

Hana Microelectronics PCL

(HANA.BK/HANA TB)*

Underperform · Maintained

Price as of 18 Apr 2023	49.75
12M target price (Bt/shr)	43.00
Unchanged/Revised up(down)(%)	Unchanged
Upside/downside (%)	(13.6)

Key messages

แนวโน้ม smartphone ที่อ่อนแอ และช่วง correction ของอุตสาหกรรมทำให้แนวโน้มของ HANA ในปีนี้ไม่น่าสนใจ เราจึงลงคำแนะนำจาก “ขาย” และ ประเมินราคาเป้าหมายสั้นปี 2566 ที่ 43.00 บาท

Trading data

Mkt cap (Btmn/US\$m)	39,842/996
Outstanding shares (mn)	805
Foreign ownership (mn)	422
3M avg. daily trading (mn)	11
52-week trading range (Bt)	33.5 – 65.0
Performance (%)	3M 6M 12M
Absolute	-13.5 43.5 7.6
Relative	-8.6 43.2 13.0

Quarterly EPS

EPS	Q1	Q2	Q3	Q4
2020	0.25	0.85	0.40	0.87
2021	0.37	0.92	0.70	-0.07
2022	0.45	0.30	0.52	1.34

Share price chart



Source: SET

Chananthorn Pichayapanupat, CFA
66.2658.8888 Ext. 8849
chananthornp@kgi.co.th

ประมาณการ 1Q23F: แนวโน้ม smartphone อ่อนแอ

Event

เราคาดว่ากำไรจากธุรกิจหลักของ HANA ใน 1Q66 จะอยู่ที่ 498 ล้านบาท (+24% YoY, -10% QoQ) คิดเป็น 22% ของประมาณการกำไรเต็มปีของเรา โดยกำไรที่เพิ่มขึ้น YoY จะเป็นเพราะฐานกำไรต่ำใน 1Q65 จากส่วนแบ่งผลขาดทุน Power master (PMS) ในขณะเดียวกัน กำไรที่ลดลง QoQ เป็นเพราะยอดขาย smartphone มีแนวโน้มอ่อนแอ และอัตรากำไรขั้นต้นอ่อนแอเนื่องจากเงินบาทแข็งค่าขึ้น

Impact

ยอดขายอ่อนแอเพราะแนวโน้มอุตสาหกรรมมือถืออานวย

เนื่องจาก i) แนวโน้มที่อ่อนแอของ smartphone (KGI Taiwan คาดว่า smartphone ทั่วโลกจะหดตัว 6% YoY ในปี 2566) และ ii) อุตสาหกรรมอยู่ในช่วง correction โดยยอดขาย semiconductor โลกอยู่ที่ 3.97 หมื่นล้านดอลลาร์ (-21% YoY, -4% MoM) ในเดือนกุมภาพันธ์ 2566 ซึ่งลดลงต่อเนื่องเป็นเดือนที่เก้านับตั้งแต่เดือนพฤศจิกายน 2565 เราคาดว่ายอดขายของ HANA จะลดลงใน 1Q66 มาอยู่ที่ 5.8 พันล้านบาท (-5% YoY, -18% QoQ) แต่หากไม่รวมผลจากอัตราแลกเปลี่ยน ยอดขายใน 1Q66 จะอยู่ที่ 172 ล้านดอลลาร์ (-7% YoY, -13% QoQ) คิดเป็น 22% ของประมาณการเต็มปีของเรา

อัตรากำไรลดลง

เนื่องจาก i) เงินบาทแข็งค่าขึ้น (อัตราแลกเปลี่ยนเฉลี่ยอยู่ที่ 33.8 บาท/ดอลลาร์ฯ ใน 1Q66 จาก 36.6 บาท/ดอลลาร์ฯ ใน 4Q65 และ 33 บาท/ดอลลาร์ฯ ใน 1Q65) ii) ต้นทุนแรงงานเพิ่มขึ้น (คิดเป็นประมาณ 15% ของยอดขายรวม) และ iii) ต้นทุนค่าสาธารณูปโภคเพิ่มขึ้น เราคาดว่าอัตรากำไรขั้นต้นใน 1Q66 จะอยู่ที่ 13.2% (+2.3ppts YoY, -0.2ppts QoQ) โดยอัตรากำไรขั้นต้นที่เพิ่มขึ้น YoY จะเป็นเพราะฐานที่ต่ำใน 1Q65 เนื่องจากมีส่วนแบ่งผลขาดทุนจาก Power master Semiconductor (PMS)

ยังมีความท้าทายอยู่บ้าง แต่ตลาดน่าจะให้พื้นที่

ถึงแม้เราคาดว่าโมเมนตัมยอดขายจะเร่งตัวขึ้นใน 2H66 จากการกลับมาคนซื้ออีกครั้งในช่วงปลายวัฏจักร เนื่องจากเราคาดว่าช่วง correction ของอุตสาหกรรมจะจบลงประมาณ 4Q66 (ผ่านไปแล้วเก้าเดือน จากมิถุนายน 2565 – กุมภาพันธ์ 2566 เทียบสถิติในอดีต ประมาณ 18 เดือน) ประมาณการกำไรปัจจุบันของเรายังคงมี Upside จำกัด เนื่องจากประมาณการกำไรไตรมาสที่ 1 คิดเป็นเพียง 22% ของประมาณการทั้งปี ในขณะที่ความสามารถในการทำกำไรก็ยังคงมีความท้าทาย โดยนักเศรษฐศาสตร์ของ KGI คาดการณ์ว่าเงินบาทจะแข็งค่าต่อเนื่องในช่วง 2H66 ขาวบวกอย่างเรื่องการที่ Apple พิจารณาหา Supplier เพื่อผลิต MacBook ในประเทศไทย อาจถูกหักล้างไปกับข่าวออกอุปสงค์ที่อ่อนแอ (ยอดขาย MacBook หดตัว 41% YoY ในช่วง 1Q66)

Valuation & action

เรายังคงราคาเป้าหมายสั้นปี 2566 ไว้ที่ 43.00 บาท อิงจาก PER ที่ 15.0x (ค่าเฉลี่ยในอดีต -0.25 S.D.) และคงคำแนะนำ “ขาย”

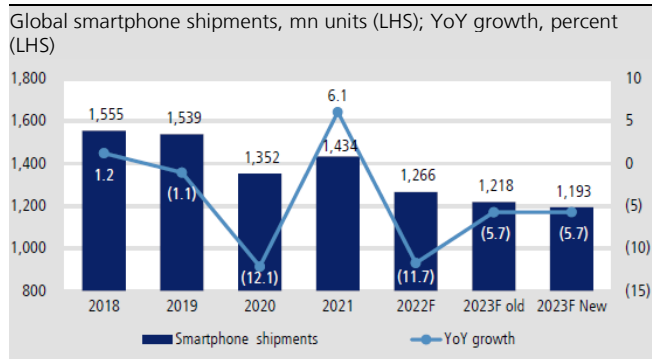
Risks

ภัยธรรมชาติ, มีการปิดโรงงานนอกแผน, ลูกค้าเปลี่ยนไปสั่งสินค้าจาก supplier รายอื่น, ขาดแคลนวัตถุดิบ, เงินบาทแข็งค่าขึ้น (เราใช้สมมติฐานอัตราแลกเปลี่ยนปี 2566-67 ที่ 33.80 บาท/ดอลลาร์ฯ)

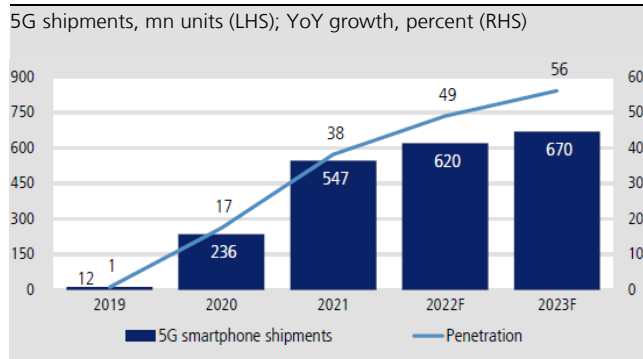
Key financials and valuations

Year end Dec 31	Dec - 19A	Dec - 20A	Dec - 21A	Dec - 22A	Dec - 23F	Dec - 24F
Revenue (Btmn)	20,384	19,283	23,780	27,167	26,190	26,972
Gross Profit (Btmn)	2,357	2,548	3,287	3,661	3,614	3,840
Net Profit (Btmn)	1,805	1,908	1,545	2,078	2,289	2,469
Normalized Profit (Btmn)	1,523	1,796	2,272	2,396	2,289	2,469
EPS (Bt)	2.24	2.37	1.92	2.58	2.84	3.07
Normalized EPS (Bt)	1.89	2.23	2.82	2.98	2.84	3.07
DPS (Bt)	1.30	1.40	2.00	1.00	1.00	2.00
EPS Growth (%)	(24.0)	5.7	(19.0)	34.5	10.1	7.9
Normalized EPS Growth	(35.4)	17.9	26.6	5.4	(4.5)	7.9
P/E (X)	17.4	17.8	32.1	16.7	17.5	16.2
P/B (X)	1.3	1.5	3.2	1.7	1.6	1.5
EV/EBITDA (X)	10.2	11.0	12.7	10.1	6.8	6.3
Net Debt to Equity (%)	(41.5)	(25.0)	(14.3)	(10.0)	(35.9)	(41.4)
Dividend Yield (%)	3.9	3.5	2.2	2.0	2.0	4.0
Return on Average Equity (%)	8.7	9.1	6.9	8.9	9.3	9.5

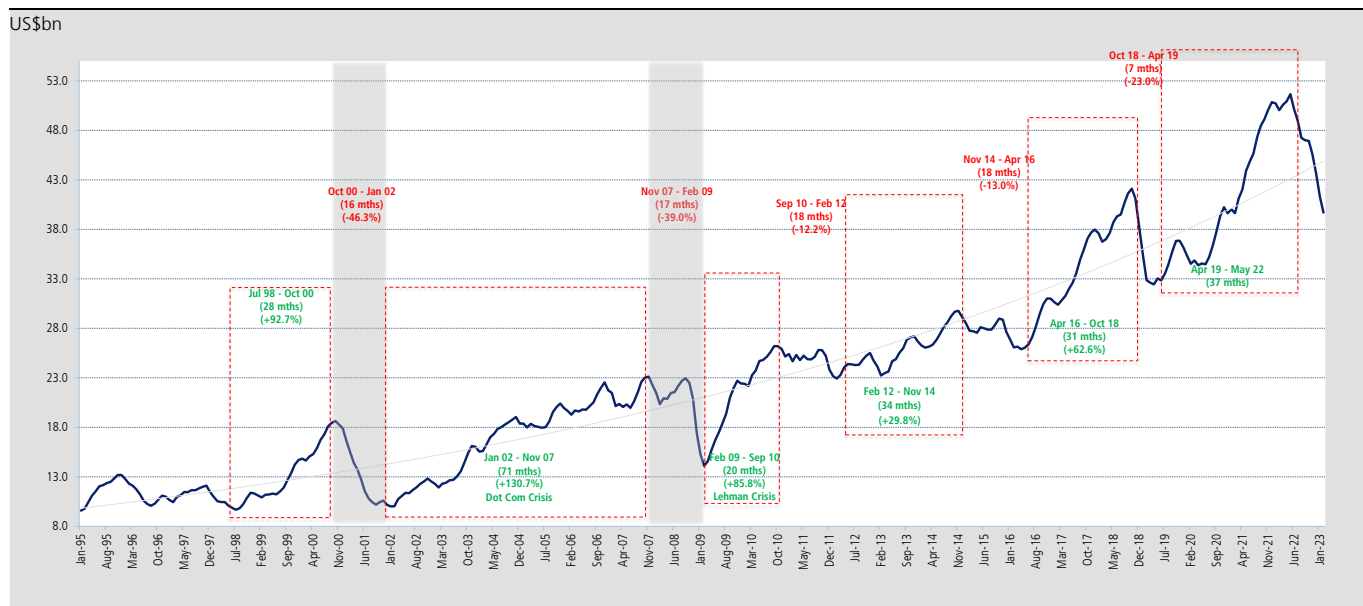
Source: Company data, KGI Research

Figure 1: Global smartphone demand decline in 2023F


Source: Gartner; KGI Securities Research (Taiwan)

Figure 2: Rising 5G smartphone penetration, but slowing


Source: Gartner; KGI Securities Research (Taiwan)

Figure 3: Global semiconductor sales


Source: SIA, KGI Securities Research

Figure 4: 1Q23F earnings preview

Btmn	1Q23F	1Q22	YoY (%)	4Q22	QoQ (%)
Revenue	5,815	6,107	(4.8)	7,125	(18.4)
Gross Profit	767	663	15.7	954	(19.6)
SG&A	357	381	(6.3)	505	(29.4)
Operating Profit	507	390	29.8	567	(10.7)
Operating EBITDA	915	736	24.3	976	(6.2)
Non-Op Inc./(Exp)	0	(34)	(100.0)	522	(100.0)
Net profit	498	365	36.4	1,075	(53.7)
Normalized profit	498	399	24.8	553	(10.0)
EPS (Bt)	0.62	0.45	36.4	1.34	(53.7)
Normalized EPS (Bt)	0.62	0.50	24.8	0.69	(10.0)
Percent	1Q23F	1Q22	YoY (ppts)	4Q22	QoQ (ppts)
Gross margin	13.2	10.8	2.3	13.4	(0.2)
EBIT margin	8.7	6.4	2.3	8.0	0.7
SG&A/sales	6.1	6.2	(0.1)	7.1	(1.0)
Assumption	1Q23F	1Q22	YoY (%)	4Q22	QoQ (%)
Sales (US\$m)	172	185	(7.0)	197	(12.7)
Exchange rate (Bt/US\$)	33.8	33.0	2.4	36.6	(7.7)

Source: KGI Securities Research

Figure 5: Key assumptions

Assumption	Unit	2016	2017	2018	2019	2020	2021	2022	2023F	2024F
Sales	US\$mn	581	635	689	656	616	743	775	775	798
Sales growth	percent	(3.0)	9.3	8.5	(4.8)	(6.1)	20.6	4.3	(0.0)	3.0
GPM	Percent	14.0	14.9	14.4	11.6	13.2	13.8	13.5	13.8	14.2
Exchange rate	Bt/US\$	35.3	33.9	32.3	31.1	31.3	32.0	35.1	33.8	33.8

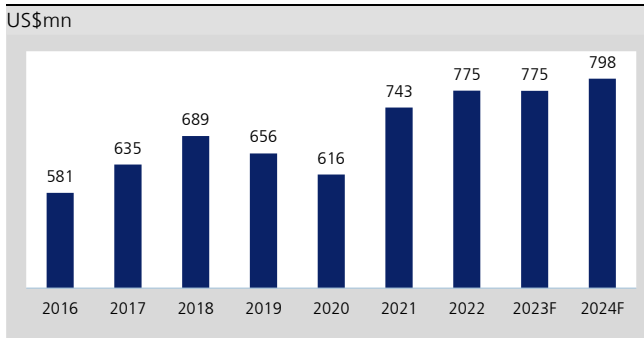
Source: KGI Securities Research

Figure 6: Company profile

Hana Group is one of Southeast Asia's leading independent electronics manufacturing service (EMS) producers. The company's headquarters are in Bangkok and there are six manufacturing facilities located in Lamphun and Ayutthaya provinces in Thailand, Jiaying, China, Ohio, US, Koh Kong, Cambodia.

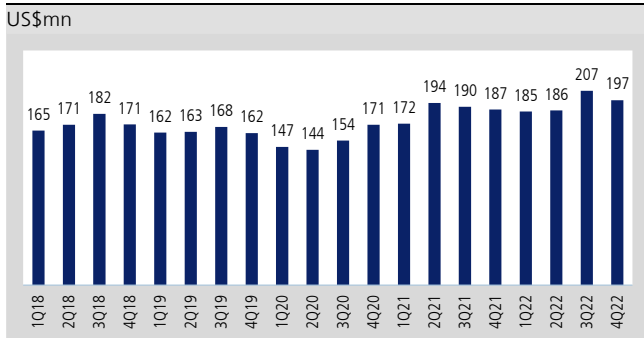
Source: Company data

Figure 8: Sales Assumption



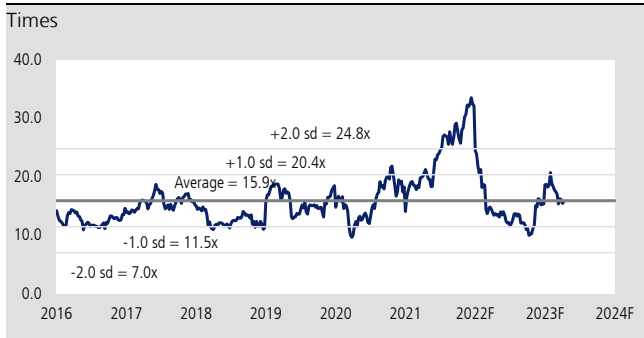
Source: Company data, KGI Securities Research

Figure 10: Sales Quarterly



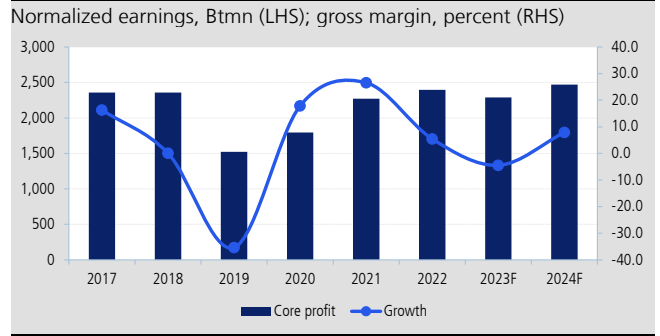
Source: Company data, KGI Securities Research

Figure 12: Company's PER



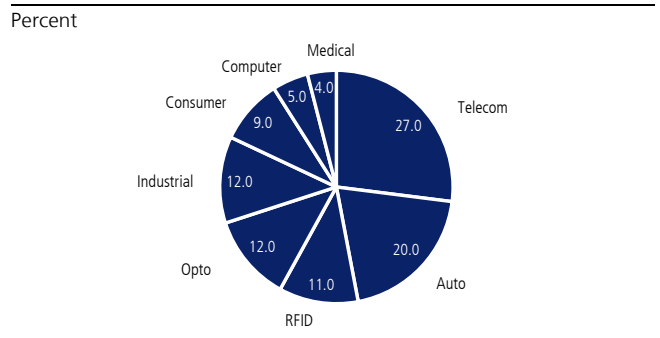
Source: KGI Securities Research

Figure 7: Core profit



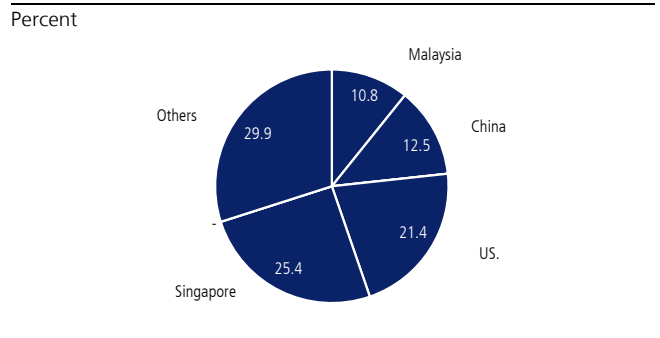
Source: Company data, KGI Securities Research

Figure 9: Revenue breakdown by application



Source: Company data, KGI Securities Research

Figure 11: Sales breakdown by country



Source: Company data, KGI Securities Research

Figure 13: Company's PBV



Source: KGI Securities Research

Quarterly Income Statement

	Mar-20A	Jun-20A	Sep-20A	Dec-20A	Mar-21A	Jun-21A	Sep-21A	Dec-21A	Mar-22A	Jun-22A	Sep-22A	Dec-22A
Income Statement (Bt mn)												
Revenue	4,610	4,592	4,814	5,267	5,214	6,065	6,241	6,260	6,107	6,390	7,545	7,125
Cost of Goods Sold	(3,901)	(3,889)	(4,242)	(4,702)	(4,593)	(5,048)	(5,265)	(5,587)	(5,445)	(5,512)	(6,378)	(6,171)
Gross Profit	708	703	572	565	621	1,016	976	673	663	878	1,167	954
Operating Expense	(298)	(326)	(317)	(270)	(312)	(373)	(376)	(362)	(381)	(401)	(408)	(505)
Other incomes	50	97	111	130	77	117	95	66	108	120	109	119
Operating Profit	460	474	366	424	386	760	696	377	390	597	868	567
Depreciation of fixed asset	(281)	(283)	(285)	(314)	(314)	(299)	(327)	(345)	(346)	(368)	(405)	(409)
Operating EBITDA	741	757	651	738	700	1,059	1,023	722	736	965	1,273	976
Non-Operating Income	(238)	243	(14)	276	99	(2)	(82)	(173)	54	(302)	(359)	414
Interest Income	44	36	31	29	29	29	29	28	25	23	24	23
Other Non-op Income	(282)	207	(45)	247	69	(32)	(111)	(201)	29	(326)	(384)	391
Non-Operating Expense	(6)	(2)	(1)	0	179	(0)	25	244	61	29	40	(137)
Interest Expense	(6)	(2)	(1)	0	(1)	(2)	(2)	(3)	(1)	(3)	(3)	(6)
Other Non-op Expense	0	0	0	0	181	1	27	246	63	32	43	(131)
Equity Income/(Loss)	0	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	217	715	350	701	303	754	586	(45)	380	260	463	1,107
Current Taxation	(14)	(33)	(31)	17	(2)	(18)	(22)	(11)	(15)	(15)	(46)	(31)
Minorities	0	0	0	0	0	0	0	0	0	0	0	0
Extraordinary items												
Net Profit	203	682	319	719	301	737	564	(56)	365	245	417	1,075
Normalized Profit	485	475	364	471	413	770	701	391	399	603	843	553
EPS (Bt)	0.25	0.85	0.40	0.89	0.37	0.92	0.70	(0.07)	0.45	0.30	0.52	1.34
Normalized EPS (Bt)	0.60	0.59	0.45	0.59	0.51	0.96	0.87	0.49	0.50	0.75	1.05	0.69
Margins												
Gross profit margin	15.4	15.3	11.9	10.7	11.9	16.8	15.6	10.8	10.8	13.7	15.5	13.4
Operating EBIT margin	10.0	10.3	7.6	8.1	7.4	12.5	11.1	6.0	6.4	9.3	11.5	8.0
Operating EBITDA margin	16.1	16.5	13.5	14.0	13.4	17.5	16.4	11.5	12.1	15.1	16.9	13.7
Net profit margin	4.4	14.8	6.6	13.6	5.8	12.1	9.0	(0.9)	6.0	3.8	5.5	15.1
Growth (YoY)												
Revenue growth	(10.2)	(11.0)	(6.9)	7.0	13.1	32.1	29.7	18.9	17.1	5.4	20.9	13.8
Operating EBIT growth	177.2	2.9	(3.9)	(6.4)	(16.1)	60.4	89.9	(11.2)	1.0	(21.4)	24.8	50.6
Operating EBITDA growth	64.1	1.7	(1.5)	1.1	(5.5)	39.8	57.1	(2.2)	5.1	(8.8)	24.5	35.1
Net profit growth	(33.0)	27.3	(21.6)	28.7	48.1	8.1	76.6	(107.9)	21.2	(66.8)	(26.1)	(2,005.7)
Normalized profit growth	153.7	(2.0)	(6.6)	3.1	(14.9)	62.1	92.4	(17.1)	(3.3)	(21.7)	20.3	41.5

Source: Company data, KGI Research

Balance Sheet

As of 31 Dec (Bt mn)	2020	2021	2022	2023F	2024F
Total Assets	25,180	27,853	29,703	30,905	32,297
Current Assets	17,720	17,570	18,243	20,406	22,583
Cash & ST Investment	5,400	3,304	2,375	9,110	11,016
Inventories	4,496	6,857	9,457	5,566	5,704
Account Receivable	3,461	4,553	4,981	4,305	4,434
Others	4,363	2,856	1,431	1,424	1,429
Non-current Assets	7,460	10,283	11,460	10,499	9,714
LT Investment	72	72	72	72	72
Net fixed Assets	6,938	9,663	10,853	9,914	9,141
Others	450	548	534	513	501
Total Liabilities	3,567	4,795	5,841	5,558	5,689
Current Liabilities	2,806	4,029	5,027	4,500	4,607
Account Payable	2,355	3,506	4,161	3,711	3,802
ST Borrowing	0	0	0	0	0
Others	451	523	866	789	805
Long-term Liabilities	760	766	814	1,058	1,081
Long-term Debts	0	0	0	0	0
Others	760	766	814	1,058	1,081
Shareholders' Equity	21,614	23,058	23,862	25,346	26,608
Common Stock	805	805	805	805	805
Capital Surplus	1,723	1,723	1,723	1,723	1,723
Retained Earnings	19,240	19,344	20,234	21,718	22,980
Preferred Stock	0	0	0	0	0

Source: KGI Research

Key Ratios

Year to 31 Dec	2020	2021	2022	2023F	2024F
Growth (%YoY)					
Sales	(5.4)	23.3	14.2	(3.6)	3.0
OP	18.1	28.6	9.2	(3.8)	8.0
EBITDA	1.1	(7.9)	28.9	22.4	0.5
NP	5.7	(19.0)	34.5	10.1	7.9
Normalized Profit	17.9	26.6	5.4	(4.5)	7.9
EPS	5.7	(19.0)	34.5	10.1	7.9
Normalized EPS	17.9	26.6	5.4	(4.5)	7.9
Profitability (%)					
Gross Margin	13.2	13.8	13.5	13.8	14.2
Operating Margin	8.9	9.3	8.9	8.9	9.3
EBITDA Margin	16.3	12.2	13.7	17.4	17.0
Net Margin	9.9	6.5	7.7	8.7	9.2
ROAA	7.7	5.8	7.2	7.6	7.8
ROAE	9.1	6.9	8.9	9.3	9.5
Stability					
Gross Debt/Equity (%)	16.5	20.8	24.5	21.9	21.4
Net Debt/Equity (%)	(25.0)	(14.3)	(10.0)	(35.9)	(41.4)
Interest Coverage (x)	218.1	214.3	175.7	200.8	210.3
Interest & ST Debt Coverage (x)	218.1	214.3	175.7	200.8	210.3
Cash Flow Interest Coverage (x)	(113.9)	277.9	222.4	700.7	346.1
Cash Flow/Interest & ST Debt (x)	(113.9)	277.9	222.4	700.7	346.1
Current Ratio (x)	6.3	4.4	3.6	4.5	4.9
Quick Ratio (x)	4.7	2.7	1.7	3.3	3.7
Net Debt (Bt mn)	(5,400)	(3,304)	(2,375)	(9,110)	(11,016)
Per Share Data (Bt)					
EPS	2.4	1.9	2.6	2.8	3.1
Normalized EPS	2.2	2.8	3.0	2.8	3.1
CFPS	(1.3)	2.6	3.5	10.5	5.3
BVPS	26.9	28.6	29.6	31.5	33.1
SPS	24.0	29.5	33.8	32.5	33.5
EBITDA/Share	3.9	3.6	4.6	5.7	5.7
DPS	1.4	2.0	1.0	1.0	2.0
Activity					
Asset Turnover (x)	0.8	0.9	0.9	0.8	0.8
Days Receivables	66	70	67	60	60
Days Inventory	98	122	147	90	90
Days Payable	51	62	65	60	60
Cash Cycle	112	130	149	90	90

Source: KGI Research

Profit & Loss

Year to Dec 31 (Btmn)	2020	2021	2022	2023F	2024F
Revenue	19,283	23,780	27,167	26,190	26,972
Cost of Goods Sold	-16,734	-20,493	-23,506	-22,575	-23,132
Gross Profit	2,548	3,287	3,661	3,614	3,840
Operating Expenses	-1,211	-1,423	-1,695	-1,676	-1,726
Other Incomes	249	241	362	303	312
Operating Profit	1,725	2,219	2,422	2,331	2,519
Depreciation of fixed assets	-1,162	-1,285	-1,528	-2,140	-1,973
Operating EBITDA	3,139	2,891	3,726	4,561	4,584
Non-Operating Income	277	-158	-224	90	93
Interest Income	140	114	94	90	93
Other Non-op Income	138	-272	-318	0	0
Non-Operating Expense	16	448	-13	-12	-12
Interest Expense	-9	-7	-13	-12	-12
Other Non-op Expense	26	455	0	0	0
Equity Income/(Loss)	0	0	0	0	0
Pretax Profit	1,968	1,598	2,186	2,409	2,599
Current Taxation	-60	-53	-107	-120	-130
Minorities	0	0	0	0	0
Extraordinary items	10	2	2	0	0
Net Profit	1,908	1,545	2,078	2,289	2,469
Normalized Profit	1,796	2,272	2,396	2,289	2,469
EPS (Bt)	2.37	1.92	2.58	2.84	3.07
Normalized EPS (Bt)	2.23	2.82	2.98	2.84	3.07

Source: KGI Research

Cash Flow

Year to 31 Dec (Bt mn)	2020	2021	2022	2023F	2024F
Operating Cash Flow	-1,032	2,082	2,782	8,450	4,298
Net Profit	1,908	1,545	2,078	2,289	2,469
Depreciation & Amortization	1,162	1,285	1,528	2,140	1,973
Change in Working Capital	-4,102	-749	-825	4,021	-144
Others					
Investment Cash Flow	2,319	-4,069	-2,700	-1,183	-1,184
Net CAPEX	-1,199	-4,010	-2,719	-1,200	-1,200
Change in LT Investment	3,719	0	0	0	0
Change in Other Assets	-201	-60	19	17	16
Free Cash Flow	1,286	-1,987	81	7,266	3,114
Financing Cash Flow	-1,321	-109	-1,011	-532	-1,207
Change in Share Capital	0	0	0	0	0
Net Change in Debt	-481	-8	263	273	0
Change in Other LT Liab.	-840	-101	-1,274	-805	-1,207
Net Cash Flow	-35	-2,096	-929	6,735	1,907

Source: KGI Research

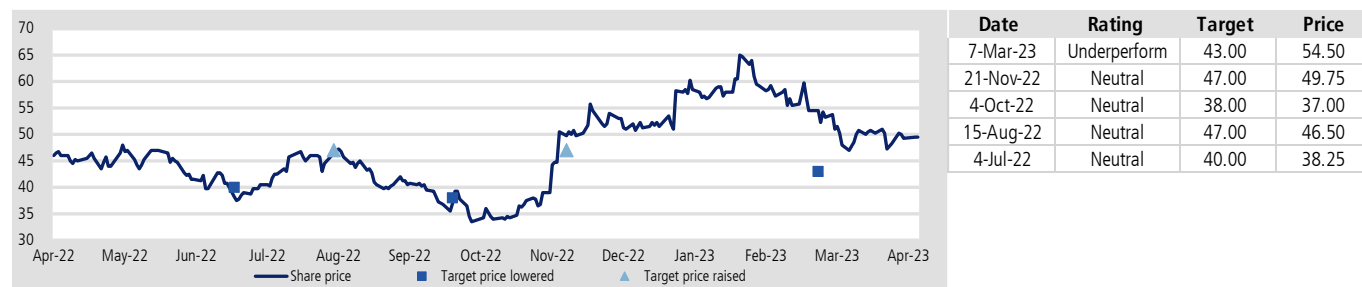
Rates of Return on Invested Capital

Year	1 - $\frac{\text{COGS}}{\text{Revenue}}$	+ $\frac{\text{Depreciation}}{\text{Revenue}}$	+ $\frac{\text{Operating Exp.}}{\text{Revenue}}$	= Operating Margin
2019	88.4%	5.5%	7.8%	-1.8%
2020	86.8%	6.0%	8.3%	-1.1%
2021	86.2%	5.4%	7.5%	0.9%
2022	86.5%	5.6%	7.9%	-0.1%
2023F	86.2%	8.2%	7.9%	-2.3%
2024F	85.8%	7.3%	7.9%	-1.0%

Year	1/ $\frac{\text{Working Capital}}{\text{Revenue}}$	+ $\frac{\text{Net PPE}}{\text{Revenue}}$	+ $\frac{\text{Other Assets}}{\text{Revenue}}$	= Capital Turnover
2019	0.0	0.3	0.9	0.8
2020	(0.2)	0.4	0.9	0.9
2021	(0.0)	0.4	0.8	0.9
2022	(0.0)	0.4	0.7	0.9
2023F	(0.0)	0.4	0.7	0.9
2024F	0.2	0.4	0.8	0.7

Year	Operating Margin	x	Capital Turnover	x	Cash Tax Rate	= After-tax Return on Inv. Capital
2019	-1.8%		0.8		5.5%	-0.1%
2020	-1.1%		0.9		3.1%	0.0%
2021	0.9%		0.9		3.3%	0.0%
2022	-0.1%		0.9		4.9%	0.0%
2023F	-2.3%		0.9		4.9%	-0.1%
2024F	-1.0%		0.7		5.0%	0.0%

Source: KGI Research

Hana Microelectronics PCL - Recommendation & target price history


Source: KGI Research

Corporate Governance Report of Thai Listed Companies



Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	EGCO	ELECTRICITY GENERATING	PTTEP	PTT EXPLORATION AND PRODUCTION
ADVANC	ADVANCED INFO SERVICE	GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL
AMA	AMA MARINE	GGC	GLOBAL GREEN CHEMICALS	PYLON	PYLON
AMATA	AMATA CORPORATION	GPSC	GLOBAL POWER SYNERGY	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	HANA	HANA MICROELECTRONICS	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
AOT	AIRPORTS OF THAILAND	HMPRO	HOME PRODUCT CENTER	RS	RS
AP	ASIAN PROPERTY DEVELOPMENT	INTUCH	SHIN CORPORATION	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	IRPC	IRPC	SCC	THE SIAM CEMENT
BCP	THE BANGCHAK PETROLEUM	IVL	INDORAMA VENTURES	SCCC	SIAM CITY CEMENT
BCPG	BCPG	KBANK	KASIKORNBANK	SEAFCO	SEAFCO
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KCE	KCE ELECTRONICS	SMPC	SAHAMITR PRESSURE CONTAINER
BEC	BEC WORLD	KKP	KIATNAKIN BANK	SPALI	SUPALAI
BEM	BANGKOK EXPRESSWAY AND METRO	KTB	KRUNG THAI BANK	SPRC	STAR PETROLEUM REFINING
BGRIM	B.GRIMM POWER	KTC	KRUNGTHAI CARD	SVI	SVI
BPP	BANPU POWER	LH	LAND AND HOUSES	TACC	T.A.C. CONSUMER
BTS	BTS GROUP HOLDINGS	LPN	L.P.N. DEVELOPMENT	TCAP	THANACHART CAPITAL
CENTEL	CENTRAL PLAZA HOTEL	MAKRO	SIAM MAKRO	THCOM	THAIKOM
CK	CH. KARNCHANG	MBK	MBK	TISCO	TISCO FINANCIAL GROUP
CKP	CK POWER	MINT	MINOR INTERNATIONAL	TOP	THAI OIL
CPALL	CP ALL	MTC	MUANGTHAI CAPITAL	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	PLANB	PLAN B MEDIA	TTB	TMBTHANACHART BANK
CPN	CENTRAL PATTANA	PSH	PRUKSA HOLDING	VGI	VGI GLOBAL MEDIA
DELTA	DELTA ELECTRONICS (THAILAND)	PTG	PTG ENERGY	WHA	WHA CORPORATION
DTAC	TOTAL ACCESS COMMUNICATION	PTT	PTT	WHAUP	



Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	GULF	GULF ENERGY DEVELOPMENT	SAPPE	SAPPE
BBL	BANGKOK BANK	JMT	JMT NETWORK SERVICES	SAWAD	SRI SAWAD POWER 1979
CBG	CARABAO GROUP	LPH	LADPRAO GENERAL HOSPITAL	SINGER	SINGER THAILAND
CHG	CHULARAT HOSPITAL	M	MK RESTAURANT GROUP	SPA	SIAM WELLNESS GROUP
COM7	COM7	MAJOR	MAJOR CINEPLEX GROUP	TFG	THAIFOODS GROUP
DOHOME	DOHOME	MEGA	MEGA LIFESCIENCES	TKN	TAOKAENOI FOOD & MARKETING
ERW	THE ERAWAN GROUP	NETBAY	NETBAY	ZEN	ZEN CORPORATION GROUP
GLOBAL	SIAM GLOBAL HOUSE	OSP	OSOTSPA		



Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BCH	BANGKOK CHAIN HOSPITAL	ESSO	ESSO (THAILAND)	SF	SIAM FUTURE DEVELOPMENT
BH	BUMRUNGRAD HOSPITAL	HUMAN	HUMANICA	SISB	SISB
EKH	EKACHAI MEDICAL CARE	RBF	R&B FOOD SUPPLY	TPCH	TPC POWER HOLDING

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
IIG	I&I GROUP	OR	PTT OIL AND RETAIL BUSINESS	STGT	SRI TRANG GLOVES (THAILAND)
KEX	KERRY EXPRESS (THAILAND)	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION		

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	SRISAWAD 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	SEAFICO	SEAFICO
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

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.

KGI Locations

China	Shanghai	Room 2703B-2704, Tower A , Shanghai Dawning Centre,500 Hongbaoshi Road Shanghai, PRC 201103
	Shenzhen	Room 24D1, 24/F, A Unit, Zhen Ye Building, 2014 Bao'annan Road, Shenzhen, PRC 518008
Taiwan	Taipei	700 Mingshui Road, Taipei, Taiwan Telephone 886.2.2181.8888 · Facsimile 886.2.8501.1691
Hong Kong		41/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong Telephone 852.2878.6888 Facsimile 852.2878.6800
Thailand	Bangkok	8th - 11th floors, Asia Centre Building 173 South Sathorn Road, Bangkok 10120, Thailand Telephone 66.2658.8888 Facsimile 66.2658.8014
Singapore		4 Shenton Way #13-01 SGX Centre 2 Singapore 068807 Telephone 65.6202.1188 Facsimile 65.6534.4826

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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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