

Sahamitr Pressure Container PCL

(SMPC.BK/SMPC TB)


SET ESG Rating of AA
Not Rated

Price as of 11 Apr 2024	9.75
12M target price (Bt/shr)	N.A.
Unchanged/Revised up(down)(%)	N.A.
Upside/downside (%)	N.A.

Key messages

SMPC's earnings are expected to recover significantly in 2024F (growth in the 35%-48% YoY range) on the back of recoveries in sales volume and gross margin. A premium valuation could be assigned to reflect the significant recovery.

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It's time
Event

Company update.

Impact
Recap on 2023 earnings: Sharp drop YoY

SMPC earlier reported a 2023 net profit of Bt371mn (-55% YoY). The decline was due to significant drops in sales and gross margin. Sales came to Bt3.8bn (-27% YoY), as sales volume contracted 13% YoY from 6.2mn units in 2022 to 5.4mn units in 2023. This was due to demand contracting amid concerns about the global economy (especially demand from North America). Gross margin fell to a 10-year low at 17.6% (-8.1pts YoY), as there was greater competition and smaller economies of scale from softer sales volume. SG&A to sales improved to 10.6% (vs 11.2% in 2022) as the freight situation returned to normal. Net margin was 9.7% (vs 15.8% in 2022).

Earnings should pick up YoY and QoQ in 1Q24F...

Sales volume showed signs of picking up in 1Q24F after a recovery in demand, as LPG cylinders are a necessary product and there is less concern about the global economy. A rise in sales volume would imply a better utilization rate and possibly better economies of scale. This would imply potential improvement in the gross margin. As a result, the company's 1Q24F earnings could rise both YoY and QoQ.

...as well as for the full year

Management anticipates sales volume to recover this year and targets sales volume of 6.8mn units (+26% YoY) as demand in every region recovers. Reaching economies of scale from sales volume rising while the baht depreciates would boost the gross margin as well. Management expects a gross margin of around 20% (vs. its 10-year average (2014-2023) at 23.1%). Based on the company guidance, SMPC's earnings 2024F should reach around Bt500-550mn, equivalent to EPS of Bt0.90 – Bt1.00, implying earnings growth of 35% YoY to 48% YoY.

Valuation

SMPC is not rated. Potential earnings recovery in 2024F with a growth rate of 35%-48% YoY could lead to some premium for the share price. Given an EPS of Bt1.00 (based on assumed sales volume of 6.8mn units and GPM of 20.0%), SMPC's share price could be in the range of Bt11.00 and Bt15.00 (based on PER 11.0x (historical average) and 15.0x (+1.0 S.D historical average).

Risk

Baht appreciation, regulatory risk, raw material cost volatility, trade policy, credit risk, risk from substitute products.

Figure 1: Key financials and valuation

Year end Dec 31	Dec-18A	Dec-19A	Dec-20A	Dec-21A	Dec-22A	Dec-23A
Revenue (Btmn)	4,453	3,256	3,973	4,550	5,248	3,811
Gross profit (btmn)	944	667	970	1,094	1,349	671
SG&A (Btmn)	478	365	440	541	589	403
Net profit (Btmn)	558	375	619	728	829	371
Normalized profit (Btmn)	558	375	619	728	829	371
EPS (Bt)	1.04	0.70	1.16	1.36	1.55	0.69
Normalized EPS (Bt)	1.04	0.70	1.16	1.36	1.55	0.69
EPS growth (%)	4.3	(32.8)	64.9	17.6	13.9	(55.2)
Normalized EPS growth (%)	4.3	(32.8)	64.9	17.6	13.9	(55.2)
P/E (X)	12.0	9.1	8.7	8.8	8.4	13.9
P/B (X)	3.8	1.9	2.5	2.6	2.6	1.9
EV/EBITDA (X)	9.3	6.6	6.8	8.2	7.2	9.5
Net debt to Equity (%)	26.4	7.0	14.6	51.9	36.9	6.7
Dividend yield (%)	5.0	6.6	7.9	6.9	7.7	4.4
Return on Equity (%)	33.9	20.9	31.0	31.5	32.0	13.5

Source: KGI Securities Research

Figure 2: Sensitivity of sales volume and gross margin to 2024-EPS and target price (based on PER at 11.0x/13.0x/15.0x)

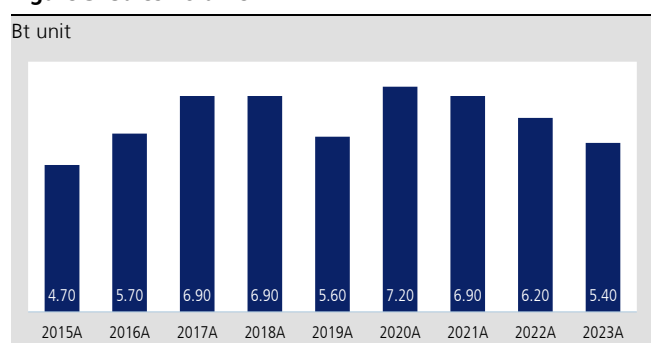
2024-EPS (Bt)		Sales volume (mn unit)								
		6.30	6.40	6.50	6.60	6.70	6.80	6.90	7.00	7.10
Gross margin (%)	16.0	0.67	0.68	0.69	0.70	0.71	0.72	0.73	0.74	0.76
	17.0	0.73	0.74	0.76	0.77	0.78	0.79	0.80	0.82	0.83
	18.0	0.80	0.81	0.82	0.84	0.85	0.86	0.87	0.89	0.90
	19.0	0.86	0.87	0.89	0.90	0.92	0.93	0.94	0.96	0.97
	20.0	0.92	0.94	0.95	0.97	0.98	1.00	1.01	1.03	1.04
	21.0	0.99	1.00	1.02	1.04	1.05	1.07	1.08	1.10	1.12
	22.0	1.05	1.07	1.09	1.10	1.12	1.14	1.16	1.17	1.19
23.0	1.12	1.14	1.15	1.17	1.19	1.21	1.23	1.24	1.26	

TP at PER 11X (Bt)		Sales volume (mn unit)								
		6.30	6.40	6.50	6.60	6.70	6.80	6.90	7.00	7.10
Gross margin (%)	16.0	7.4	7.5	7.6	7.7	7.8	8.0	8.1	8.2	8.3
	17.0	8.1	8.2	8.3	8.4	8.6	8.7	8.8	9.0	9.1
	18.0	8.8	8.9	9.0	9.2	9.3	9.5	9.6	9.8	9.9
	19.0	9.5	9.6	9.8	9.9	10.1	10.2	10.4	10.5	10.7
	20.0	10.2	10.3	10.5	10.7	10.8	11.0	11.2	11.3	11.5
	21.0	10.9	11.1	11.2	11.4	11.6	11.8	11.9	12.1	12.3
	22.0	11.6	11.8	12.0	12.1	12.3	12.5	12.7	12.9	13.1
23.0	12.3	12.5	12.7	12.9	13.1	13.3	13.5	13.7	13.9	

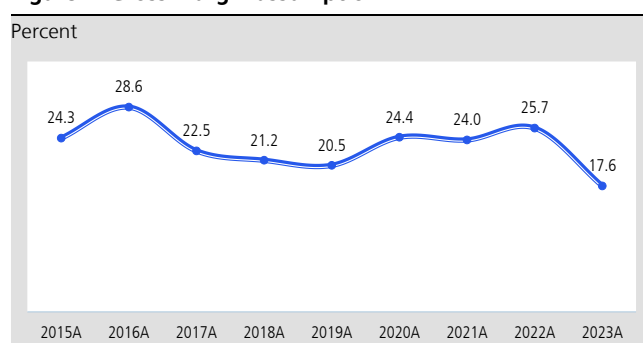
TP at PER 13X (Bt)		Sales volume (mn unit)								
		6.30	6.40	6.50	6.60	6.70	6.80	6.90	7.00	7.10
Gross margin (%)	16.0	8.7	8.8	9.0	9.1	9.3	9.4	9.5	9.7	9.8
	17.0	9.5	9.7	9.8	10.0	10.1	10.3	10.5	10.6	10.8
	18.0	10.4	10.5	10.7	10.9	11.0	11.2	11.4	11.5	11.7
	19.0	11.2	11.4	11.6	11.7	11.9	12.1	12.3	12.5	12.6
	20.0	12.0	12.2	12.4	12.6	12.8	13.0	13.2	13.4	13.6
	21.0	12.9	13.1	13.3	13.5	13.7	13.9	14.1	14.3	14.5
	22.0	13.7	13.9	14.1	14.4	14.6	14.8	15.0	15.2	15.5
23.0	14.5	14.8	15.0	15.2	15.5	15.7	15.9	16.2	16.4	

TP at PER 15X (Bt)		Sales volume (mn unit)								
		6.30	6.40	6.50	6.60	6.70	6.80	6.90	7.00	7.10
Gross margin (%)	16.0	10.0	10.2	10.4	10.5	10.7	10.8	11.0	11.2	11.3
	17.0	11.0	11.2	11.3	11.5	11.7	11.9	12.1	12.2	12.4
	18.0	11.9	12.1	12.3	12.5	12.7	12.9	13.1	13.3	13.5
	19.0	12.9	13.1	13.3	13.5	13.7	14.0	14.2	14.4	14.6
	20.0	13.9	14.1	14.3	14.5	14.8	15.0	15.2	15.4	15.7
	21.0	14.8	15.1	15.3	15.6	15.8	16.0	16.3	16.5	16.8
	22.0	15.8	16.1	16.3	16.6	16.8	17.1	17.3	17.6	17.8
23.0	16.8	17.0	17.3	17.6	17.8	18.1	18.4	18.7	18.9	

Source: KGI Securities Research

Figure 3: Sales volume


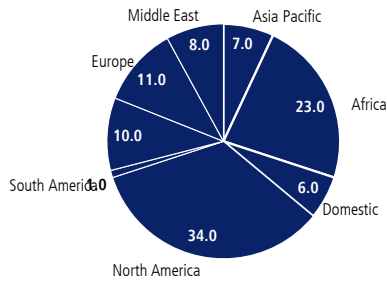
Source: Company data, KGI Securities Research

Figure 4: Gross margin assumption


Source: Company data, KGI Securities Research

Figure 5: Sales breakdown

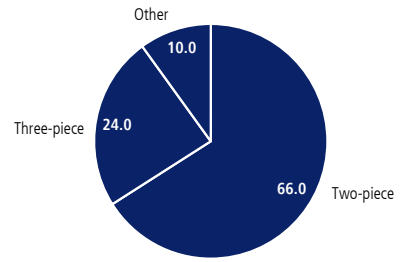
Percent



Source: Company data, KGI Securities Research

Figure 6: Sales breakdown

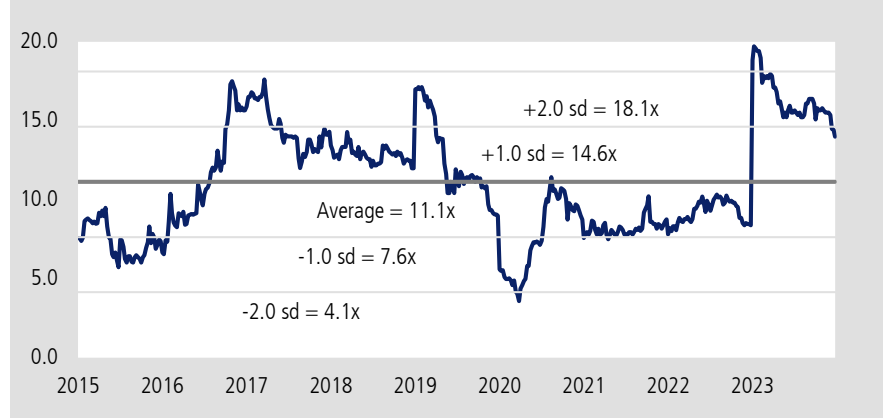
Percent



Source: Company data, KGI Securities Research

Figure 7: PER

Times



Source: KGI Research

SET ESG Ratings

Stock	Company name	SET ESG Ratings	Stock	Company name	SET ESG Ratings
ADVANC	ADVANCED INFO SERVICE	AAA	KTC	KRUNGTHAI CARD	AAA
AMATA	AMATA CORPORATION	AAA	LH	LAND AND HOUSES	A
AOT	AIRPORTS OF THAILAND	A	MAJOR	MAJOR CINEPLEX GROUP	AA
AP	AP (THAILAND)	AA	MEGA	MEGA LIFESCIENCES	A
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	AA	MINT	MINOR INTERNATIONAL	AA
BAM	BANGKOK COMMERCIAL ASSET MANAGEMEN	AA	MTC	MUANGTHAI CAPITAL	A
BANPU	BANPU	AAA	OR	PTT OIL AND RETAIL BUSINESS	AAA
BBGI	BBGI	AA	ORI	ORIGIN PROPERTY	AA
BBL	BANGKOK BANK	AA	OSP	OSOTSPA	AA
BCH	BANGKOK CHAIN HOSPITAL	AA	PLANB	PLAN B MEDIA	AA
BCP	BANGCHAK CORPORATION	AAA	PSH	PRUKSA HOLDING	BBB
BCPG	BCPG	AA	PTT	PTT	AAA
BDMS	BANGKOK DUSIT MEDICAL SERVICES	AA	PTTEP	PTT EXPLORATION AND PRODUCTION	AAA
BEM	BANGKOK EXPRESSWAY AND METRO	AA	PTTGC	PTT GLOBAL CHEMICAL	AAA
BGRIM	B.GRIMM POWER	AAA	RATCH	RATCH GROUP	AA
BPP	BANPU POWER	AAA	RBF	R&B FOOD SUPPLY	BBB
BTS	BTS GROUP HOLDINGS	AA	SAK	SAKSIAM LEASING	A
CBG	CARABAO GROUP	A	SAPPE	SAPPE	BBB
CENTEL	CENTRAL PLAZA HOTEL	A	SAT	SOMBOON ADVANCE TECHNOLOGY	AA
CK	CH. KARNCHANG	A	SAWAD	SRISAWAD CORPORATION	BBB
CKP	CK POWER	AAA	SCB	SCB X	AA
COM7	COM7	A	SCC	THE SIAM CEMENT	AAA
CPALL	CP ALL	AAA	SCCC	SIAM CITY CEMENT	AA
CPAXT	CP AXTRA	AAA	SCGP	SCG PACKAGING	AAA
CPF	CHAROEN POKPHAND FOODS	AAA	SHR	S HOTELS AND RESORTS	A
CPN	CENTRAL PATTANA	AA	SICT	SILICON CRAFT TECHNOLOGY	A
EGCO	ELECTRICITY GENERATING	AA	SMPC	SAHAMITR PRESSURE CONTAINER	AA
ERW	THE ERWAN GROUP	A	SNC	SNC FORMER	A
GFPT	GFPT	BBB	SPALI	SUPALAI	AA
GLOBAL	SIAM GLOBAL HOUSE	AA	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION	A
GPSC	GLOBAL POWER SYNERGY	AA	STGT	SRI TRANG GLOVES (THAILAND)	AAA
GULF	GULF ENERGY DEVELOPMENT	AA	TCAP	THANACHART CAPITAL	A
HANA	HANA MICROELECTRONICS	AA	TFG	THAIFOODS GROUP	A
HENG	HENG LEASING AND CAPITAL	A	THCOM	THAICOM	AAA
HMPRO	HOME PRODUCT CENTER	AA	TISCO	TISCO FINANCIAL GROUP	AAA
INTUCH	INTOUCH HOLDINGS	AA	TOP	THAI OIL	AAA
IRPC	IRPC	AA	TTB	TMBTHANACHART BANK	AA
IVL	INDORAMA VENTURES	AA	UBE	UBON BIO ETHANOL	A
KBANK	KASIKORNBANK	AAA	VGI	VGI	AA
KEX	KERRY EXPRESS (THAILAND)	BBB	WHA	WHA CORPORATION	AAA
KKP	KIATNAKIN PHATRA BANK	BBB	WHAUP	WHA UTILITIES AND POWER	AAA
KTB	KRUNG THAI BANK	AAA	ZEN	ZEN CORPORATION GROUP	AA

Source: www.setsustainability.com

Disclaimer: The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.

Corporate Governance Report of Thai Listed Companies



Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	GFPT	GFPT	SAK	SAKSAM LEASING
ADVANC	ADVANCED INFO SERVICE	GGC	GLOBAL GREEN CHEMICALS	SAPPE	SAPPE
AEONTS	AEON THANA SINSAP (THAILAND)	GLOBAL	SIAM GLOBAL HOUSE	SAT	SOMBOON ADVANCE TECHNOLOGY
AMA	AMA MARINE	GPSC	GLOBAL POWER SYNERGY	SCB	SCB X
AMATA	AMATA CORPORATION	GULF	GULF ENERGY DEVELOPMENT	SCC	THE SIAM CEMENT
ANAN	ANANDA DEVELOPMENT	HANA	HANA MICROELECTRONICS	SCCC	SIAM CITY CEMENT
AOT	AIRPORTS OF THAILAND	HENG	HENG LEASING AND CAPITAL	SCGP	SCG PACKAGING
AP	AP (THAILAND)	HMPRO	HOME PRODUCT CENTER	SEAFECO	SEAFECO
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	INTUCH	INTOUCH HOLDINGS	SFT	SHRINKFLEX (THAILAND)
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	IRPC	IRPC	SHR	S HOTELS AND RESORTS
BANPU	BANPU	ITC	i-Tail Corporation	SICT	SILICON CRAFT TECHNOLOGY
BBGI	BBGI	IVL	INDORAMA VENTURES	SMPC	SAHAMITR PRESSURE CONTAINER
BBL	BANGKOK BANK	KBANK	KASIKORN BANK	SNC	SNC FORMER
BCH	BANGKOK CHAIN HOSPITAL	KCE	KCE ELECTRONICS	SNNP	SRINANAPORN MARKETING
BCP	BANGCHAK CORPORATION	KEX	KERRY EXPRESS (THAILAND)	SPALI	SUPALAI
BCPG	BCPG	KKP	KIATNAKIN PHATRA BANK	SPRC	STAR PETROLEUM REFINING
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KTB	KRUNG THAI BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
BEC	BEC WORLD	KTC	KRUNGTHAI CARD	STGT	SRI TRANG GLOVES (THAILAND)
BEM	BANGKOK EXPRESSWAY AND METRO	LH	LAND AND HOUSES	SUN	SUNSWEEP
BGRIM	B.GRIMM POWER	LPN	L.P.N. DEVELOPMENT	SVI	SVI
BH	BUMRUNGRAD HOSPITAL	M	MK RESTAURANT GROUP	TACC	T.A.C. CONSUMER
BPP	BANPU POWER	MAJOR	MAJOR CINEPLEX GROUP	TCAP	THANACHART CAPITAL
BTS	BTS GROUP HOLDINGS	MBK	MBK	TFG	THAIFOODS GROUP
CBG	CARABAO GROUP	MEGA	MEGA LIFESCIENCES	THCOM	THAICOM
CENTEL	CENTRAL PLAZA HOTEL	MINT	MINOR INTERNATIONAL	TIDLOR	NGERN TID LOR
CK	CH. KARNCHANG	MTC	MUANGTHAI CAPITAL	TISCO	TISCO FINANCIAL GROUP
CKP	CK POWER	OR	PTT OIL AND RETAIL BUSINESS	TKN	TAOKAENOI FOOD & MARKETING
COM7	COM7	ORI	ORIGIN PROPERTY	TOP	THAI OIL
CPALL	CP ALL	OSP	OSOTSPA	TTB	TMBTHANACHART BANK
CPAXT	CP AXTRA	PLANB	PLAN B MEDIA	UBE	UBON BIO ETHANOL
CPF	CHAROEN POKPHAND FOODS	PSH	PRUKSA HOLDING	VGI	VGI
CPN	CENTRAL PATTANA	PTT	PTT	WHA	WHA CORPORATION
DELTA	DELTA ELECTRONICS (THAILAND)	PTTEP	PTT EXPLORATION AND PRODUCTION	WHAUP	WHA UTILITIES AND POWER
DOHOM	DOHOME	PTTGC	PTT GLOBAL CHEMICAL	ZEN	ZEN CORPORATION GROUP
EGCO	ELECTRICITY GENERATING	QH	QUALITY HOUSES		
ERW	THE ERAWAN GROUP	RATCH	RATCH GROUP		



Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BSRC	BANGCHAK SRIRACHA	JMART	JAYMART GROUP HOLDINGS	SINGER	SINGER THAILAND
BTG	BETAGRO	NTSC	Nutrition SC	TNP	THANAPIRIYA
EKH	EKACHAI MEDICAL CARE	PQS	Premier Quality Starch	XO	EXOTIC FOOD
HUMAN	HUMANICA	PYLON	PYLON		



Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
IIG	I&I GROUP	SAWAD	SRISAWAD CORPORATION	SPA	SIAM WELLNESS GROUP
JMT	JMT NETWORK SERVICES	SMD	SAINTMED		

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
AU	AFTER YOU	PJW	PANJAWATTANA PLASTIC	TGE	THACHANG GREEN ENERGY
CHG	CHULARAT HOSPITAL	PLT	Pilatus Marine	TPCH	TPC POWER HOLDING
LPH	LADPRAO GENERAL HOSPITAL	PTG	PTG ENERGY	TU	THAI UNION GROUP
MENA	MENA TRANSPORT	SFLEX	STARFLEX		
NETBAY	NETBAY	SISB	SISB		

Source: www.thai-iod.com

Disclaimer: 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 assessment 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 or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.

Anti-corruption Progress Indicator

Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	ROBINS	ROBINSON DEPARTMENT STORE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCC	THE SIAM CEMENT
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KBANK	KASIKORN BANK	SIRI	SANSIRI
BIGC	BIG C SUPERCENTER	KCE	KCE ELECTRONICS	SPALI	SUPALAI
CK	CH. KARNCHANG	KKP	KIATNAKIN BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DCC	DYNASTY CERAMIC	KTB	KRUNG THAI BANK	TCAP	THANACHART CAPITAL
DELTA	DELTA ELECTRONICS (THAILAND)	LPH	LADPRAO GENERAL HOSPITAL	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	PACE	PACE DEVELOPMENT CORPORATION	TMT	THAI METAL TRADE
EGCO	ELECTRICITY GENERATING	PTT	PTT	TOP	THAI OIL
GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL		

Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERAWAN GROUP	SAPPE	SAPPE
AP	ASIAN PROPERTY DEVELOPMENT	GLOW	GLOW ENERGY	SAWAD	SRI SAWAD POWER 1979
BA	BANGKOK AIRWAYS	GUNKUL	GUNKUL ENGINEERING	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	ILINK	INTERLINK COMMUNICATION	SCN	SCAN INTER
BGP	THE BANGCHAK PETROLEUM	KTC	KRUNGTHAI CARD	SEAFSCO	SEAFSCO
BH	BUMRUNGRAD HOSPITAL	LH	LAND AND HOUSES	SVI	SVI
BJCHI	BJC HEAVY INDUSTRIES	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CBG	CARABAO GROUP	MAKRO	SIAM MAKRO	TKN	TAOKAENOI FOOD & MARKETING
CENDEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TMB	TMB BANK
CHG	CHULARAT HOSPITAL	MINT	MINOR INTERNATIONAL	TRT	TIRATHAI
CKP	CK POWER	MODERN	MODERNFORM GROUP	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
CPN	CENTRAL PATTANA	PTTEP	PTT EXPLORATION AND PRODUCTION		
DTAC	TOTAL ACCESS COMMUNICATION	PYLON	PYLON		

Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
BEM	BANGKOK EXPRESSWAY AND METRO	MTLS	MUANGTHAI LEASING	SPRC	STAR PETROLEUM REFINING
CPALL	CP ALL	SCI	SCI ELECTRIC		

No progress

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	BPP	BANPU POWER	FN	FN FACTORY OUTLET
BCPG	BCPG	BTS	BTS GROUP HOLDINGS	TPCH	TPC POWER HOLDING

Source: www.cgthailand.org

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KGI Locations

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Hong Kong		41/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong Telephone 852.2878.6888 Facsimile 852.2878.6800
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KGI's Ratings

Rating	Definition
Outperform (OP)	The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan)..
Neutral (N)	The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan)
Under perform (U)	The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Not Rated (NR)	The stock is not rated by KGI.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances. Excess return = 12M target price/current price-
Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.

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