohibition on dealing ahead of the dissemination of research. Therefore, this material is considered a marketing communication.

**United States:** This report is prepared for and distributed in the United States of America by CGS-CIMB Securities (USA) Inc, a U.S. registered broker-dealer and an affiliate of CGS-CIMB Securities Sdn. Bhd., CGS-CIMB Research Pte Ltd, PT CGS-CIMB Sekuritas Indonesia, CGS-CIMB Securities (Thailand) Co. Ltd, CGS-CIMB Securities (Hong Kong) Limited and CGS-CIMB Securities (India) Private Limited, and is distributed solely to persons who qualify as "U.S. Institutional Investors" as defined in Rule 15a-6 under the Securities and Exchange Act of 1934. This communication is only for Institutional Investors whose ordinary business activities involve investing in shares, bonds, and associated securities and/or derivative securities and who have professional experience in such investments. Any person who is not a U.S. Institutional Investor or Major Institutional Investor must not rely on this communication. The delivery of this report to any person in the United States of America is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein. CGS-CIMB Securities (USA) Inc, is a FINRA/SIPC member and takes responsibility for the content of this report. For further information or to place an order in any of the above-mentioned securities please contact a registered representative of CGS-CIMB Securities (USA) Inc.

CGS-CIMB Securities (USA) Inc. has managed or co-managed a public offering of securities in the past 12 months.

CGS-CIMB Securities (USA) Inc. has not managed or co-managed a public offering of any of the securities mentioned in the past 12 months.

CGS-CIMB Securities (USA) Inc. has received compensation for investment banking services in the past 12 months.

CGS-CIMB Securities (USA) Inc. has not received compensation for investment banking services from any of the company mentioned in the past 12 months.

CGS-CIMB Securities (USA) Inc. expects to receive or intend to seek compensation for investment banking services within the next 3 months.

CGS-CIMB Securities (USA) Inc. neither expects to receive nor intends to seek compensation for investment banking services from any of the company mentioned within the next 3 months.

As of the end of the month immediately preceding the date of publication of this report, CGS-CIMB Securities (USA) Inc. beneficially owns 1% or more of any class of common equity securities.

**United States Third-Party Disclaimer:** If this report is distributed in the United States of America by Raymond James & Associates, Inc ("RJA"), this report is third-party research prepared for and distributed in the United States of America by RJA pursuant to an arrangement between RJA and CGS-CIMB Securities International Pte. Ltd. ("CGS-CIMB"). CGS-CIMB is not an affiliate of RJA. This report is distributed solely to persons who qualify as "U.S. Institutional Investors" or as "Major U.S. Institutional Investors" as defined in Rule 15a-6 under the Securities and Exchange Act of 1934, as amended. This communication is only for U.S. Institutional Investors or Major U.S. Institutional Investor whose ordinary business activities involve investing in shares, bonds, and associated securities and/or derivative securities and who have professional experience in such investments. Any person who is not a U.S. Institutional Investor or Major U.S. Institutional Investor must not rely on this communication. The delivery of this report to any person in the U.S. is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein. If you are receiving this report in the U.S from RJA, a FINRA/SIPC member, it takes responsibility for the content of this report. For further information or to place an order in any of the above-mentioned securities please contact a registered representative of CGS-CIMB Securities (USA) Inc. or RJA.

**Other jurisdictions:** In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is only for distribution to professional, institutional, or sophisticated investors as defined in the laws and regulations of such jurisdictions.

**Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2020, Anti-Corruption 2020**

**ADVANC** – Excellent, Certified, **AMATA** – Excellent, Certified, **ANAN** – Excellent, n/a, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Excellent, n/a, **AU** – Good, n/a, **BAM** – Very Good, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Certified, **BCP** - Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Excellent, n/a, **BEAUTY** – Good, n/a, **BH** - Good, n/a, **BJC** – Very Good, n/a, **BLA** – Excellent, Certified, **BTS** - Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – n/a, n/a, **CENTEL** – Excellent, Certified, **CHAYO** – Very Good, n/a, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COM7** – Very Good, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** - Excellent, Certified, **CPNREIT** – n/a, n/a, **CRC** – Very Good, n/a, **DELTA** - Excellent, Certified, **DDD** – Very Good, n/a, **DIF** – n/a, n/a, **DOHOME** – Very Good, n/a, **DREIT** – n/a, n/a, **DTAC** – Excellent, Certified, **ECL** – Excellent, Certified, **EGCO** - Excellent, Certified, **EPG** – Excellent, Certified, **ERW** – Very Good, Certified, **GFPT** - Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Very Good, n/a, **HANA** - Excellent, Certified, **HMPRO** - Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, n/a, **INTUCH** - Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** - Excellent, Certified, **JASIF** – n/a, n/a, **JKN** – Excellent, Declared, **JMT** – Very Good, Declared, **KBANK** - Excellent, Certified, **KCE** - Excellent, Certified, **KEX** – n/a, n/a, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** - Excellent, Certified, **KTC** – Excellent, Certified, **LH** - Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MAKRO** – Excellent, Certified, **MC** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** - Excellent, Certified, **MTC** – Excellent, Certified, **NETBAY** – Very Good, n/a, **NRF** – n/a, n/a, **OR** – n/a, n/a, **ORI** – Excellent, Certified, **OSP** – Very Good, n/a, **PLANB** – Excellent, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, n/a, **PSH** – Excellent, Certified, **PTT** - Excellent, Certified, **PTTEP** - Excellent, Certified, **PTTGC** - Excellent, Certified, **QH** – Excellent, Certified, **RBF** – Good, n/a, **RS** – Excellent, n/a, **RSP** – Good, n/a, **S** – Excellent, n/a, **SAK** – n/a, n/a, **SAPPE** – Very Good, Certified, **SAWAD** – Very Good, n/a, **SCB** - Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – n/a, n/a, **SHR** – Very Good, n/a, **SIRI** – Excellent, Certified, **SPA** – Very Good, n/a, **SPALI** - Excellent, Declared, **SPRC** – Excellent, Certified, **SSP** - Good, Declared, **STEC** – n/a, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, n/a, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TISCO** - Excellent, Certified, **TKN** – Very Good, n/a, **TMB** - Excellent, Certified, **TOP** - Excellent, Certified, **TRUE** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Certified, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – n/a, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

- CG Score 2020 from Thai Institute of Directors Association (IOD)

- Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of January 30, 2021) are categorised 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.